

Press Release
Financial results for the five months ended August 31, 2016

Friday, September 30, 2016

The Government announced today (September 30) its financial results for the five months ended August 31, 2016.

Expenditure for the period April to August 2016 amounted to HK\$180.6 billion and revenue HK\$132.6 billion, resulting in a cumulative year-to-date deficit of HK\$48 billion.

A government spokesperson said that the cumulative year-to-date deficit for the period was mainly because some major types of revenue including salaries and profits taxes are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$794.9 billion as at August 31, 2016.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

| | Month ended August 31, 2016 HK\$ million | Five months ended August 31, 2016 HK\$ million |
|----------------------------|--|--|
| Revenue | 28,673.5 | 132,548.4 |
| Expenditure | (35,525.5) | (180,573.4) |
| | | |
| Deficit | (6,852.0) | (48,025.0) |
| | | |
| Financing | | |
| Domestic | | |
| Banking Sector (Note 2) | 6,715.0 | 47,506.2 |
| Non-Banking Sector | 137.0 | 518.8 |

| | | |
|----------|---------|----------|
| External | - | - |
| | | |
| Total | 6,852.0 | 48,025.0 |

Government Debts as at August 31, 2016 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at August 31, 2016 (Note 4)

HK\$30,691.7 million

TABLE 2. FISCAL RESERVES

| | Month ended August 31, 2016 HK\$ million | Five months ended August 31, 2016 HK\$ million |
|--|--|--|
| Fiscal Reserves at start of period | 801,714.6 | 842,887.6 |
| Consolidated Deficit | (6,852.0) | (48,025.0) |
| Fiscal Reserves at end of period (Note 5) | 794,862.6 | 794,862.6 |

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at August 31, 2016, was HK\$131,756 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the outstanding institutional notes as at August 31, 2016, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$104,699 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,515 million as at August 31, 2016) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value

of HK\$2,999 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$23,500 million will mature within the period from September 2016 to August 2017 and the rest within the period from September 2017 to July 2030.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also includes HK\$4.8 billion, being one-third of the actual surplus in 2015-16 as top-up.

Ends