

## Condensed consolidated statement of profit or loss and other comprehensive income

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited quarter ended	
		30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Income</b>			
Levies		741,540	415,610
Fees and charges		40,270	29,747
Net investment income			
Investment income		146,376	87,997
Less: custody and advisory expenses		(2,655)	(2,605)
Recoveries from the Investor Compensation Fund	7(a)	1,570	1,568
Exchange gain/(loss)		38,810	(10,391)
Other income		44	–
		965,955	521,926
<b>Expenses</b>			
Staff costs and directors' emoluments	7(b)	418,557	424,677
Depreciation			
Fixed assets		46,535	46,439
Right-of-use assets		2,255	2,743
Other premises expenses		9,724	9,590
Finance costs		22,071	24,366
Other expenses		60,145	51,006
		559,287	558,821
<b>Surplus/(deficit) and total comprehensive income for the quarter</b>		<b>406,668</b>	<b>(36,895)</b>

The notes on pages 54 to 57 form part of these condensed consolidated financial statements.

## Condensed consolidated statement of financial position

As at 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited At 30 Jun 2025 \$'000	Audited At 31 Mar 2025 \$'000
<b>Non-current assets</b>			
Fixed assets		4,256,296	4,288,119
Right-of-use assets		20,658	22,168
Deposits and prepayments		468,753	469,729
Financial assets at amortised cost – debt securities	8(b)	1,899,761	1,703,416
		6,645,468	6,483,432
<b>Current assets</b>			
Financial assets at amortised cost – debt securities	8(b)	1,290,656	1,445,025
Financial assets at fair value through profit or loss – pooled funds	8(a)	1,190,623	1,065,993
Debtors, deposits and prepayments		361,333	362,879
Fixed deposits with banks	2	857,691	486,687
Cash held for Grant Scheme	3	20,036	50,003
Cash at bank and in hand	2	45,795	58,677
		3,766,134	3,469,264
<b>Current liabilities</b>			
Fees received in advance		62,022	8,319
Creditors and accrued charges		243,478	243,953
Bank loan	4	198,262	18,262
Lease liabilities		8,940	8,393
Provisions for reinstatement costs		873	–
		513,575	278,927
<b>Net current assets</b>		3,252,559	3,190,337
<b>Total assets less current liabilities</b>		9,898,027	9,673,769
<b>Non-current liabilities</b>			
Bank loan	4	1,620,939	1,800,432
Lease liabilities		12,434	14,478
Provisions for reinstatement costs		891	1,764
		1,634,264	1,816,674
<b>Net assets</b>		8,263,763	7,857,095
<b>Funding and reserves</b>			
Initial funding by Government		42,840	42,840
Reserve for property acquisition		1,108,884	1,108,884
Accumulated surplus		7,112,039	6,705,371
		8,263,763	7,857,095

The notes on pages 54 to 57 form part of these condensed consolidated financial statements.

## Condensed consolidated statement of changes in equity

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Unaudited			
	Initial funding by Government \$'000	Reserve for property acquisition \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 1 April 2024	42,840	1,186,800	6,386,737	7,616,377
Deficit and total comprehensive income for the quarter	–	–	(36,895)	(36,895)
Balance at 30 June 2024	42,840	1,186,800	6,349,842	7,579,482
Balance at 1 April 2025	<b>42,840</b>	<b>1,108,884</b>	<b>6,705,371</b>	<b>7,857,095</b>
Surplus and total comprehensive income for the quarter	–	–	<b>406,668</b>	<b>406,668</b>
Balance at 30 June 2025	<b>42,840</b>	<b>1,108,884</b>	<b>7,112,039</b>	<b>8,263,763</b>

The notes on pages 54 to 57 form part of these condensed consolidated financial statements.

