

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

For the nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited Nine months ended		Unaudited Three months ended	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Income</b>					
Levies	2(a)	2,447,866	1,460,271	738,179	623,127
Fees and charges	2(b)	198,502	107,213	92,348	48,078
Net investment income/(loss)					
Investment income/(loss)		437,536	193,451	98,054	(19,243)
Less: custody and advisory expenses		(8,692)	(7,934)	(3,097)	(2,581)
Recoveries from the Investor Compensation Fund	8(a)	4,725	4,755	1,556	1,566
Exchange gain/(loss)		392	(32,506)	1,785	256
Other income		54	836	4	55
		3,080,383	1,726,086	928,829	651,258
<b>Expenses</b>					
Staff costs and directors' emoluments	8(b)	1,266,501	1,256,260	425,586	418,449
Depreciation					
Fixed assets		130,337	144,268	42,439	49,253
Right-of-use assets		6,754	7,979	2,250	2,495
Other premises expenses		29,373	29,120	9,913	9,879
Finance costs		62,348	73,475	19,655	24,491
Other expenses		194,698	179,286	72,068	69,582
		1,690,011	1,690,388	571,911	574,149
<b>Surplus and total comprehensive income for the period</b>		1,390,372	35,698	356,918	77,109

The notes on pages 52 to 56 form part of these condensed consolidated financial statements.

## Condensed consolidated statement of financial position

As at 31 December 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited At 31 Dec 2025 \$'000	Audited At 31 Mar 2025 \$'000
<b>Non-current assets</b>			
Fixed assets	10	4,687,581	4,288,119
Right-of-use assets		16,251	22,168
Deposits and prepayments		401,258	469,729
Financial assets at amortised cost – debt securities	9(b)	1,547,010	1,703,416
		6,652,100	6,483,432
<b>Current assets</b>			
Financial assets at amortised cost – debt securities	9(b)	1,662,938	1,445,025
Financial assets at fair value through profit or loss – pooled funds	9(a)	1,398,405	1,065,993
Debtors, deposits and prepayments		309,727	362,879
Fixed deposits with banks	3	1,213,045	486,687
Cash held for Grant Scheme	4	9,693	50,003
Cash at bank and in hand	3	88,582	58,677
		4,682,390	3,469,264
<b>Current liabilities</b>			
Fees received in advance		91,699	8,319
Creditors and accrued charges		359,314	243,953
Bank loan	5	18,262	18,262
Lease liabilities		7,115	8,393
		476,390	278,927
<b>Net current assets</b>		4,206,000	3,190,337
<b>Total assets less current liabilities</b>		10,858,100	9,673,769
<b>Non-current liabilities</b>			
Bank loan	5	1,599,038	1,800,432
Lease liabilities		9,831	14,478
Provisions for reinstatement costs		1,764	1,764
		1,610,633	1,816,674
<b>Net assets</b>		9,247,467	7,857,095
<b>Funding and reserves</b>			
Initial funding by Government		42,840	42,840
Reserve for property acquisition		657,841	1,108,884
Accumulated surplus		8,546,786	6,705,371
		9,247,467	7,857,095

The notes on pages 52 to 56 form part of these condensed consolidated financial statements.

## Condensed consolidated statement of changes in equity

For the nine months ended 31 December 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
Surplus and total comprehensive income for the period	–	–	35,698	35,698
Balance at 31 December 2024	42,840	1,186,800	6,422,435	7,652,075
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 period	–	–	<b>1,390,372</b>	<b>1,390,372</b>
Transfer to accumulated surplus	–	<b>(451,043)</b>	<b>451,043</b>	–
Balance at 31 December 2025	<b>42,840</b>	<b>657,841</b>	<b>8,546,786</b>	<b>9,247,467</b>

The notes on pages 52 to 56 form part of these condensed consolidated financial statements.

## Condensed consolidated statement of cash flows

For the nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	Unaudited nine months ended	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Surplus for the period		1,390,372	35,698
Adjustments for:			
Depreciation – Fixed assets		130,337	144,268
Depreciation – Right-of-use assets		6,754	7,979
Finance costs		62,348	73,475
Investment income		(437,536)	(193,451)
Exchange loss		2,112	32,937
Loss on disposal of fixed assets		1	15
		1,154,388	100,921
Increase in right-of-use assets		–	(16)
Decrease/(increase) in debtors, deposits and prepayments		66,277	(46,213)
Decrease/(increase) in cash held for Grant Scheme		40,310	(7,955)
Increase/(decrease) in fees received in advance		83,380	(1,091)
Increase in creditors and accrued charges		116,260	160,729
Net cash generated from operating activities		1,460,615	206,375
<b>Cash flows from investing activities</b>			
(Placement)/withdrawal of fixed deposits other than cash and cash equivalent		(779,191)	25,050
Interest received		82,062	86,535
Pooled funds sold		5,038	115,980
Debt securities at amortised cost purchased		(2,875,676)	(4,369,286)
Debt securities at amortised cost redeemed at maturity		2,816,956	4,227,450
Down payment of properties acquisition		(89,064)	(134,168)
Fixed assets purchased		(372,208)	(60,229)
Net cash used in investing activities		(1,212,083)	(108,668)
<b>Cash flows from financing activities</b>			
Repayment of bank loan		(202,916)	(202,916)
Interest expense on bank loan		(61,335)	(72,377)
Principal element of lease payments		(6,762)	(7,913)
Interest element of lease payments		(447)	(334)
Net cash used in financing activities		(271,460)	(283,540)
<b>Net decrease in cash and cash equivalents</b>		<b>(22,928)</b>	<b>(185,833)</b>
Cash and cash equivalents at the beginning of the nine-month period		545,364	731,251
<b>Cash and cash equivalents at the end of the nine-month period</b>	3	<b>522,436</b>	<b>545,418</b>

