### CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
#### FOR THE YEAR ENDED 31 MARCH 2020
(Expressed in Hong Kong dollars)

#### Operating revenue
<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>369,462</td>
<td>377,961</td>
</tr>
<tr>
<td>5</td>
<td>36,819</td>
<td>36,441</td>
</tr>
<tr>
<td>6</td>
<td>12,058</td>
<td>16,172</td>
</tr>
<tr>
<td>7</td>
<td>3,764</td>
<td>4,397</td>
</tr>
<tr>
<td>8</td>
<td>3,161</td>
<td>3,503</td>
</tr>
<tr>
<td>9</td>
<td>7,493</td>
<td>19,719</td>
</tr>
</tbody>
</table>

**Total operating revenue**

432,757

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>(125,035)</td>
<td>(113,669)</td>
</tr>
<tr>
<td>11</td>
<td>(123,903)</td>
<td>(88,444)</td>
</tr>
<tr>
<td>12</td>
<td>(179,428)</td>
<td>(162,085)</td>
</tr>
<tr>
<td>13</td>
<td>(51,890)</td>
<td>(54,629)</td>
</tr>
<tr>
<td>28</td>
<td>(17,399)</td>
<td>(15,942)</td>
</tr>
</tbody>
</table>

**Total operating expenses**

(497,655)

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>(64,898)</td>
<td>23,424</td>
</tr>
</tbody>
</table>

**(Deficit) / Surplus from operating activities**

(64,898)

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>131,482</td>
<td>126,172</td>
</tr>
<tr>
<td>16</td>
<td>14,333</td>
<td>4,624</td>
</tr>
<tr>
<td>17(a)</td>
<td>67,569</td>
<td>63,283</td>
</tr>
<tr>
<td>18</td>
<td>(59,480)</td>
<td>(66,101)</td>
</tr>
<tr>
<td>19</td>
<td>(37,376)</td>
<td>(37,682)</td>
</tr>
<tr>
<td>24</td>
<td>33,431</td>
<td>(39,890)</td>
</tr>
<tr>
<td>20</td>
<td>19,554</td>
<td>28,867</td>
</tr>
<tr>
<td>27</td>
<td>(79,365)</td>
<td>1,141</td>
</tr>
</tbody>
</table>

**Net non-operating revenue**

90,148

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>25,250</td>
<td>103,838</td>
</tr>
</tbody>
</table>

**Net surplus for the year**

The notes on pages 46 to 67 form part of these financial statements.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Note</th>
<th>2020 $ million</th>
<th>2019 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments with the Exchange Fund</td>
<td>17(b)</td>
<td>1,177,676</td>
</tr>
<tr>
<td>Investments in and loans to government business enterprises</td>
<td>20</td>
<td>405,632</td>
</tr>
<tr>
<td>Other investments</td>
<td>21</td>
<td>295,550</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>22</td>
<td>33,636</td>
</tr>
<tr>
<td>Other assets</td>
<td>23</td>
<td>233,418</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3(c)</td>
<td>35,707</td>
</tr>
<tr>
<td><strong>Total Financial assets</strong></td>
<td></td>
<td>2,181,619</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for pensions</td>
<td>24</td>
<td>(1,003,217)</td>
</tr>
<tr>
<td>Bonds and notes issued</td>
<td>25</td>
<td>(106,475)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>26</td>
<td>(71,100)</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>(1,180,792)</td>
</tr>
<tr>
<td><strong>Net financial assets</strong></td>
<td></td>
<td>1,000,827</td>
</tr>
<tr>
<td><strong>Net assets of the Exchange Fund</strong></td>
<td>27</td>
<td>636,515</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td>28</td>
<td>522,795</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>2,160,137</td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Reserve</td>
<td>29</td>
<td>1,000,827</td>
</tr>
<tr>
<td>Exchange Fund Reserve</td>
<td>27</td>
<td>636,515</td>
</tr>
<tr>
<td>Capital Expenditure Reserve</td>
<td>30</td>
<td>522,795</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td></td>
<td>2,160,137</td>
</tr>
</tbody>
</table>

