

# **St. Stephen's College Preparatory School ("Prep School")**

## **Fixed Term Note Programme**

### **1. How do I join the Prep School Fixed Term Note Programme?**

Parents and sponsors may join the Prep School Fixed Term Note Programme by purchasing a 12 year non-interest bearing, non-negotiable, non-transferable and unsecured Fixed Term Note ("Fixed Term Note") issued by St. Stephen's Foundation Limited, a registered Hong Kong charity ("Foundation"). For a Fixed Term Note which is purchased from the Foundation on or before November 2018 ("2019 FTN"), the purchase price is HK\$2,000,000-.

### **2. Is purchasing a Fixed Term Note mandatory if I wish my child to study in the Prep School? Does purchasing a Fixed Term Note guarantee my child's admission to the Prep School?**

It is NOT mandatory to purchase a Fixed Term Note for your child to study in the Prep School. Purchasing a Fixed Term Note does NOT guarantee admission for your child to the Prep School. However, if you purchase a 2018 FTN, you can nominate one child ("Nominee") for a priority place to study in Primary One (or Year 1) of the Prep School for the 2019/2020 school year, provided that the Nominee satisfies the Prep School's admission requirements and standards.

### **3. If I purchase a Fixed Term Note, does the Nominee have to be my own child?**

The Nominee must be either :-

- (a) a child whose name you have already specified before purchasing the Fixed Term Note and to whom you are related or connected (and the Prep School's decision on whether a Nominee is related/connected to you shall be final); or
- (b) your own child (and the Prep School's decision on whether a Nominee is your own child shall be final).

### **4. How much do I need to pay to have more than one child studying at the Prep School?**

If you wish for 2 or more Nominees to apply for priority places to study in Primary One (or Year 1) of the Prep School, then you need to purchase one (1) Fixed Term Note for each Nominee. If you purchase only one (1) Fixed Term Note, then one child should apply for a priority place whereas the other child/children should apply for non-priority place(s).

### **5. How much is the Fixed Term Note amount and when is it repayable?**

A purchaser of the 2019 FTN ("Note-holder") will receive payment of its face value (i.e. HK\$2,000,000- which does not bear any interest) when the Fixed Term Note matures on 31 August 2031 (i.e. 12 years from the beginning of the 2019/2020 School year) less any outstanding fees or costs incurred by the Nominee.

- 6. Will the 2019 FTN be repayable earlier than 31 August 2031 :-**  
**(a) if the Nominee leaves the Prep School before completing Primary Six (Year 6); or**  
**(b) if the Nominee completes Primary Six (Year 6) of the Prep School but does not go on to study at St. Stephen's College ("College")?**

So long as the Nominee has been offered admission to Primary One (Year 1) for the 2019/2020 school year, the 2019 FTN will be repayable on 31 August 2031 and not earlier (regardless of whether the Nominee fails to accept the offer of admission to the Prep School or leaves the Prep School before completing Primary Six (Year 6) or fails to go on to study at the College or fails to complete Form 6 (Year 12) at the College for whatever reason).

- 7. Can I sell or transfer the right to nominate a Nominee or the right to receive refund/repayment under a Fixed Term Note?**

No. The Fixed Term Note is strictly non-negotiable and non-transferable.

- 8. Do Prep School students automatically go on to study at the College?**

The College is related to the Prep School in that, during previous years, many of the Prep School's graduates have continued their education at the College. This means that in practice, Prep School graduates are given priority to a place in Form One (Year 7) of the College subject to satisfactory academic performance, satisfactory conduct, timely payment of the fees and availability of space. Unless there are changes in Government or official policies, this practice is likely to continue.

- 9. My younger child already has an older sibling studying at the Prep School. If I do not purchase a 2019 FTN, does it mean that my younger child will have a reduced chance of admission to Primary One (Year 1) during the 2019/2020 school year because priority places are being earmarked for Note-holders?**

The Prep School has completed the building of a new teaching block and as a result, the number of Primary One (Year 1) places available to non-priority pupils during the 2016/2017 and subsequent school years EXCEEDS the number of Primary One (Year 1) places available during the 2015/2016 and previous school years (despite the priority places being earmarked from the 2016/2017 school year onward for Note-holders).

- 10. How many priority Primary One (Year 1) places will be earmarked for Note-holders?**

It depends on the demand but the number of priority places will definitely be fewer than the number of extra places which became available from the 2016/2017 school year onward upon the completion of the new teaching block.

- 11. If I apply for a 2019 FTN, will I definitely be able to purchase one?**

Allotment of Fixed Term Notes is subject to approval of the Foundation.

## **12. Can I purchase a Fixed Term Note in the name of a company?**

Since the Nominee must be either :-

- (a) a child whose name the Note-holder has already specified before purchasing the Fixed Term Note and to whom the Note-holder is related or connected (and the Prep School's decision on whether a Nominee is related/connected to you shall be final); or
- (b) the Note-holder's own child (and the Prep School's decision on whether a Nominee is the Note-holder's shall be final);

the Foundation is unlikely to approve the purchase of a Fixed Term Note in the name of a company except for very special cases.

## **13. How will the funds raised from the Note be used?**

The Foundation is a charity with educational objects. Funds raised from the Fixed Term Note will be used to provide loan funding to the Prep School and the College. Construction of the Prep School's new teaching block was being funded by the Foundation.

## **14. What are the terms and conditions of the Fixed Term Note Programme?**

The above general information is for reference only. Those interested in purchasing a Fixed Term Note should write to the St. Stephen's Foundation Limited at 22 Tung Tau Wan Road, Stanley, Hong Kong to request for detailed information and an Application Form.

## **15. How would your FTN compare against other School Debentures in Hong Kong?**

When deciding on the various criteria for the FTN issued by St. Stephen's Foundation Limited, we were guided primarily by the specific aims and needs of our school. It will be difficult to make any direct comparison with other educational debentures or capital levies which may be one-off or recurring; mandatory or non-mandatory; transferable or non-transferable; redeemable or non-redeemable or depreciating; redeemable on a different time scale etc. Our FTN, which is non-mandatory, non-transferable, non-interest bearing and redeemable after 12 years, was not intended to match other educational debentures.

**Note: Should there be any inconsistency between the English and Chinese versions, the English shall prevail.**