

G.N. 3719

SECURITIES AND FUTURES ORDINANCE (Chapter 571)

Pursuant to section 88(4) of the Securities and Futures Ordinance, the audited financial statements of the Investor Compensation Company Limited for the financial year ended 31 March 2026 are set out on pages 17025 to 17039.

YIH Dieter Lai Tak, JP
Chairman
Investor Compensation Company Limited

INVESTOR COMPENSATION COMPANY LIMITED
DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 March 2026.

Principal place of business

Investor Compensation Company Limited (the Company) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 54/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong.

Principal activities

The Securities and Futures Ordinance provides for the establishment of the Investor Compensation Fund (the Fund). The Securities and Futures Commission has recognised the Company to facilitate the administration and management of the Fund.

Financial statements

The financial performance of the Company for the year ended 31 March 2026 and the financial position of the Company as at that date are set out in the financial statements on pages 17029 to 17039.

Share capital

Details of share capital of the Company are set out in note 11 to the financial statements. There were no movements during the year.

Directors

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

Yih Dieter Lai Tak, JP (Chairman)

Leung Chung Yin Rico

Jenkins Thomas Ian (appointed on 1 April 2026)

Wan Chi Yiu Andrew (retired on 31 March 2026)

Mukadam Thrity Homi

Ang Cheung Yick Steve

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year.

Directors' interests in transactions, arrangements or contracts

Except for a contract of employment with Mr Ang Cheung Yick Steve, no transaction, arrangement or contract of significance to which the Company, its holding company or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

The financial statements have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offer themselves for re-appointment.

11 May 2026

On behalf of the Board
Yih Dieter Lai Tak, JP
Chairman

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF INVESTOR COMPENSATION COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Investor Compensation Company Limited (the Company) set out on pages 17029 to 17039, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (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 Company 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include 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 directors and those charged with governance for the financial statements

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 solely to you in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable

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

As part of an audit in accordance with HKSAAs, we exercise professional 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 directors.
- Conclude on the appropriateness of the directors' 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

The engagement partner on the audit resulting in the independent auditor's report is Ha, Hong Yiu Vico (practicing certificate number: P06612).

11 May 2026

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

INVESTOR COMPENSATION COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

(Expressed in Hong Kong dollars)

	Note	2026 \$	2025 \$
Income			
Recoveries from the Investor Compensation Fund	2(c)	6,402,471	6,438,780
Expenses			
Staff costs	4	5,105,868	5,091,594
Premises expenses	10(c)	511,200	511,200
Depreciation			
Fixed assets	6	2,312	3,419
Right-of-use asset	10(b)	18,360	18,360
Other expenses	5	764,731	814,207
		<u>6,402,471</u>	<u>6,438,780</u>
Result for the year before taxation		-	-
Taxation	3	<u>-</u>	<u>-</u>
Result and total comprehensive income for the year		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 17033 to 17039 form part of these financial statements.

INVESTOR COMPENSATION COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

(Expressed in Hong Kong dollars)

	Note	2026 \$	2025 \$
Non-current assets			
Fixed assets	6	-	2,312
Right-of-use asset	10	78,030	4,590
		78,030	6,902
Current assets			
Prepayments	7	76,437	83,776
Amount due from the Investor Compensation Fund	8	375,461	295,381
Cash at bank and in hand		216,128	200,749
		668,026	579,906
Current liabilities			
Accrued charges	9	668,025	582,217
Lease liability	10	18,360	4,590
		686,385	586,807
Net current liabilities			
		(18,359)	(6,901)
Total assets less current liabilities			
		59,671	1
Non-current liability			
Lease liability	10	59,670	-
Net assets			
		1	1
Capital and reserves			
Share capital	11	1	1

Approved and authorised for issue by the board of directors on 11 May 2026 and signed on its behalf by

Leung Chung Yin Rico
Director

Ang Cheung Yick Steve
Director

The notes on pages 17033 to 17039 form part of these financial statements.

INVESTOR COMPENSATION COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

(Expressed in Hong Kong dollars)

	Share capital	Accumulated surplus	Total
	\$	\$	\$
Balance at 1 April 2024	1	-	1
Result and total comprehensive income for the year	-	-	-
Balance at 31 March 2025	1	-	1
Result and total comprehensive income for the year	-	-	-
Balance at 31 March 2026	1	-	1

The notes on pages 17033 to 17039 form part of these financial statements.