## Condensed consolidated statement of cash flows

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited quarter ended	
		30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the quarter		406,668	(36,895)
Adjustments for:			
Depreciation – Fixed assets		46,535	46,439
Depreciation – Right-of-use assets		2,255	2,743
Finance costs		22,071	24,366
Investment income		(146,378)	(87,997)
Exchange (gain)/loss		(36,091)	10,343
Loss on disposal of fixed assets		1	7
		295,061	(40,994)
Decrease/(increase) in debtors, deposits and prepayments		11,255	(7,034)
Decrease/(increase) in cash held for Grant Scheme		29,967	(5,164)
Increase/(decrease) in fees received in advance		53,703	(414)
Increase in creditors and accrued charges		1,360	75,950
Net cash generated from operating activities		391,346	22,344
<b>Cash flows from investing activities</b>			
Placement of fixed deposits other than cash and cash equivalents		(333,575)	–
Interest received		20,312	29,528
Pooled funds sold		1,538	1,533
Debt securities at amortised cost purchased		(2,052,969)	(896,644)
Debt securities at amortised cost redeemed at maturity		2,038,249	796,067
Fixed assets purchased		(15,842)	(19,085)
Net cash used in investing activities		(342,287)	(88,601)
<b>Cash flows from financing activities</b>			
Interest expense on bank loan		(22,106)	(24,039)
Principal element of lease payments		(2,242)	(2,750)
Interest element of lease payments		(164)	(81)
Net cash used in financing activities		(24,512)	(26,870)
<b>Net increase/(decrease) in cash and cash equivalents</b>		24,547	(93,127)
Cash and cash equivalents at the beginning of the quarter		545,364	731,251
<b>Cash and cash equivalents at the end of the quarter</b>	2	569,911	638,124

### Analysis of the balance of cash and cash equivalents

	Unaudited	
	At 30 Jun 2025 \$'000	At 30 Jun 2024 \$'000
Fixed deposits with banks	524,116	552,214
Cash at bank and in hand	45,795	85,910
	569,911	638,124

The notes on pages 54 to 57 form part of these condensed consolidated financial statements.

## Notes to the condensed consolidated financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 1. Basis of preparation

We have prepared the interim financial information in accordance with the Hong Kong Accounting Standard 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Securities and Futures Commission (SFC) and its subsidiaries (together, the Group) since the annual financial statements for the year ended 31 March 2025. The interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial information is unaudited and the financial information relating to the financial year ended 31 March 2025 included in this report as comparative information does not constitute the Group's statutory annual financial statements for that financial year but is derived from those financial statements.

The condensed consolidated financial statements of the SFC and its subsidiaries, the Investor Compensation Company Limited (ICC) and the Investor and Financial Education Council (IFEC), are made up to 30 June 2025. We eliminated all material intra-group balances and transactions in preparing the condensed consolidated financial statements.

We have applied the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2025 to the interim financial information.

There were no significant changes in the operations of the Group for the quarter ended 30 June 2025.

### 2. Cash and cash equivalents

	Unaudited At 30 Jun 2025 \$'000	Audited At 31 Mar 2025 \$'000
Fixed deposits with banks	857,691	486,687
Cash at bank and in hand	45,795	58,677
Amounts shown in the condensed consolidated statement of financial position	903,486	545,364
Less: amounts with an original maturity beyond three months	(333,575)	–
Cash and cash equivalents in the condensed consolidated statement of cash flows	569,911	545,364

## Notes to the condensed consolidated financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 3. Cash held for Grant Scheme

A Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts (the Grant Scheme) was established on 10 May 2021. The Grant Scheme is administered by the SFC and funded by the Hong Kong Special Administrative Region (the Government) to provide subsidies for qualified open-ended fund companies and real estate investment trusts to set up in Hong Kong. The cash held for the Grant Scheme are solely restricted for the use of such subsidies and are therefore not available for general use by any of the entities within the Group. The unused balance will be reimbursed to the Government upon the end of the Grant Scheme. The corresponding amount due to the Government is included in creditors and accrued charges.

### 4. Bank loan

To finance the property acquisition transaction, the Group has obtained a 5-year term loan of \$2,029,160,000 on 21 December 2023. The term loan carries a fixed interest rate of 4.7% per annum for the first two years and subsequently carries a floating interest rate of the Hong Kong Interbank Offered Rate for the interest period of one month (HIBOR for 1 month) plus 0.55% per annum, with a capped interest rate of the prime rate less 0.1% per annum. The term loan is secured by the Group's land and buildings. Subsequent to the quarter end, the Group has made a principal bank loan repayment of \$180,000,000.

