

CAPITAL WORKS RESERVE FUND
(Receipts)

	Revised Estimate 2005–06	Estimate 2006–07
	\$'000	\$'000
Land Premium		
Sales by public auction and tender	10,673,300	—
Private treaty grants	4,455,400	—
Modification of existing leases, exchanges and extensions	13,332,900	—
Fees received in respect of short term waivers	241,700	—
<i>Land Premium: total</i>	<u>28,703,300</u>	<u>30,500,000#</u>
Investment Income	<u>1,376,216</u>	<u>2,189,369</u>
Donations and Contributions	<u>37,881</u>	<u>16,000</u>
Recovery from MTR Corporation Limited	<u>—</u>	<u>131,000</u>
Others	<u>93,409</u>	<u>—</u>
Total (Receipts)	<u><u>30,210,806</u></u>	<u><u>32,836,369</u></u>

No breakdown in the land premium estimate for 2006–07 is provided because of the market-driven nature of the land sales under the Application List, Private Treaty Grants and Modifications. The total land premium for 2006–07 is estimated having regard to both the overall performance of the property market in the past and current market conditions. We have assumed that land revenue will be around 2.1% of the forecast GDP.

CAPITAL WORKS RESERVE FUND

Movement of the Account

	Revised Estimate	Estimate
	2005-06	2006-07
	\$m	\$m
Opening Balance	34,929	35,313
Revenue	30,211	32,836
Expenditure	29,919	30,515
Surplus/(Deficit)	292	2,321
Write-back of Provision for Loss in Investments with the Exchange Fund	92 ^γ	—
Closing Balance	35,313	37,634

^γ The amount refers to the write-back of the provision made in 2004-05.

Revenue Analysis

	Revised Estimate	Estimate
	2005-06	2006-07
	\$m	\$m
Land Premium		
Sales by public auction and tender	10,673	—
Private treaty grants	4,455	—
Modification of existing leases, exchanges and extensions	13,333	—
Fees received in respect of short term waivers	242	—
	28,703	30,500
Investment Income	1,376	2,189
Donations and Contributions	38	16
Recovery from MTR Corporation Limited	—	131
Others	94	—
Total Revenue	30,211	32,836

CAPITAL WORKS RESERVE FUND

Expenditure Analysis

	Revised Estimate	Estimate
	2005-06	2006-07
	\$m	\$m
Land Acquisition	586	1,823
Port and Airport Development	377	78
Buildings	6,206	5,926
Drainage	1,378	1,442
Civil Engineering	2,336	2,135
Highways	6,952	5,181
New Towns and Urban Area Development	2,512	2,067
Capital Subventions and Major Systems and Equipment	5,626	4,859
Waterworks	1,276	1,136
Computerisation	1,070	2,015
Housing	748	477
	29,067	27,139
Government Bonds and Notes		
Repayment	—	2,550
Interest and other expenses	852	826
	852	3,376
Total Expenditure	29,919	30,515