The notes on pages 46 to 67 form part of these financial statements.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th></th>
<th>2020 $ million</th>
<th>2019 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Deficit) / Surplus from operating activities</td>
<td>$(64,898)</td>
<td>$23,424</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>17,399</td>
<td>15,942</td>
</tr>
<tr>
<td>Increase in stocks, accounts receivable, etc.</td>
<td>(28,805)</td>
<td>(2,990)</td>
</tr>
<tr>
<td>Decrease in liabilities and provisions</td>
<td>(19,568)</td>
<td>(13,846)</td>
</tr>
<tr>
<td>Write-off</td>
<td>26</td>
<td>20</td>
</tr>
<tr>
<td>Donated fixed assets received</td>
<td>(6)</td>
<td>(11,228)</td>
</tr>
<tr>
<td>Loss / (Gain) on disposal of fixed assets</td>
<td>381</td>
<td>(104)</td>
</tr>
<tr>
<td><strong>Net cash (outflow) / inflow from operating activities</strong></td>
<td>$(30,573)</td>
<td>$(12,206)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM NON-OPERATING ACTIVITIES** |                |                |
| Receipt of land premia         | 141,718        | 116,790        |
| Capital expenses paid          | (59,480)       | (66,100)       |
| Decrease / (Increase) in investments with the Exchange Fund | 10,399        | (70,703)       |
| Receipt of interest and dividends | 62,444        | 52,460         |
| Additions to fixed assets      | (23,964)       | (35,336)       |
| (Increase) / Decrease in other investments (including government business enterprises) | (21,047)     | 4,829          |
| Loans made                     | (2,349)        | (7,289)        |
| Loan repayments received       | 2,267          | 2,699          |
| Interest paid                  | (2,370)        | (2,391)        |
| Net cash inflow / (outflow) from home ownership assistance schemes |             |                |
| Development of properties      | 16,797         | 3,636          |
| Home Purchase / Assistance Loans | (17)          | (14)           |
| Repayments of government bonds and notes | (41,664)    | (23,347)       |
| Proceeds from issue of government bonds | 28,862        | 19,448         |
| Proceeds from sale of housing loans | -             | 281            |
| Proceeds from disposal of fixed assets | 129           | 290            |
| **Net cash inflow / (outflow) from non-operating activities** | 111,725       | (4,747)        |

Net increase in cash and cash equivalents | 16,254 | 6,471 |
Cash and cash equivalents at beginning of year | 19,453 | 12,982 |

Cash and cash equivalents at end of year | 35,707 | 19,453 |

The notes on pages 46 to 67 form part of these financial statements.
STATEMENT OF RECONCILIATION BETWEEN THE GENERAL RESERVE REPORTED UNDER THE ACCRUAL BASIS AND THE CONSOLIDATED FUND BALANCE (FISCAL RESERVES) REPORTED UNDER THE CASH BASIS
AS AT 31 MARCH 2020
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Reserve</td>
<td>1,000,827</td>
<td>901,706</td>
</tr>
<tr>
<td>– as reported in the accrual-based Consolidated Statement of Financial Position</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjustments for:

<table>
<thead>
<tr>
<th>Liabilities recognised under the accrual basis but not the cash basis (Note (a))</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for pensions</td>
<td>1,003,217</td>
<td>1,021,671</td>
</tr>
<tr>
<td>Bonds and notes issued</td>
<td>106,475</td>
<td>119,797</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>32,862</td>
<td>32,470</td>
</tr>
<tr>
<td></td>
<td>1,142,554</td>
<td>1,173,938</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets recognised under the accrual basis but not the cash basis (Note (a))</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>(264,237)</td>
<td>(280,112)</td>
</tr>
<tr>
<td>Loans</td>
<td>(30,510)</td>
<td>(30,069)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(218,890)</td>
<td>(192,729)</td>
</tr>
<tr>
<td></td>
<td>(513,637)</td>
<td>(502,910)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share of undistributed reserves of government business enterprises (Note (b))</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(240,427)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share of net financial assets of other entities (Note (c))</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(229,009)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(469,436)</td>
<td>(401,852)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Reserves – as reported in the cash-based Consolidated Account</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,160,308</td>
<td>1,170,882</td>
</tr>
</tbody>
</table>

Notes:
(a) Refer to Note 34(a)(i), (iv), (v) and (vi) for a list of the entities.
(b) Refer to Note 34(b)(ii) for a list of the entities.
(c) Refer to Note 34(a)(i) item 9, (ii) and (iii) for a list of the entities.

