

Corporate Developments

Board update

Mr Johnson Kong and Mr Dieter Yih were re-appointed as Non-Executive Directors for another term of two years, effective from 15 November 2023.

Acquiring permanent office

To realise our long-term goal to purchase our own office premises and ensure smooth operation without interruption to our staff and operational activities, we acquired 12 floors of One Island East in Quarry Bay as our permanent office. The \$5.4 billion purchase, which covers the nine floors the SFC now occupies and three more to be added by 2028, will be completed over a course of five years. This acquisition saves costs in the long run by investing in our own assets and eliminating recurring rental expenses. The cost savings can be put to other uses to advance our cause.

Staffing

As of 31 December, we had 952 staff members, up from 927 a year ago.

Finance

Our income for the quarter was \$554 million, 43% higher than the previous quarter and 8% lower than the same quarter last year. Average daily turnover in Hong Kong's securities market was \$87 billion, 6% lower than the \$93 billion recorded in the previous quarter. Our expenditure for the quarter was \$531 million, 4% higher than the prior quarter and 5% higher than the same quarter last year. We recorded a surplus of \$23 million for the quarter, taking into account the one-off reversal of the lease-related provision of \$112 million for the property acquisition.

To complete the transaction for acquiring nine office floors as our permanent office, \$2.3 billion from the property acquisition reserve was utilised. As of 31 December, our reserves stood at \$7.7 billion, of which \$1.1 billion is set aside to support the acquisition of three additional floors and future principal bank loan repayments.

Finance

| (\$ million) | Quarter ended 31.12.2023 | Nine months ended 31.12.2023 | Nine months ended 31.12.2022 | YoY Change (%) |
|---------------------------------|-----------------------------|---------------------------------|---------------------------------|----------------|
| Income | 554 | 1,355 | 1,328 | 2.0 |
| Expenses including depreciation | 531 | 1,556 | 1,503 | 3.5 |
| Surplus/(deficit) | 23 | (201) | (175) | 14.9 |