



Enhancing SFC's institutional resilience and efficiency



To facilitate the stable development of Hong Kong's capital markets, we strive to build our own institutional resilience and operating efficiency. Alongside our robust budgeting and internal controls, we are committed to upholding sound corporate governance, enhancing processes as well as stepping up communications and engagement efforts.

Sound financial and resource management

We recorded a surplus of \$407 million for the quarter. Our income was \$966 million, up 13.9% from the previous quarter and 85.1% higher than the same quarter last year. This is attributable to the significant increase in the average daily turnover in Hong Kong's securities market from the

second half of 2024: it increased to \$218 billion for the quarter, compared to \$116 billion in the same quarter last year. In addition, we resumed the collection of annual licensing fees in the new financial year beginning 1 April after the waiver for 2024-25 ended in March.

Our expenditure for the quarter was \$559 million, 13% lower than the previous quarter and comparable on a year-on-year basis.

As of 30 June, our reserves stood at \$8.2 billion, of which \$1.1 billion was allocated to supporting the acquisition of three additional floors for the SFC's office and future principal bank loan repayments.

As of 30 June, we had 953 staff members, down from 958 a year ago.

Finance				
(\$ million)	Quarter ended 30.6.2025	Quarter ended 31.3.2025	Quarter ended 30.6.2024	YoY change (%)
Income	966	848	522	85.1
Expenses including depreciation	559	643	559	0.0
Surplus/(deficit)	407	205	(37)	N/A

Upholding effective corporate governance

Mr Tony Tang Xiaodong was appointed Non-Executive Director (NED) for two years, effective 24 April, and Mr Michael Wong Yick-kam, SBS, MH, JP, was reappointed NED for two years, effective 1 April. Mr Nicky Lo Kar-chun, SBS, JP, stepped down as NED on 23 April.

Comprising a large number of members outside the SFC, our regulatory committees play a crucial role in our governance by contributing a wealth of diverse perspectives and professional experience. New appointments and reappointments to the following regulatory committees took effect from 1 April:

- Academic and Accreditation Advisory Committee
- Committee on Real Estate Investment Trusts
- Disciplinary Chair Committee
- Nominations Committee
- Public Shareholders Group
- SFC (HKEC Listing) Committee
- Share Registrars' Disciplinary Committee
- Takeovers and Mergers Panel
- Takeovers Appeal Committee

In addition, new appointments and reappointments to the SFC Advisory Committee took effect for two years from 1 June.

Continuous staff learning to keep up with changing times

In April, we organised a Two Sessions sharing for our staff to strengthen their understanding of the latest national development policies. We invited six prominent speakers¹ to participate in a panel discussion moderated by our Chairman Dr Kelvin Wong to share their insights on the Two Sessions (ie, the third annual session of the 14th National People's Congress (NPC) and the third session of the 14th Chinese People's Political Consultative Conference (CPPCC) National Committee). Speakers discussed the key policy directions set forth in the Two Sessions and how the SFC could support the Nation's agenda through its own strategic priorities. More than 250 SFC staff members attended the session.

In addition, we launched a new online training module for our staff during the quarter to boost their awareness of phishing attacks and defence against such emails, in order to enhance the SFC's cyber resilience.

Driving institutional efficiency via technology

In the quarter, we launched an advanced risk-monitoring solution to strengthen our oversight of licensed corporations (LCs). This solution improves risk identification and assessment by evaluating the impact of risks on key functions and business areas. It also facilitates the identification of LCs with higher risk profiles or potential money-laundering activities.



Chairman Dr Kelvin Wong and CEO Ms Julia Leung (third and fifth from left) with six prominent speakers at SFC's Two Sessions sharing



¹ Speakers included Dr Hon Starry Lee, member of the Standing Committee of the NPC and Legislative Council (LegCo) member; Hon Ronick Chan, NPC deputy and LegCo member; Mr Tim Lui, NPC deputy and former SFC Chairman; Mr Hendrick Sin, NPC deputy; Ms Agnes Chan, CPPCC member and former SFC NED, and Dr Hon Johnny Ng, CPPCC member and LegCo member.