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

	Unaudited	
	At 31 Dec 2025 \$'000	At 31 Dec 2024 \$'000
Fixed deposits with banks	433,854	490,834
Cash at bank and in hand	88,582	54,584
	<b>522,436</b>	<b>545,418</b>

The notes on pages 52 to 56 form part of these condensed consolidated financial statements.

## Notes to the condensed consolidated financial statements

For the nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

### 1. Basis of preparation

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

The condensed consolidated financial statements contain selected explanatory notes which provide 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 condensed consolidated financial statements do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The condensed consolidated financial statements are 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 31 December 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 condensed consolidated financial statements.

There were no significant changes in the operations of the Group for the nine months ended 31 December 2025.

### 2. Recognition of income

We recognise income in the condensed consolidated statement of profit or loss and other comprehensive income when or as the Group satisfies a performance obligation by transferring promised services to the customers in an amount to which the Group expects to be entitled in exchange for these services. We record our income as follows:

#### (a) Levies

We recognise levies from the Stock Exchange of Hong Kong Limited (SEHK) and Hong Kong Futures Exchange Limited (HKFE) as income on the trade date which the transactions are entered by investors and executed in SEHK and HKFE which is on a point in time basis.

#### (b) Fees and charges

We recognise annual fees as income on a straight-line basis over the periods to which they relate as the services are performed over time. We record other fees and charges as income when the performance obligation is satisfied which is on a point in time basis. We record other fees and charges received in advance as a liability.

We also record interest income and gain/loss on financial assets at fair value through profit or loss in the condensed consolidated statement of profit or loss and other comprehensive income.

## Notes to the condensed consolidated financial statements

For the nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

### 3. Cash and cash equivalents

	Unaudited At 31 Dec 2025 \$'000	Audited At 31 Mar 2025 \$'000
Fixed deposits with banks	1,213,045	486,687
Cash at bank and in hand	88,582	58,677
Amounts shown in the condensed consolidated statement of financial position	1,301,627	545,364
Less: amounts with an original maturity beyond three months	(779,191)	–
Cash and cash equivalents in the condensed consolidated statement of cash flows	522,436	545,364

### 4. 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.

### 5. 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.

### 6. 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 nine months ended 31 December 2025 and 2024, the exchange gain/loss was mainly driven by the revaluation of USD denominated financial assets and there was no RMB exposure.

## Notes to the condensed consolidated financial statements

For the nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

### 7. 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 31 December 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).

### 8. 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 nine months ended 31 December 2025, \$4,725,000 was recovered from the ICF for the ICC's expenses (nine months ended 31 December 2024: \$4,755,000). As at 31 December 2025, the ICC had an amount due from the ICF of \$288,000 (as at 31 March 2025: \$295,000).

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

	Unaudited Nine months ended	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Directors' fee	2,824	2,824
Salaries, allowances and benefits	24,960	24,808
Retirement scheme contributions	2,489	2,445
	<b>30,273</b>	30,077

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 nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

### 9. 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
<u>At 31 December 2025 (Unaudited)</u>				
Pooled funds	1,398,405	–	–	1,398,405
<u>At 31 March 2025 (Audited)</u>				
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 nine months ended 31 December 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 31 December 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
<u>At 31 December 2025 (Unaudited)</u>					
Financial assets at amortised cost – debt securities	3,209,948	3,164,215	–	3,164,215	–
<u>At 31 March 2025 (Audited)</u>					
Financial assets at amortised cost – debt securities	3,148,441	3,061,532	–	3,061,532	–

## Notes to the condensed consolidated financial statements

For the nine months ended 31 December 2025 (Expressed in Hong Kong dollars)

### 10. Capital commitment

The Group had capital commitments contracted for but not yet incurred as follows:

	<b>Unaudited At 31 Dec 2025 \$'000</b>	<b>Audited At 31 Mar 2025 \$'000</b>
Land and buildings	<b>534,383</b>	939,176
Other fixed assets	<b>55,992</b>	30,168
	<b>590,375</b>	969,344

On 17 November 2023, a Sales and Purchase agreement was entered into between the SFC and its landlord with a consideration of \$5.4 billion to acquire 12 office floors. Transaction of the nine office floors was completed in December 2023, one office floor was completed in December 2025 and the remaining two office floors will be completed by 2028. As at 31 December 2025, a down payment of \$400,135,000 (as at 31 March 2025: \$468,606,000) was included in deposits and prepayments. Transaction costs of \$473,265,000 related to the additional floor possessed in December 2025 have been capitalised as fixed assets during the period.