### 5. Foreign exchange risk

The Group's investment guidelines for our investment portfolio only allow investments in assets denominated in Hong Kong dollars (HKD), US dollars (USD) and renminbi (RMB). The majority of the financial assets are denominated in either USD or HKD which are pegged within the Convertibility Zone. For the quarters ended 30 June 2025 and 2024, the exchange gain/loss was mainly driven by the revaluation of USD denominated financial assets and there was no RMB exposure.

### 6. Subsidiaries

The SFC formed the ICC on 11 September 2002 with an issued share capital of \$0.2. On 20 November 2012, the SFC launched the IFEC as a company limited by guarantee and not having a share capital. Both companies are wholly owned subsidiaries of the SFC and are incorporated in Hong Kong.

The objective of the ICC is to facilitate the administration and management of the Investor Compensation Fund (ICF) established under the Securities and Futures Ordinance (SFO).

The objective of the IFEC is to improve the financial knowledge and capability of the general public and to assist them in making informed financial decisions.

As at 30 June 2025, the investments in subsidiaries, which are stated at cost less any impairment losses, amounted to \$0.2 (as at 31 March 2025: \$0.2).

## Notes to the condensed consolidated financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 7. Related party transactions

The Group has related party relationships with the ICF and the Unified Exchange Compensation Fund. In addition to the related party transactions disclosed elsewhere in these condensed consolidated financial statements, the Group has the following related party transactions and balances.

#### (a) Reimbursement from the ICF for all the ICC's expenses, in accordance with Section 242(1) of the SFO

During the quarter ended 30 June 2025, \$1,570,000 was recovered from the ICF for the ICC's expenses (quarter ended 30 June 2024: \$1,568,000). As at 30 June 2025, the ICC had an amount due from the ICF of \$199,000 (as at 31 March 2025: \$295,000).

#### (b) Remuneration of key management personnel

	Unaudited quarter ended	
	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Directors' fee and salaries, allowances and benefits	9,485	8,908
Retirement scheme contributions	854	761
	10,339	9,669

The total remuneration of key management personnel is included in the staff costs and directors' emoluments. Directors' emoluments are for services in connection with the management of the affairs of the SFC. Discretionary pay is not included above as the decision to pay is subject to the approval process towards the end of the financial year and therefore is not determined until then.

## Notes to the condensed consolidated financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 8. Fair value measurement

#### (a) Financial assets measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in Hong Kong Financial Reporting Standard 13, *Fair Value Measurement*, which is consistent with the hierarchy adopted in the consolidated financial statements for the year ended 31 March 2025.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2025 (Unaudited)				
Pooled funds	1,190,623	–	–	1,190,623
At 31 March 2025 (Audited)				
Pooled funds	1,065,993	–	–	1,065,993

The fair value of the investments in the pooled funds is determined based on the net asset values of the pooled funds which are publicly available in active markets.

During the quarter ended 30 June 2025 and the year ended 31 March 2025, there were no transfers between financial instruments in Level 1 and 2, and no transfers into or out of Level 3. The Group's policy is to recognise transfers between the different levels of the fair value hierarchy as at the end of the reporting period in which they occur.

#### (b) Fair value of financial assets carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2025 and 31 March 2025 except for the following financial instruments, for which their carrying amount, fair value and the level of their fair value hierarchy are disclosed below:

	Carrying amount \$'000	Fair value			
		Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 30 June 2025 (Unaudited)					
Financial assets at amortised cost – debt securities	3,190,417	3,118,623	–	3,118,623	–
At 31 March 2025 (Audited)					
Financial assets at amortised cost – debt securities	3,148,441	3,061,532	–	3,061,532	–





# Investor Compensation Fund

## Report of the Investor Compensation Fund Committee

The members of the Investor Compensation Fund Committee (the Committee) present their report together with the unaudited condensed financial statements for the quarter ended 30 June 2025.

## Establishment of the Investor Compensation Fund

Part XII of the Securities and Futures Ordinance (Chapter 571) established the Investor Compensation Fund (the Fund) on 1 April 2003.

## Financial statements

The financial performance of the Fund for the period ended 30 June 2025 and the financial position of the Fund as at that date are set out in the unaudited condensed financial statements on pages 59 to 64.

