

Annual Accounts of HKCMA for the year ended 31st March 2005

Good Afternoon Chairman, Ladies and Gentlemen,

The Treasurer is pleased to report that the financial result of the HKCMA for the year ended 31st March 2005 posted a surplus of HK\$185,716, while in the preceding financial year a deficit of HKD11, 648 was recorded. The major reason for the favorable result this year is due to the increased surplus generated from a number of activities and events that we held during the year. Total number of members of the Association as of end of March 2005 was 60, compared with 63 as of 2004.

The Association has continued its effort during the year in organizing various types of functions for the benefits of our members, capital market professionals, as well as for the participation of the interested public. Notably, the Hong Kong Government Bond Seminar held in April 2004 and the HKCMA Forum held in January this year; as well as a number of educational seminars offered to the public. Thanks to the diligent efforts of the subcommittees, most of these functions were able to be delivered on a "self-sustained" basis, i.e. no financial subsidy is required from the Association.

Consequently, total expenditure for the year 2005 was controlled at HKD346,649, which was at a similar level of spending as last year's, which was HKD337,238.

After adding this year's surplus, the Association's Accumulated Fund stood at HKD539,847 as of 31st March 2005. Over 95% of the Association's assets were in the form of liquid bank deposits; in other words, the current financial position of the Association is very healthy.

Finally, post balance sheet event such as the joint luncheon arranged by the HKCMA, HKACT and HKSFA on 13 April 2005, with 213 people attended, has also contributed positively to the Association's financial performance this coming year.

This is the end of the treasurer's report. If you have any question, please let me know.

Thank you very much.

Steve Poon
Director, Originations and Syndicate
Societe Generale Asia Limited

Treasurer
The Hong Kong Capital Markets Association
25 May 2005