INVESTOR COMPENSATION COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

(Expressed in Hong Kong dollars)

	2026	2025
	\$	\$
Cash flows from operating activities		
Result for the year	-	-
Adjustments for:		
Depreciation - Fixed assets	2,312	3,419
Depreciation - Right-of-use asset	<u>18,360</u>	<u>18,360</u>
	20,672	21,779
Decrease in prepayments	7,339	164,255
Change in amount due from/to the Investor Compensation Fund	(80,080)	(443,038)
Increase in accrued charges	<u>85,808</u>	<u>205,853</u>
Net cash generated from/(used in) operating activities <u>33,739</u>(51,151).....
Cash flows from financing activity		
Lease payments	<u>(18,360)</u>	<u>(18,360)</u>
Net cash used in financing activity(18,360).....(18,360).....
Net increase/(decrease) in cash and cash equivalents	15,379	(69,511)
Cash and cash equivalents at the beginning of the year	<u>200,749</u>	<u>270,260</u>
Cash and cash equivalents at the end of the year	<u><u>216,128</u></u>	<u><u>200,749</u></u>
 Analysis of the balance of cash and cash equivalents		
	2026	2025
	\$	\$
Cash at bank and in hand	<u><u>216,128</u></u>	<u><u>200,749</u></u>

The notes on pages 17033 to 17039 form part of these financial statements.

INVESTOR COMPENSATION COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

(Expressed in Hong Kong dollars)

1. Status and principal activities

The Securities and Futures Ordinance provides for the establishment of the Investor Compensation Fund (the Fund). The Securities and Futures Commission (SFC) has recognised the Investor Compensation Company Limited (the Company) to facilitate the administration and management of the Fund.

2. Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, a collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (the Companies Ordinance). Material accounting policies adopted by the Company are set out below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are mandatorily effective for the current period of the Company. None of these amendments have a material effect on how the Company's results and financial position for the current or prior periods are prepared or presented.

We have not early applied any new or amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the current period. We anticipate that the application of these new or amendments to HKFRS Accounting Standards will have no material impact on the financial statements but may affect certain presentation and disclosure of the financial statements upon HKFRS 18 *Presentation and Disclosure in Financial Statements* becoming mandatorily effective for annual periods beginning on or after 1 January 2027.

(b) Basis of preparation

We prepare these financial statements on a going concern basis notwithstanding that the stated current liabilities are in excess of the stated current assets at 31 March 2026. The Fund has given an undertaking to continue to provide such financial assistance as is necessary to maintain the Company as a going concern.

We have prepared these financial statements using the historical cost as the measurement basis.

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

We review the estimates and underlying assumptions on an ongoing basis. We recognise revisions to accounting estimates in the period in which the estimates are 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.

(c) Recoveries from the Investor Compensation Fund

We recognise recoveries from the Fund over time for the expenditure incurred by the Company on an accrual basis.

(d) Employee benefits

We make accruals for salaries and allowances, annual leave and contributions to defined contribution schemes in the year in which the associated services are rendered by employees. Other benefits for services received are accrued when a contractual or constructive obligation arises for the Company.

The Company operates in Hong Kong and is obliged to pay long services payment (LSP) to employees under certain circumstances as specified in the Hong Kong Employment Ordinance. We recognise the past service cost by estimating the present value of LSP with a number of parameters and assumptions with reference to actuarial valuations being carried out annually. The change of the LSP is recognised as part of the staff costs in the statement of profit or loss and other comprehensive income.

(e) *Fixed assets*

We state fixed assets at historical cost less accumulated depreciation and any impairment losses (see note 2(l)). Historical cost includes expenditure that is directly attributable to the acquisition of those items. We charge depreciation to the statement of profit or loss and other comprehensive income using the straight-line method over the estimated useful lives from the point at which the asset is ready for use as follows:

Furniture and fixtures	5 years
Office equipment	5 years
Personal computers and software	3 years

We capitalise subsequent expenditure only when it increases the future economic benefits embodied in the fixed assets. We recognise all other expenditure in the statement of profit or loss and other comprehensive income as an expense as incurred.

We recognise gains or losses arising from the retirement or disposal of an item of fixed assets, being the difference between the net disposal proceeds and the carrying amount of the item, in the statement of profit or loss and other comprehensive income on the date of retirement or disposal.