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We also introduced new system features to enhance our Enforcement Division's investigative work, enabling efficient analyses of large volumes of communications and fund flow data to uncover hidden connections more effectively.

We have strengthened our generative artificial intelligence (GenAI) solution with advanced reasoning capabilities for improved problem-solving and enhanced Chinese language support for more effective handling of day-to-day tasks.

Deploying different channels for regulatory communications

We provide stakeholders with regulatory updates and explain our work through a variety of publications. In June, we released the SFC's *Annual Report 2024-25* to highlight vibrant market



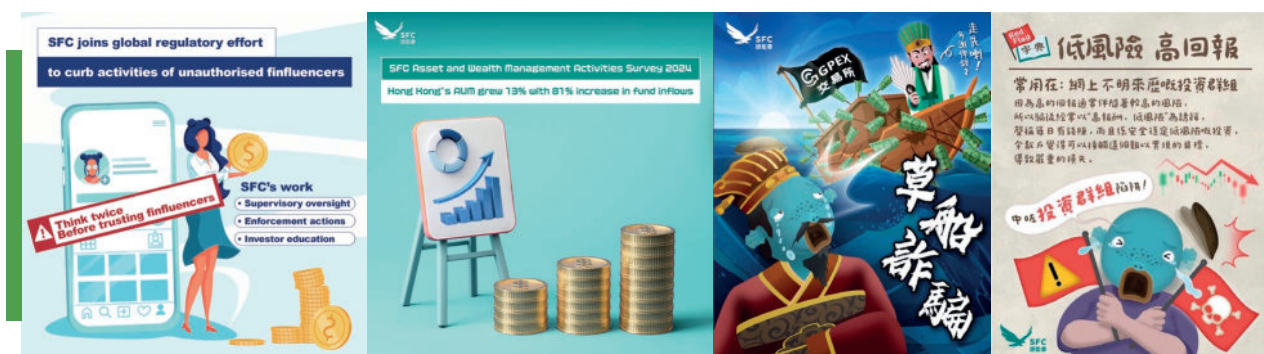
The SFC's *Annual Report 2024-25*



innovation and enhanced global connectivity for Hong Kong with an upturn in fund-raising and trading activities and accelerated developments in virtual assets (VAs) and securities tokenisation. We also published the quarterly *Takeovers Bulletin* in the same month.

During the quarter, we issued 18 circulars to guide the industry on a wide range of topics, including Hong Kong's mutual recognition of funds scheme with Ireland, an enhanced licensing process for new VA trading platforms seeking to be licensed, as well as our review of LCs' internal controls on client asset protection.

A total of 114 posts were published on our social media platforms to promote public awareness of various matters, such as alerts against scams and suspicious investment products, meetings and other forms of collaboration with regulatory counterparts and updates on policy initiatives.



Our social media posts

Proactive industry communications to facilitate regulatory efficiency and transparency

We keep stakeholders informed of regulatory updates and explain our work through industry events, publications and other engagements and channels. During the quarter, our senior executives spoke at more than 20 local and international events on topics including asset and wealth management, Fintech, mutual market access, corporate governance and sustainability. We were the supporting organisation of four industry events.

Leadership speeches and engagement

In June, both our Chairman Dr Kelvin Wong and our Chief Executive Officer (CEO) Ms Julia Leung spoke at the Hong Kong Investment Funds Association's (HKIFA) 18th Annual Conference. In his keynote speech, Dr Wong highlighted the vital roles of asset managers in driving wealth creation, capital formation as well as corporate accountability. He also stressed the importance of regulator-industry partnership in bolstering Hong Kong's status as an asset and wealth management hub.



