

Corporate Developments

The Government appointed Mr Edward Cheng as Non-Executive Director (NED) for a two-year term effective from 1 January 2017. At the same time, Prof Leonard Cheng stepped down as NED having reached the end of his six-year term. Dr Kelvin Wong was reappointed as NED for a two-year term effective from 20 October and was appointed as the Chairman of the Investor Education Centre¹ effective from 1 January 2017.

Our income for the quarter was \$283 million, 23.9% lower than the previous quarter. In the quarter, average daily turnover in Hong Kong's securities market was \$66 billion, down 7% from the last quarter. Our expenditure for the quarter was \$430 million, 1.7% higher than the previous quarter. We recorded a deficit of \$147 million this quarter. As at 31 December, our reserves stood at \$7 billion, of which \$3 billion was set aside for possible future acquisition of office premises.

Finances

(\$ million)	Quarter ended 31.12.2016	Nine months ended 31.12.2016	Nine months ended 31.12.2015	YoY change (%)
Income	283	942	1,320	-28.6
Expenses including depreciation	430	1,268	1,171	8.3

During the quarter, we upgraded our information technology systems to monitor trading activities conducted under Shenzhen-Hong Kong Stock Connect and to enhance our real-time surveillance of derivatives trading on the exchange². In addition, we upgraded the SFC Online Portal for the implementation of mandatory electronic submissions³.

As of 31 December, we had 867 staff members, up from 823 a year ago.

¹ The Investor Education Centre is a wholly-owned subsidiary of the SFC which has a broad mandate to provide financial consumer education and information.

² See Market infrastructure and trading on page 10 for details.

³ See Intermediaries on page 3 for details.