We review the assets' residual values and useful lives and adjust, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(f) *Leases*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Lease liabilities included fixed lease payments less any lease incentives receivable, variable lease payment based on an index or a rate, amounts expected to be payable under residual value guarantees and payments of penalties for terminating the lease. The lease liabilities are initially measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate at the lease commencement date. The lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss using the incremental borrowing rate on the remaining balance of the lease liabilities for each period. The lease liabilities are reduced by an amount equal to the lease payments made less the finance costs charged for that period.

The right-of-use assets are measured at the amount equal to the initial measurement of the lease liability, adjusted for any prepaid lease payments, lease incentives received, any initial direct costs or reinstatement provisions relating to that lease. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

(g) *Provisions and contingent liabilities*

We recognise a provision in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, we disclose the obligation as a contingent liability, unless the probability of the outflow of economic benefits is remote. We also disclose possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events as contingent liabilities unless the probability of outflow of economic benefits is remote.

(h) Related parties

For the purposes of these financial statements, we consider that the following are related parties of the Company:

- (a) A person, or a close member of that person's family, is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

(j) Financial assets

Financial assets are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method less impairment losses.

We assess on a forward-looking basis the expected credit losses (ECL) associated with the Company's financial assets that are carried at amortised cost. We perform impairment assessments using the 12-month ECL, unless there has been a significant increase in credit risk by comparing the risk of a default as at the reporting date and the initial recognition date.

In assessing whether the credit risk has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, we consider 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.

We consider an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

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.

We write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in the statement of profit or loss and other comprehensive income.

(k) *Accrued charges*

Accrued charges are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) *Impairment of non-financial assets*

We review the carrying amounts of the Company's assets at the end of each reporting period to determine whether there is any objective evidence of impairment. If any such evidence exists, we estimate the asset's recoverable amount, which is the higher of its net selling price and value in use. We recognise in the statement of profit or loss and other comprehensive income the difference between the asset's carrying amount and the recoverable amount as an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount.

We reverse an impairment loss in respect of an asset in a subsequent period if the circumstances and events that are objectively linked to the write down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future. We reverse an impairment loss only to the extent that the asset's carrying amount does not exceed the carrying amount that we should have determined, net of depreciation, if we had not recognised any impairment loss.

3. Taxation

(a) No provision for Hong Kong profits tax has been made as the Company did not have any taxable profit.

(b) There is no deferred tax liability or unrecognised deferred tax assets.

4. Staff costs

	2026	2025
	\$	\$
Salaries, allowances and benefits	4,767,426	4,769,809
Retirement scheme contributions	<u>338,442</u>	<u>321,785</u>
	<u>5,105,868</u>	<u>5,091,594</u>

Directors' emoluments disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Chapter 622G) are as follows:

	2026	2025
	\$	\$
Directors' fee	-	-
Salaries, allowances and benefits	1,967,980	1,950,480
Discretionary pay	366,100	347,350
Retirement scheme contributions	<u>195,048</u>	<u>195,048</u>
	<u>2,529,128</u>	<u>2,492,878</u>

Directors' emoluments are for services in connection with the management of the affairs of the Company.

5. Other expenses

	2026	2025
	\$	\$
Auditor's remuneration	110,000	111,827
General office and insurance	169,606	171,216
Information and systems services	132,214	133,831
Professional and other services	352,911	397,333
	<u>764,731</u>	<u>814,207</u>

6. Fixed assets

	Furniture and fixtures \$	Office equipment \$	Personal computers and software \$	Total \$
Cost				
At 1 April 2025 and 31 March 2026	<u>1,980</u>	<u>17,670</u>	<u>59,050</u>	<u>78,700</u>
Accumulated depreciation				
At 1 April 2025	1,980	15,358	59,050	76,388
Charge for the year	<u>-</u>	<u>2,312</u>	<u>-</u>	<u>2,312</u>
At 31 March 2026	<u>1,980</u>	<u>17,670</u>	<u>59,050</u>	<u>78,700</u>
Net book value				
At 31 March 2026	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost				
At 1 April 2024 and 31 March 2025	<u>1,980</u>	<u>17,670</u>	<u>59,050</u>	<u>78,700</u>
Accumulated depreciation				
At 1 April 2024	1,980	12,241	58,748	72,969
Charge for the year	<u>-</u>	<u>3,117</u>	<u>302</u>	<u>3,419</u>
At 31 March 2025	<u>1,980</u>	<u>15,358</u>	<u>59,050</u>	<u>76,388</u>
Net book value				
At 31 March 2025	<u>-</u>	<u>2,312</u>	<u>-</u>	<u>2,312</u>

7. Prepayments

Prepayments are expected to be recovered within one year from the reporting date.