CEO Ms Leung at the HKIFA Annual Conference



Chairman Dr Wong gave a keynote speech at the HKIFA Annual Conference

During the HKIFA conference, Ms Leung elaborated on the SFC's regulatory support for the asset and wealth management sector in a fireside chat with Mr Eddie Yue, Chief Executive of the Hong Kong Monetary Authority. Underscoring one of the SFC's priorities to diversify Hong Kong's financial markets, she encouraged the industry to be proactive in seizing the vast opportunities from new market connectivity as well as technology.

Also in June, Dr Wong delivered keynote speeches at the 2025 Asia Trader Forum organised by *Institutional Investor* and the Hong Kong Investor Relations Association's 11th Investor Relations Awards presentation ceremony, respectively, addressing buy-side traders and investor relations professionals who are integral to Hong Kong's financial ecosystem. In his speeches, he spoke of the critical roles each of these groups of practitioners play in driving liquidity and connecting companies with investors, respectively, thereby facilitating the efficient and robust functioning of capital markets.



Dr Wong at the 2025 Asia Trader Forum

Dr Wong was featured in the Spring 2025 Issue cover story of *Momentum*, the official magazine of The Chamber of Hong Kong Listed Companies (CHKLC). During the interview, he pointed out the importance of effective regulation in driving sustainable capital market development in order to contribute to Hong Kong's economic growth. He also emphasised active stakeholder engagement is fundamental to effective regulation.

At the 2025 OSC[^] Dialogue in Ontario, Canada, in April, Ms Leung delivered keynote remarks on fostering future-ready financial markets to navigate a new era of uncertainty. She shed light on the SFC's strategy to ensure market resilience while harnessing the megatrends of the times to drive market transformation. To point the way forward, she emphasised the importance of standing with like-minded, trusted regulatory partners to foster international collaboration.



Dr Wong on the cover of the
CHKLC's *Momentum*



At the OSC Dialogue in Toronto, Ms Leung
spoke on international collaboration



Ms Leung detailed the SFC's market
development strategy at Caixin Summer
Summit

In June, Ms Leung spoke at the Caixin Summer Summit 2025 and shared the SFC's multi-pronged strategy of defence and offence to equip the SFC with a "shield" of resilience and three "arrows" that represent its targeted growth strategies. These "arrows" are namely enhancing Hong Kong's core competitiveness as a fund-raising and asset management centre, deepening market connectivity and leveraging innovative technology.

[^] Ontario Securities Commission.

Open dialogues with industry

As part of our ongoing engagement with the securities industry, we hosted a broker forum themed "Powering Growth with Resilience" in June with a strong turnout of about 700 industry representatives. Speakers engaged in profound dialogues on industry development and challenges, supervisory observations and regulatory updates. To support brokers' efforts in improving operations, the forum also provided insights into the initial public offering market,

financial product innovation, remote client onboarding, cybersecurity and internal controls for client asset protection.

In May and June, our Enforcement Division executives spoke at two seminars for about 400 members of the Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants, CFA Society Hong Kong and CPA Australia to share our work to crack down on market misconduct and fraudulent schemes.



Executive Director of Intermediaries Dr Eric Yip (left) exchanged views with Legislative Councillor for the Financial Services Functional Constituency Hon Robert Lee in a fireside chat at Broker Forum



Our executives discussed lessons learnt from recent misconduct and fraud cases



Publications and other communications

	Quarter ended 30.6.2025
Press releases	55
Policy statements and announcements	1
Consultation papers	4
Consultation conclusions	3
Industry-related publications	1
Codes and guidelines ^a	1
Circulars to industry	18
Social media posts ^b	114
Corporate website average daily page views ^c	83,225
General enquiries	1,325

a Includes updates to previous versions.

b Includes posts on the SFC's Facebook, LinkedIn and WeChat pages, and the dedicated anti-scam Instagram page.

c The average number of webpages browsed per day during the reporting period.