## Members of the Committee

The members of the Committee during the period and up to the date of this report were:

Mr Leung Chung Yin, Rico (Chairman)  
Ms Kwok Hom Siu, Sally  
Mr Wan Chi Yiu, Andrew  
Mr Yih, Dieter Lai Tak, JP

## Interests in contracts

No contract of significance to which the Fund was a party and in which a Committee member of the Fund had a material interest, subsisted at the end of the reporting period or at any time during the reporting period.

On behalf of the Committee

**Rico Leung**  
Chairman

13 August 2025

## Condensed statement of profit or loss and other comprehensive income

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited quarter ended	
		30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Income</b>			
Interest income		27,820	33,495
Exchange gain/(loss)		13,985	(3,644)
		41,805	29,851
<b>Expenses</b>			
Investor Compensation Company Limited expenses	2	1,570	1,568
Auditor's remuneration		52	58
		1,622	1,626
<b>Surplus and total comprehensive income for the quarter</b>		<b>40,183</b>	<b>28,225</b>

The notes on pages 63 and 64 form part of these condensed financial statements.

## Condensed statement of financial position

As at 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited At 30 Jun 2025 \$'000	Audited At 31 Mar 2025 \$'000
<b>Current assets</b>			
Interest receivable		21,325	27,515
Fixed deposits with banks	3	2,770,734	2,724,489
Cash at bank	3	381	432
		2,792,440	2,752,436
<b>Current liabilities</b>			
Provision for compensation	4	3,394	3,394
Creditors and accrued charges		173	256
Amount due to the Investor Compensation Company Limited		199	295
		3,766	3,945
<b>Net current assets</b>		2,788,674	2,748,491
<b>Net assets</b>		2,788,674	2,748,491
Representing:			
<b>Compensation fund</b>		2,788,674	2,748,491

The notes on pages 63 and 64 form part of these condensed financial statements.

## Condensed statement of changes in equity

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Unaudited					
	Contributions from the Unified Exchange Compensation Fund \$'000	Contributions from the Commodity Exchange Compensation Fund \$'000	Contributions from the Securities Dealers' Deposits Fund \$'000	Contributions from the Commodities Dealers' Deposits Fund \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 1 April 2024	994,718	108,923	5,470	617	1,527,104	2,636,832
Surplus and total comprehensive income for the quarter	–	–	–	–	28,225	28,225
Balance at 30 June 2024	994,718	108,923	5,470	617	1,555,329	2,665,057
Balance at 1 April 2025	<b>994,718</b>	<b>108,923</b>	<b>5,470</b>	<b>617</b>	<b>1,638,763</b>	<b>2,748,491</b>
Surplus and total comprehensive income for the quarter	–	–	–	–	<b>40,183</b>	<b>40,183</b>
Balance at 30 June 2025	<b>994,718</b>	<b>108,923</b>	<b>5,470</b>	<b>617</b>	<b>1,678,946</b>	<b>2,788,674</b>

The notes on pages 63 and 64 form part of these condensed financial statements.

## Condensed statement of cash flows

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited quarter ended	
		30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Cash flows from operating activities</b>			
Surplus for the quarter		40,183	28,225
Adjustments for:			
Interest income		(27,820)	(33,495)
Exchange (gain)/loss		(13,985)	3,644
		(1,622)	(1,626)
Decrease in creditors and accrued charges		(83)	(98)
Change in amount due from/to the Investor Compensation Company Limited		(96)	(40)
Net cash used in operating activities		(1,801)	(1,764)
<b>Cash flows from investing activities</b>			
Withdrawal of fixed deposits other than cash and cash equivalents		228,925	26,711
Interest received		34,098	44,681
Net cash generated from investing activities		263,023	71,392
<b>Net increase in cash and cash equivalents</b>		261,222	69,628
Cash and cash equivalents at the beginning of the quarter		1,252,514	702,082
<b>Cash and cash equivalents at the end of the quarter</b>	3	1,513,736	771,710

### Analysis of the balance of cash and cash equivalents

	Unaudited	
	At 30 Jun 2025 \$'000	At 30 Jun 2024 \$'000
Fixed deposits with banks	1,513,355	771,126
Cash at bank	381	584
	1,513,736	771,710

The notes on pages 63 and 64 form part of these condensed financial statements.