8. Amount due from/to the Investor Compensation Fund

Amount due from/to the Fund represents funds receivable/transferred from the Fund to support the Company's operation. The balance is unsecured, non-interest bearing and with no fixed repayment term. Due to the short-term nature of the balance, the carrying amount is considered to be the same as its fair value.

9. Accrued charges

Accrued charges are expected to be settled within three months or on demand. Due to the short-term nature of the balance, the carrying amount is considered to be the same as its fair value.

10. Leases

As at 31 March 2026 and 2025, the Company had a right-of-use asset and a lease liability as follows:

	2026 \$	2025 \$
Right-of-use asset - office equipment	<u>78,030</u>	<u>4,590</u>
Lease liability		
Current	18,360	4,590
Non-current	<u>59,670</u>	<u>-</u>
	<u><u>78,030</u></u>	<u><u>4,590</u></u>

- (a) During the year ended 31 March 2026, the Company recognised a right-of-use asset of \$91,800 under a new lease agreement for an office equipment (2025: nil).
- (b) For the year ended 31 March 2026, the depreciation expense for the right-of-use asset for office equipment was \$18,360 (2025: \$18,360) and total cash outflow for the lease was \$18,360 (2025: \$18,360).
- (c) For the year ended 31 March 2026, the expense relating to a short-term lease was \$511,200 (2025: \$511,200) which was shown as premises expenses in the statement of profit or loss and other comprehensive income.
- (d) The remaining contractual maturities of the Company's lease liability as at 31 March 2026 and 2025 are as follow:

	Carrying amount \$	Contractual undiscounted cash flows			
		Total \$	Within one year \$	After one year but within two years \$	After two years but within five years \$
<u>2026</u>					
Lease liability	<u>78,030</u>	<u>78,030</u>	<u>18,360</u>	<u>18,360</u>	<u>41,310</u>
<u>2025</u>					
Lease liability	<u>4,590</u>	<u>4,590</u>	<u>4,590</u>	<u>-</u>	<u>-</u>

11. Share capital

	2026 \$	2025 \$
Ordinary shares, issued and fully paid:		
2 ordinary shares	<u>0.20</u>	<u>0.20</u>

In the statement of financial position, share capital is rounded up to \$1.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The Company has no formal capital management policies and processes in place as its business scope is determined by the applicable regulation governing the ultimate controlling party. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. The Company was not subject to externally imposed capital requirements in either the current or prior year.

12. Related party transactions

The Company has related party relationships with the SFC, the ultimate holding entity, and the Fund. In addition to the related party transactions disclosed elsewhere in these financial statements, the Company has the following related party transactions:

	2026	2025
	\$	\$
Expenses paid to the SFC ¹		
Premises expenses	511,200	511,200
Accountancy and office administration support fees	165,600	165,600
Human resources management fees	43,200	43,200
Website hosting and maintenance fees	48,000	48,000
	<u>768,000</u>	<u>768,000</u>
Expenses paid by the SFC on behalf of the Company	<u>500</u>	<u>47,360</u>
Expenses paid by the Company on behalf of the SFC	<u>32,269</u>	<u>49,566</u>

¹ The expenses were charged in accordance with relevant agreements.

All members of key management personnel are directors of the Company, and their remuneration is disclosed in note 4.

13. Financial risk management

Exposure to credit and liquidity risks arises in the normal course of the Company's business. The Company is not exposed to any foreign exchange risk as all transactions and balances are denominated in Hong Kong dollars. The Company has no interest-bearing assets or liabilities. The Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The risks associated and the management policies remain unchanged from the prior year.

The Company's credit risk is primarily attributable to cash at bank. As at 31 March 2026 and 2025, the bank balances are placed with licensed banks in Hong Kong rated P-1 by Moody's or A-1 or above by Standard and Poor's. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. In this regard, the Company's credit risk is limited.

The Company'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.

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2026 and 2025.

14. Parent and ultimate controlling party

As at 31 March 2026 and 2025, the parent and ultimate controlling party of the Company is the SFC, which is a statutory body in Hong Kong and produces financial statements available for public use.

15. Funding management

The funding of the Company is managed by the Fund which has agreed to reimburse the actual expenditure incurred by the Company.