

Press Release

Financial results for the six months ended September 30, 2017

Tuesday, October 31, 2017

The Government announced today (October 31) its financial results for the six months ended September 30, 2017.

There was a deficit of HK\$4.7 billion in the month of September, thereby bringing the cumulative year-to-date surplus down to HK\$12.4 billion. Expenditure for the period April to September 2017 amounted to HK\$221.7 billion and revenue HK\$234.1 billion.

A government spokesperson said that the cumulative year-to-date surplus for the period was mainly due to the receipt of land premium.

The fiscal reserves stood at HK\$966.4 billion as at September 30, 2017.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

| | Month ended September 30, 2017 HK\$ million | Six months ended September 30, 2017 HK\$ million |
|-------------------------|---|--|
| Revenue | 33,638.9 | 234,074.8 |
| Expenditure | (38,348.3) | (221,655.6) |
| | | |
| (Deficit)/Surplus | (4,709.4) | 12,419.2 |
| | | |
| Financing | | |
| Domestic | | |
| Banking Sector (Note 2) | 4,616.4 | (13,900.6) |
| Non-Banking Sector | 93.0 | 1,481.4 |
| External | - | - |
| | | |
| Total | 4,709.4 | (12,419.2) |

Government Debts as at September 30, 2017 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at September 30, 2017 (Note 4)

HK\$27,198.2 million

TABLE 2. FISCAL RESERVES

| | Month ended September 30, 2017 HK\$ million | Six months ended September 30, 2017 HK\$ million |
|--|---|--|
| Fiscal Reserves at start of period (Note 5) | 971,088.9 | 953,960.3 |
| Consolidated (Deficit)/Surplus | (4,709.4) | 12,419.2 |
| | | |
| Fiscal Reserves at end of period (Note 6) | 966,379.5 | 966,379.5 |

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 September 30, 2017 was HK\$138,611 million.

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

3. These were the outstanding institutional notes as at September 30, 2017, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$101,341 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,435 million as at September 30, 2017) 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\$5,941 million, which may be redeemed before

maturity upon request from bond holders), bonds with nominal value of HK\$21,400 million will mature within the period from October 2017 to September 2018 and the rest within the period from October 2018 to March 2032.

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. The fiscal reserves have taken into account adjustments made to the accounts for the year 2016-17.

6. 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\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

Ends