## Notes to the condensed financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 1. Basis of preparation

We have prepared the interim financial information in accordance with the Hong Kong Accounting Standard 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The interim financial information contains condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Investor Compensation Fund (the Fund) since the annual financial statements for the year ended 31 March 2025. The interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial information is unaudited and the financial information relating to the financial year ended 31 March 2025 included in this report as comparative information does not constitute the Fund's statutory annual financial statements for that financial year but is derived from those financial statements.

We have applied the same accounting policies adopted in the financial statements for the year ended 31 March 2025 to the interim financial information.

There were no significant changes in the operations of the Fund for the quarter ended 30 June 2025.

### 2. Investor Compensation Company Limited expenses

The Securities and Futures Commission (SFC) formed the Investor Compensation Company Limited (ICC) in September 2002 to perform functions on behalf of the Fund in relation to the compensation of investors and other functions under Part III and Part XII of the Securities and Futures Ordinance (SFO). The Fund is responsible for funding the establishment and operation of the ICC. For the quarter ended 30 June 2025, the ICC incurred costs of \$1,570,000 for its operations (for the quarter ended 30 June 2024: \$1,568,000).

### 3. Cash and cash equivalents

	Unaudited At 30 Jun 2025 \$'000	Audited At 31 Mar 2025 \$'000
Fixed deposits with banks	2,770,734	2,724,489
Cash at bank	381	432
Amounts shown in the condensed statement of financial position	2,771,115	2,724,921
Less: amounts with an original maturity beyond three months	(1,257,379)	(1,472,407)
Cash and cash equivalents in the condensed statement of cash flows	1,513,736	1,252,514

## Notes to the condensed financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 4. Provision for compensation

Pursuant to Section 3 of the Securities and Futures (Investor Compensation-Compensation Limits) Rules, the maximum compensation limit is \$150,000 per claimant for each default case occurring on or before 31 December 2019 or \$500,000 per claimant for each default case occurring on or after 1 January 2020.

The provision of compensation as at 30 June 2025 was \$3,394,000, which was related to a number of claims received in respect of a default case which occurred on or before 31 December 2019 (as at 31 March 2025: \$3,394,000). The maximum liability of the Fund to these claims is the lower of \$150,000 per claimant or the amount claimed. The provision is expected to be paid within one year.

### 5. Related party transactions

The Fund has related party relationships with the SFC, the ICC, the Unified Exchange Compensation Fund. There were no related party transactions other than those disclosed in the interim financial information of the Fund for the quarters ended 30 June 2025 and 2024.

As at 30 June 2025, the Fund had an amount due to the ICC of \$199,000 (as at 31 March 2025: \$295,000).

### 6. Contingent liabilities

In addition to the provision for compensation made as described in note 4, there were 9 outstanding claims as at 30 June 2025 (12 outstanding claims as at 31 March 2025). The maximum liability in respect of these claims in aggregate was \$1,394,000 (as at 31 March 2025: \$2,199,000). This is determined based on the lower of the maximum compensation limit per claimant (as detailed in note 4) or the amount claimed.

### 7. Foreign exchange risk

The Fund's policy only allows investments in assets denominated in Hong Kong dollars (HKD), US dollars (USD) and renminbi (RMB). All financial assets are denominated in either USD or HKD which are pegged within the Convertibility Zone. For the quarters ended 30 June 2025 and 2024, the Fund's exchange gain/loss was mainly driven by the revaluation of USD denominated financial assets.



# Unified Exchange Compensation Fund

## Report of the Securities Compensation Fund Committee

The members of the Securities Compensation Fund Committee (the Committee) present their report together with the unaudited condensed financial statements for the quarter ended 30 June 2025.

## Establishment of the Unified Exchange Compensation Fund

Part X of the repealed Securities Ordinance (Chapter 333) established the Unified Exchange Compensation Fund (the Fund). However, when the Securities and Futures Ordinance (SFO) and its subsidiary legislation came into effect from 1 April 2003, a new single Investor Compensation Fund (ICF) was formed to ultimately replace the Fund and the Commodity Exchange Compensation Fund. Up to 30 June 2025, the Fund transferred \$994,718,000 to the ICF. After the settlement of all claims against the Fund and its other liabilities, the Securities and Futures Commission will eventually transfer the remaining balance of the Fund to the ICF.