The notes on pages 46 to 67 form part of these financial statements.
## STATEMENT OF RECONCILIATION BETWEEN THE SURPLUSES / DEFICITS REPORTED UNDER THE ACCRUAL BASIS AND UNDER THE CASH BASIS

**FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th></th>
<th>2020 $ million</th>
<th>2019 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus – as reported in the accrual-based Consolidated Statement of Financial Performance</td>
<td>25,250</td>
<td>103,838</td>
</tr>
</tbody>
</table>

**Adjustments for:**

(Revenue) / Expenses recognised under the accrual basis but not the cash basis (Note (a))

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (decrease) / increase in pension liabilities</td>
<td>(18,454)</td>
<td>57,072</td>
</tr>
<tr>
<td>Net increase in other provisions</td>
<td>958</td>
<td>3</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>12,661</td>
<td>11,563</td>
</tr>
<tr>
<td>Net increase in interest expenses on bonds and notes</td>
<td>56</td>
<td>43</td>
</tr>
<tr>
<td>Net (increase) / decrease in stocks in hand</td>
<td>(98)</td>
<td>43</td>
</tr>
<tr>
<td>Loss / (Gain) on disposal of fixed assets</td>
<td>381</td>
<td>(104)</td>
</tr>
<tr>
<td>Exchange (gain) / loss on foreign currency translation</td>
<td>(73)</td>
<td>22</td>
</tr>
<tr>
<td>Net (decrease) / increase in accrued expenses</td>
<td>(107)</td>
<td>454</td>
</tr>
<tr>
<td>Net (increase) / decrease in prepaid expenses</td>
<td>(267)</td>
<td>678</td>
</tr>
<tr>
<td>Net increase in accrued revenue</td>
<td>(25,789)</td>
<td>(24,564)</td>
</tr>
<tr>
<td></td>
<td>(30,732)</td>
<td>45,168</td>
</tr>
</tbody>
</table>

Revenue / (Expenses) recognised under the cash basis but not the accrual basis (Note (a))

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issue of government bonds</td>
<td>7,829</td>
<td>-</td>
</tr>
<tr>
<td>Repayments of government bonds and notes</td>
<td>(1,500)</td>
<td>-</td>
</tr>
<tr>
<td>Additions to fixed assets</td>
<td>(14,787)</td>
<td>(33,167)</td>
</tr>
<tr>
<td>Investments made</td>
<td>(3,927)</td>
<td>(3,988)</td>
</tr>
<tr>
<td>Net increase in loans</td>
<td>(473)</td>
<td>(1,997)</td>
</tr>
<tr>
<td>Proceeds from sale of housing loans</td>
<td>-</td>
<td>281</td>
</tr>
<tr>
<td>Proceeds from disposal of fixed assets</td>
<td>129</td>
<td>290</td>
</tr>
<tr>
<td></td>
<td>(12,729)</td>
<td>(38,581)</td>
</tr>
</tbody>
</table>

Share of (surpluses) and deficits of other consolidated entities not included in the cash-based Consolidated Account

<table>
<thead>
<tr>
<th>Description</th>
<th>2020 $ million</th>
<th>2019 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government business enterprises and the Exchange Fund (Note (b))</td>
<td>59,811</td>
<td>30,008</td>
</tr>
<tr>
<td>Net amount received from government business enterprises (Note (c))</td>
<td>7,037</td>
<td>12,109</td>
</tr>
<tr>
<td>Other entities (Note (d))</td>
<td>(59,212)</td>
<td>(24,577)</td>
</tr>
<tr>
<td></td>
<td>7,636</td>
<td>(42,476)</td>
</tr>
</tbody>
</table>

(Deficit) / Surplus – as reported in the cash-based Consolidated Account

<table>
<thead>
<tr>
<th></th>
<th>2020 $ million</th>
<th>2019 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit) / Surplus – as reported in the cash-based Consolidated Account</td>
<td>(10,575)</td>
<td>67,949</td>
</tr>
</tbody>
</table>

**Notes:**

(a) Refer to Note 34(a)(i) (except item 9), (iv), (v) and (vi) for a list of the entities.
(b) Refer to Note 34(b) for a list of the entities.
(c) Refer to Note 34(b)(ii) for a list of the entities.
(d) Refer to Note 34(a)(i) item 9, (ii) and (iii) for a list of the entities.

The notes on pages 46 to 67 form part of these financial statements.