

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$ million	2024 \$ million
Operating revenue			
Taxes, rates and duties	4	416,917	380,026
Rental income	5	44,694	41,330
Fees and charges	6	17,828	15,870
Utilities	7	4,065	3,607
Royalties and concessions	8	4,629	4,423
Other operating revenue	9	9,048	10,207
Total operating revenue		497,181	455,463
Operating expenses			
Salaries, allowances and other employee benefits	10	(135,815)	(132,507)
Other operating expenses	11	(159,388)	(177,093)
Recurrent subventions	12	(223,023)	(214,745)
Social security payments	13	(72,660)	(68,729)
Depreciation	28	(23,360)	(20,750)
Total operating expenses	14	(614,246)	(613,824)
Deficit from operating activities		(117,065)	(158,361)
Non-operating revenue / (expenses)			
Land premia	15	13,140	19,966
Net revenue from home ownership assistance schemes	16	6,176	13,898
Interest and investment income	17(a)	47,972	65,833
Capital expenses	18	(79,487)	(64,326)
Interest expenses	19	(50,024)	(47,243)
Actuarial gain on pensions	24	40,336	48,697
Share of profits and losses of government business enterprises	20	13,946	5,334
Surplus of the Exchange Fund	27	110,919	30,486
Net non-operating revenue		102,978	72,645
Net deficit for the year		(14,087)	(85,716)

The notes on pages 49 to 73 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$ million	2024 \$ million
Financial assets			
Investments with the Exchange Fund	17(b)	659,709	735,881
Investments in and loans to government business enterprises	20	387,347	380,231
Other investments	21	410,841	492,068
Loans and advances	22	44,217	42,759
Other assets	23	132,154	144,248
Cash and cash equivalents	3(c)	21,550	32,477
		1,655,818	1,827,664
Liabilities			
Provision for pensions	24	(924,766)	(967,586)
Bonds issued	25	(483,462)	(445,583)
Other liabilities	26	(76,068)	(74,427)
		(1,484,296)	(1,487,596)
Net financial assets		171,522	340,068
Net assets of the Exchange Fund	27	780,463	669,472
Fixed assets	28	684,225	639,517
Net assets		<u>1,636,210</u>	<u>1,649,057</u>
Reserves			
General Reserve	29	171,522	340,068
Exchange Fund Reserve	27	780,463	669,472
Capital Expenditure Reserve	30	684,225	639,517
		<u>1,636,210</u>	<u>1,649,057</u>

The notes on pages 49 to 73 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

(Expressed in Hong Kong dollars)

	2025 \$ million	2024 \$ million
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit from operating activities	(117,065)	(158,361)
Adjustments for:		
Depreciation	23,360	20,750
(Increase) / Decrease in stocks, accounts receivable, etc.	(198)	1,969
Decrease in liabilities and provisions	(38,197)	(36,146)
Write-off	15	7
Donated fixed assets received	(29)	(138)
Loss on disposal of fixed assets	104	208
	(14,945)	(13,350)
Net cash outflow from operating activities	(132,010)	(171,711)
CASH FLOWS FROM NON-OPERATING ACTIVITIES		
Receipt of land premia	13,591	19,553
Capital expenses paid	(79,487)	(64,326)
Decrease in investments with the Exchange Fund	76,172	95,116
Receipt of interest and dividends	76,540	104,910
Additions to fixed assets	(68,194)	(52,028)
Decrease / (Increase) in other investments (including government business enterprises)	78,801	(44,972)
Loans made	(2,474)	(2,237)
Loan repayments received	2,061	667
Interest paid	(13,338)	(11,139)
Net cash (outflow) / inflow from home ownership assistance schemes		
Development of properties	(1,736)	12,570
Home Purchase / Assistance Loans	(13)	(12)
Repayments of government bonds	(93,883)	(43,663)
Proceeds from issuance of government bonds	133,036	152,921
Proceeds from disposal of fixed assets	7	61
Net cash inflow from non-operating activities	121,083	167,421
Net decrease in cash and cash equivalents	(10,927)	(4,290)
Cash and cash equivalents at beginning of year	32,477	36,767
Cash and cash equivalents at end of year	21,550	32,477

The notes on pages 49 to 73 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 2025
(Expressed in Hong Kong dollars)

	2025 \$ million	2024 \$ million
General Reserve – as reported in the accrual-based Consolidated Statement of Financial Position	171,522	340,068
Adjustments for:		
<u>Liabilities recognised under the accrual basis but not the cash basis (Note (a))</u>		
Provision for pensions	924,766	967,586
Bonds issued	483,462	445,583
Other liabilities	32,581	32,395
	1,440,809	1,445,564
<u>Assets recognised under the accrual basis but not the cash basis (Note (a))</u>		
Investments	(362,865)	(426,459)
Loans	(40,467)	(40,007)
Other assets	(98,143)	(116,786)
	(501,475)	(583,252)
<u>Share of undistributed reserves of government business enterprises (Note (b))</u>	(206,761)	(204,341)
<u>Share of net financial assets of other entities (Note (c))</u>	(249,778)	(263,454)
	(456,539)	(467,795)
Fiscal Reserves – as reported in the cash-based Consolidated Account	<hr/> <hr/> 654,317	<hr/> <hr/> 734,585

Notes:

- (a) Refer to Note 34(a)(i) and (iv) 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 49 to 73 form part of these financial statements.

**STATEMENT OF RECONCILIATION BETWEEN THE DEFICITS REPORTED UNDER THE
ACCRUAL BASIS AND UNDER THE CASH BASIS
FOR THE YEAR ENDED 31 MARCH 2025**

(Expressed in Hong Kong dollars)

	2025 \$ million	2024 \$ million
Deficit		
– as reported in the accrual-based Consolidated Statement of Financial Performance	(14,087)	(85,716)
Adjustments for:		
(Revenue) / Expenses recognised under the accrual basis but not the cash basis (Note (a))		
Net decrease in pension liabilities	(42,820)	(47,811)
Net decrease in other provisions	(800)	(1,151)
Depreciation of fixed assets	17,562	15,164
Net increase in interest expenses on government bonds	1,388	1,243
Net (increase) / decrease in stocks in hand	(171)	29
Loss on disposal of fixed assets	104	208
Exchange gain on foreign currency translation	(1,293)	(1,764)
Net decrease in accrued expenses	(58)	(656)
Net decrease / (increase) in prepaid expenses	499	(36)
Net decrease in accrued revenue	18,077	34,282
	(7,512)	(492)
Revenue / (Expenses) recognised under the cash basis but not the accrual basis (Note (a))		
Proceeds from issuance of government bonds	130,036	72,490
Repayment of government bonds	(21,993)	(800)
Additions to fixed assets	(53,211)	(39,969)
Investments made	(5,367)	(1,176)
Net increase in loans	(442)	(3,178)
Proceeds from disposal of fixed assets	7	61
Brought back from a consolidated entity	15,000	-
	64,030	27,428
Share of surpluses of other consolidated entities not included in the cash-based Consolidated Account		
Government business enterprises and the Exchange Fund (Note (b))	(124,865)	(35,820)
Net amount received from government business enterprises (Note (c))	12,694	11,249
Other entities (Note (d))	(10,528)	(16,853)
	(122,699)	(41,424)
Deficit – as reported in the cash-based Consolidated Account	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>
	(80,268)	(100,204)

Notes:

- (a) Refer to Note 34(a)(i) (except item 9) and (iv) 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 49 to 73 form part of these financial statements.