Part X of the repealed Securities Ordinance remains effective in respect of the operations of the Fund to the extent described in Section 74 of Schedule 10 of the SFO.

## Financial statements

The financial performance of the Fund for the period ended 30 June 2025 and the financial position of the Fund as at that date are set out in the unaudited condensed financial statements on pages 66 to 71.

## Members of the Committee

The members of the Committee during the period and up to the date of this report were:

Mr Leung Chung Yin, Rico (Chairman)  
Ms Kwok Hom Siu Sally  
Ms Lai Chun Mei Hilda  
Mr Wan Chi Yiu Andrew  
Mr Yih, Dieter Lai Tak, JP

## Interests in contracts

No contract of significance to which the Fund was a party and in which a Committee member of the Fund had a material interest, subsisted at the end of the reporting period or at any time during the reporting period.

On behalf of the Committee

**Rico Leung**  
Chairman

28 July 2025



## Condensed statement of profit or loss and other comprehensive income

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Unaudited quarter ended	
	30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Income</b>		
Interest income	827	1,094
<b>Expense</b>		
Auditor's remuneration	24	28
<b>Surplus and total comprehensive income for the quarter</b>	<b>803</b>	<b>1,066</b>

The notes on pages 70 and 71 form part of these condensed financial statements.

## Condensed statement of financial position

As at 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited At 30 Jun 2025 \$'000	Audited At 31 Mar 2025 \$'000
<b>Current assets</b>			
Interest receivable		380	455
Fixed deposits with banks	3	100,658	100,107
Cash at bank	3	359	364
		101,397	100,926
<b>Current liabilities</b>			
Creditors and accrued charges		10,184	10,216
Relinquished trading rights payable to SEHK	4	1,100	1,200
		11,284	11,416
<b>Net current assets</b>		90,113	89,510
<b>Net assets</b>		90,113	89,510
Representing:			
<b>Compensation fund</b>		90,113	89,510

The notes on pages 70 and 71 form part of these condensed financial statements.

## Condensed statement of changes in equity

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Unaudited						
	Trading rights deposits from SEHK (note 4) \$'000	Excess transaction levy from SEHK \$'000	Additional contributions from SEHK and the SFC \$'000	Other contributions \$'000	Accumulated surplus \$'000	Contributions to the ICF \$'000	Total \$'000
Balance at 1 April 2024	50,050	353,787	630,000	6,502	42,477	(994,718)	88,098
Net contributions to SEHK	(650)	–	–	–	–	–	(650)
Surplus and total comprehensive income for the quarter	–	–	–	–	1,066	–	1,066
Balance at 30 June 2024	49,400	353,787	630,000	6,502	43,543	(994,718)	88,514
Balance at 1 April 2025	<b>47,400</b>	<b>353,787</b>	<b>630,000</b>	<b>6,502</b>	<b>46,539</b>	<b>(994,718)</b>	<b>89,510</b>
Net contributions to SEHK	<b>(200)</b>	–	–	–	–	–	<b>(200)</b>
Surplus and total comprehensive income for the quarter	–	–	–	–	<b>803</b>	–	<b>803</b>
Balance at 30 June 2025	<b>47,200</b>	<b>353,787</b>	<b>630,000</b>	<b>6,502</b>	<b>47,342</b>	<b>(994,718)</b>	<b>90,113</b>

The notes on pages 70 and 71 form part of these condensed financial statements.

