Report and Financial Statements

THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED

(Incorporated in Hong Kong as a company limited by guarantee)

For the year ended 31 May 2026

SRF Partners & Co.

Certified Public Accountants

Hong Kong

THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
(Incorporated in Hong Kong as a company limited by guarantee)

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THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED

(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE GOVERNORS

The Governors have pleasure in submitting their annual report together with the audited financial statements of THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED (the "Company") for the year ended 31 May 2026.

Principal Activities

The Company's principal activities consisted of providing membership services, education, research and technical guidance for its members.

Financial Statements

The results of the Company for the year ended 31 May 2026 and the state of the Company's affairs as at that date are set out in the financial statements on pages 5 to 12.

Governors

The Governors who held office during the year and up to the date of this report are:

YU Chi Tak Stephan	(President)
CHOW Chiu Kit Terence	(Treasurer)
LAI Kit Sam	(Secretary) (appointed on 21 November 2025)
LEE Yi Ling Alva	
YAM Ka Ming Frank	
LI Sum	
YEUNG Chiu Kit Eric	
HO Barry Hon Ching	
CHAN Cheuk Hin Andrew	
LO Oi Sang	
TAY Sok Hia Patricia	
GOH Yen Yee	(appointed on 21 November 2025)
HOI Tong Leng	(appointed on 21 November 2025)
FUNG Melissa Man San	(appointed on 21 November 2025)
LOBBAN Jillian Rona	(resigned on 21 November 2025)
CHENG Man Hon	(resigned on 21 November 2025)
LEE Koon Yum Francis	(resigned on 21 November 2025)

In accordance with the Company's Articles of Association, the term of the Governors is one year. The Governors will retire and, being eligible, offer themselves for re-election.

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more governors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more governors of the Company.

THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED

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REPORT OF THE GOVERNORS

Business review

The Company falls within a reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

Management Contracts

Except that administration of the Company was largely outsourced to a third party independent service provider, no other substantial contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Auditors

A resolution for the re-appointment of Messrs SRF Partners & Co., Certified Public Accountants, as auditors of the Company, is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Chairman: YU Chi Tak Stephan
Hong Kong, 23 September 2026

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SRF
PARTNERS & CO.
仕富圖會計師行

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS
THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)

Opinion
We have audited the financial statements of THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED ("the Company") set out on pages 5 to 12, which comprise the statement of financial position as at 31 May 2026, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS 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 Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Other Information
The Governors are responsible for the other information. The other information comprises the information included in the Governors' report set out on pages 1 to 2 and detailed income statement in the appendix, but does not include the financial statements and our auditors' 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 Governors for the Financial Statements
The Governors of the Company are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal controls as the Governors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS
THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)

Auditors' 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 auditors' 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 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 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 Company's internal control.

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

- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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



SRF PARTNERS & CO.
Certified Public Accountants (Practising)
WONG PING YUEN
Practising Certificate number: P05592
Date: 23 September 2026

THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)

INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2026

	Note	2026 HK$	2025 HK$
INCOME	4	2,250,672	2,203,696
DIRECT COST	9	(43,570)	-
GROSS SURPLUS		2,207,102	2,203,696
OTHER REVENUES	4	335,504	261,853
		2,542,606	2,465,549
EXPENDITURE		(1,921,439)	(2,045,699)
SURPLUS BEFORE TAXATION		621,167	419,850
TAXATION	6	-	-
SURPLUS FOR THE YEAR	7	621,167	419,850
ACCUMULATED FUND BROUGHT FORWARD		6,233,909	5,814,059
ACCUMULATED FUND CARRIED FORWARD		6,855,076	6,233,909

The annexed notes form an integral part of these financial statements.

THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)

THE STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2026

	Note	2026 HK$	2025 HK$
Current assets			
Prepayments and deposit		250,925	12,380
Cash and cash equivalent	8	8,578,397	8,244,609
Other receivable		132,387	143,228
		8,961,709	8,400,217
Current liabilities			
Accounts payable		105,585	32,218
Advance receipts		786,844	919,886
		892,429	952,104
Net assets		8,069,280	7,448,113
Members' Fund			
Special reserves	10	1,214,204	1,214,204
Accumulated funds	11	6,855,076	6,233,909
		8,069,280	7,448,113

The financial statements on page 5 to 12 were approved and authorized for issue by the Board of Governors on 23 September 2026 and are signed on its behalf by:

YU Chi Tak Stephan
Governor

CHOW Chiu Kit Terence
Governor

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MAY 2026

1. General

(a) Definition

In these reporting documents, the following terms shall have the following meanings:

The Company	THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
The Governors	all of the Governors of The Company, who are also statutory directors of the Company
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622), including all amendments made under the Companies (Amendment) (No. 2) Ordinance 2018
HKICPA	Hong Kong Institute of Certified Public Accountants
SME-FRF	Revised Small and Medium-sized Entity Financial Reporting Framework issued (and revised in December 2021) by the HKICPA
SME-FRS	Revised Small and Medium-sized Entity Financial Reporting Standard issued (and revised in December 2021) by the HKICPA
Cash equivalents	short-term, highly liquid investments those are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Related company	a company in which one or more related parties have beneficial interests therein or are in a position to exercise significant influence

(b) Company's information

THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED, ("the Company"), is a Company incorporated in Hong Kong as a company limited by guarantee under the Hong Kong Companies Ordinance. Its registered office is Suite 1901-04, 19/F., Tai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong. The principal activity of the Company is providing membership services, education, research and technical guidance for its members during the year.

