



財務回顧
Financial Review

Supporting the vision and mission of the Hong Kong Housing Authority (HA), maintaining sound financial and funds management remained our key focus in 2018/19. We continued to explore opportunities to improve and strengthen our financial and risk-management processes to provide maximum financial and business value in all our activities.

The HA is financially autonomous. Our massive public housing programmes are sustained through internally generated funds. Our financial resources are prudently managed for smooth operation of our capital programmes, operational services and business initiatives.

The 2018/19 Financial Statements

The HA's Financial Statements have been prepared in accordance with accounting policies approved by the HA and the Financial Arrangements with the Government. A full set of the Financial Statements for 2018/19 is enclosed together with this Annual Report in a shared jacket. Additionally, summaries of the HA's operating results and capital expenditure for the past five years are depicted in Appendices 9 and 10 of this Annual Report respectively.

Financial Highlights

The consolidated result for the year is summarised as follows:

	\$M
1. Consolidated Operating Account Surplus	5,308
2. Funds Management Account Surplus	1,582
3. Agency Account Surplus	39
Surplus for the year	6,929

1. Consolidated Operating Account

The Consolidated Operating Account summarises the operating results for Rental Housing, Commercial and Home Ownership Assistance activities. It shows an overall operating surplus of \$5,308 million for 2018/19 after taking into account a net non-operating income of \$11 million.

Rental Housing Operations generated a surplus of \$763 million during 2018/19, analysed over the following types of housing:

Operating Surplus/(Deficit)	\$M
Rental Housing	805
Interim Housing	(39)
Rent Allowance for the Elderly	(3)
	763

Commercial Operations generated a surplus of \$1,680 million before charging exceptional items of \$74 million, analysed over the following types of facilities:

Operating Surplus	\$M
Commercial Complexes	910
Car Parks	365
Factories	99
Welfare Premises	306
	1,680

The exceptional items of \$74 million represent expenditure incurred on Government infrastructure and community facilities funded by the HA.

Home Ownership Assistance Operations generated a surplus of \$2,930 million, before including the exceptional items of \$2 million, analysed over the following home ownership schemes:

Operating Surplus/(Deficit)	\$M
Home Ownership Scheme (HOS)/Green Form Subsidised Home Ownership Scheme (GSH)	1,187
Private Sector Participation Scheme (PSPS)	261
Tenants Purchase Scheme (TPS)	1,504
Home Purchase Loan Scheme (HPLS) and Home Assistance Loan Scheme (HALS)	(22)
	2,930

The exceptional items of \$2 million represents write-down of stock value of unsold HOS/GSH flats at year end and adjustments of future interest liability on the outstanding balance of the HPLS loan portfolio sold to the Hong Kong Mortgage Corporation Limited.

2. Funds Management Account

Income and expenditure relating to the management of the HA's funds available for investment are included in the Funds Management Account, which showed a surplus of \$1,582 million for 2018/19. As at 31 March 2019, the HA's funds available for investment stood at \$42,344 million. For 2018/19, the overall return (gross) on the HA's funds was 3.7%.

The HA's investment strategy is determined by the HA's Finance Committee with reference to the independent investment consultant's recommendations. The aim of the HA's investment strategy is to ensure that there is sufficient liquidity to meet the operational need of the HA, and to put the rest of the HA's funds into longer-term investments in a prudent and diversified manner to enhance long term returns.

The Finance Committee, with the assistance of its Funds Management Sub-Committee, reviews the HA's investment strategy and position from time to time. The Funds Management Sub-Committee also advises on the selection of fund managers and monitors their performance, while ongoing monitoring of day-to-day operations is conducted by the Housing Department. An overall review on the HA's Strategic Asset Allocation was conducted in 2018/19 taking into account the latest financial market situation and risks. The revised Strategic Asset Allocation is highlighted below:

Principal protection placements with the Exchange Fund	around 80.0%
HKD/USD deposits and bonds	8.0%
Equities	12.0%
	100.0%

3. Agency Account

The Agency Account shows the operating results for agency functions undertaken on behalf of the Government, for agency management services for completed Subsidised Sale Flats domestic courts and the common areas of the estates with properties divested, and for the supervision of government reimbursable projects.