## Condensed statement of cash flows

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited quarter ended	
		30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Cash flows from operating activities</b>			
Surplus for the quarter		803	1,066
Adjustment for:			
Interest income		(827)	(1,094)
		(24)	(28)
Decrease in creditors and accrued charges		(32)	(37)
Decrease in relinquished trading rights payable to SEHK		(100)	(150)
Net cash used in operating activities		(156)	(215)
<b>Cash flows from investing activities</b>			
Withdrawal of fixed deposits other than cash and cash equivalents		21,005	24,504
Interest received		902	1,096
Net cash generated from investing activities		21,907	25,600
<b>Cash flows from financing activity</b>			
Net trading rights deposits refunded to SEHK		(200)	(650)
Net cash used in financing activity		(200)	(650)
<b>Net increase in cash and cash equivalents</b>		21,551	24,735
Cash and cash equivalents at the beginning of the quarter		79,466	62,362
<b>Cash and cash equivalents at the end of the quarter</b>	3	101,017	87,097

### Analysis of the balance of cash and cash equivalents

	Unaudited	
	At 30 Jun 2025 \$'000	At 30 Jun 2024 \$'000
Fixed deposits with banks	100,658	86,803
Cash at bank	359	294
	101,017	87,097

The notes on pages 70 and 71 form part of these condensed financial statements.

## Notes to the condensed financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 1. Basis of preparation

We have prepared the interim financial information in accordance with the Hong Kong Accounting Standard 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. As the Unified Exchange Compensation Fund (the Fund) will eventually cease operations as a result of the Securities and Futures Ordinance which came into effect from 1 April 2003, we have prepared the interim financial information on a non-going concern basis. We expect that the operations of the Fund will be maintained until all claims and recoveries from liquidators in relation to the broker defaults that happened on or before 31 March 2003 have been fully settled.

The interim financial information contains condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Fund since the annual financial statements for the year ended 31 March 2025. The interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial information is unaudited and the financial information relating to the financial year ended 31 March 2025 included in this report as comparative information does not constitute the Fund's statutory annual financial statements for that financial year but is derived from those financial statements.

We have applied the same accounting policies adopted in the financial statements for the year ended 31 March 2025 to the interim financial information.

There were no significant changes in the operations of the Fund for the quarter ended 30 June 2025.

### 2. Equity securities received under subrogation

At the end of each reporting period, the fair value of the equity securities received under subrogation is remeasured, with any resultant gain or loss being included in "Recoveries". Dividend income, if any, is also included in "Recoveries".

As at 30 June 2025, the equity securities received under subrogation amounted to \$11 (as at 31 March 2025: \$13). The balances as at 30 June 2025 and 31 March 2025 are too small to present on the condensed statement of financial position which is expressed in thousands of dollars.

## Notes to the condensed financial statements

For the quarter ended 30 June 2025 (Expressed in Hong Kong dollars)

### 3. Cash and cash equivalents

	Unaudited At 30 Jun 2025 \$'000	Audited At 31 Mar 2025 \$'000
Fixed deposits with banks	100,658	100,107
Cash at bank	359	364
Amounts shown in the condensed statement of financial position	101,017	100,471
Less: amounts with an original maturity beyond three months	–	(21,005)
Cash and cash equivalents in the condensed statement of cash flows	101,017	79,466

### 4. Trading rights deposits from SEHK/Relinquished trading rights payable to SEHK

According to Section 104 of the repealed Securities Ordinance, the Stock Exchange of Hong Kong Limited (SEHK) contributes to the Securities and Futures Commission (SFC) in respect of each trading right at the rate of \$50,000. In the absence of claims or other provisions as set out in Section 106 of the repealed Securities Ordinance, the SFC must refund to SEHK the deposit within six months after the trading right was relinquished. During the quarter, a deposit of \$50,000 in respect of a new trading right was received from SEHK and deposits of \$350,000 in respect of 7 relinquished trading rights were refunded to SEHK. As at 30 June 2025, 22 trading rights totalling \$1,100,000 were relinquished but not yet refunded (as at 31 March 2025: 24 trading rights totalling \$1,200,000 were relinquished but not yet refunded).

The movement of trading rights deposits from SEHK during the quarter was as follows:

	Unaudited quarter ended	
	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Balance at the beginning of the quarter	47,400	50,050
Add: new trading rights issued	50	–
Less: relinquished trading rights refunded	(350)	(800)
Adjustment for: net decrease in relinquished trading rights payable to SEHK	100	150
Balance at the end of the quarter	47,200	49,400

### 5. Related party transactions

The Fund has related party relationships with the Investor Compensation Fund (ICF) and the SFC. There were no related party transactions during the quarters ended 30 June 2025 and 2024.