(c) Reporting currency

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK$) rounded to the nearest one dollar.

2. Basis of preparation

(a) Statement of compliance

These financial statements comply with all applicable sections of SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

(b) Basis of measurement

The measurement bases used in preparing these financial statements are set out in note 3 to the financial statements.

3. Summary of significant accounting policies

The Company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap.622). The Company is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the 'SME-FRS') issued by the Hong Kong Institute of Certified Public Accountants.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue recognition

Revenues are recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:

i) Income from activity is recognised when the activity was held.
ii) Sponsorship income is recognised as income when it becomes due for payment.
iii) Membership income is recognised in the financial year for which the membership relates.
iv) Sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

(b) Income taxes

Current tax is recognised as income or expense, except to the extent that the tax arises from a transaction or event that is recognised other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognised as a liability (or an asset).

Deferred tax is not recognised.

3. Summary of significant accounting policies (...continued)

(c) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(d) Foreign currency transactions

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting year. Gains and losses on foreign exchange are recognized in the income and expenditure statement.

(e) Components of 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the cash flow statement.

(f) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and taken in the income statement.

3. Summary of significant accounting policies (...continued)

(g) Inventories

Inventory of learning materials are stated at the lower of cost and net realizable value. Cost of inventory of learning materials are valued on a FIFO basis and comprise of purchase costs. Net realizable values of inventory of learning material are determined by the Governors as to their estimated selling values.

Where inventory of learning materials are sold, the carrying amount of those stock is recognised as an expense in the year in which the related revenue is recognised. The amount of any write down of inventory to net realizable value and all losses of inventory are recognised as an expense in the year the write down or loss occurs. The amount of any reversal of any write down of stocks, arising from an increase in net realizable value, is recognised as a reduction in the amount of inventory recognised as an expense in the year which reversal occurs.

4. Income and other revenues

The amount of each significant category of income recognised during the year is as follows:

	2026 HK$	2025 HK$
Income		
Membership income	1,511,580	1,470,599
Sales of learning materials	60,744	-
Seminars and conference income	678,348	733,097
	2,250,672	2,203,696
Other revenues		
Bank interest income	165,589	86,569
Credit rebate income	169,915	171,452
Sundry income	-	3,832
	335,504	261,853
Total	2,586,176	2,465,549

NOTES TO THE FINANCIAL STATEMENTS

31 MAY 2026

5. Governors' emoluments

No emoluments of any nature were paid or payable to Governors of the Company during the year (2025: Nil).

6. Taxation

No provision for Hong Kong Profits Tax has been provided in the financial statements as the Company had no estimated assessable profit for the year (2025: Nil).

7. Surplus for the year

	2026 HK$	2025 HK$
Surplus for the year is stated after charging the following items:		
Staff cost	203,205	224,807

8. Cash and cash equivalents

	2026 HK$	2025 HK$
Bank balances under		
- HKD Current account	40,034	1,940
- HKD Saving account	2,646,724	2,627,433
- USD Saving account	60,216	59,730
- HKD Deposits	5,572,969	5,410,285
- Stripe HKD	258,454	145,221
	8,578,397	8,244,609

9. Direct cost

During the year, the Direct Cost is as following: -

	2026 HK$	2025 HK$
Opening inventory of learning materials	-	-
Add: Purchases plus courier fee	43,570	-
	43,570	-
Less: Closing inventory of learning materials	-	-
Direct cost	43,570	-

10. Special reserves

Special reserve relates to a historical transfer from The Institute of Internal Auditors Inc. Hong Kong Chapter to the Company amounting to HK$1,214,204. The Council members of The Institute of Internal Auditors Inc. Hong Kong Chapter passed a resolution by circular regarding the transfer of these Funds to the Company for use in accordance with the purposes stated in the Company's Articles of Association with no distribution to members being allowed. The Governors of the Company had also passed a resolution by circular to the same effect in respect of the receipt of such Special Reserves.

11. Change in accumulated fund

	Accumulated fund HK$
Balance as at 31 May 2025	6,233,909
Surplus for the year	621,167
Balance as at 31 May 2026	6,855,076

12. Approval of financial statements

The financial statements were approved by the Governors of the Company on 23 September 2026.