

HKMC's financial results highlights for first half of 2018

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Mortgage Corporation Limited (HKMC) today (October 5) announced the highlights of its unaudited consolidated financial results for the first six months of 2018 (1H 2018) as follows:

2018 Half-Year Financial Results Highlights

- Unaudited consolidated profit after tax was HK\$256 million (1H 2017: HK\$578 million);
- Annualised return on shareholders' equity was 4.1% (1H 2017: 12.6% (Note 1));
- Cost-to-income ratio was 41.8% (1H 2017: 19% (Note 1)); and
- Capital adequacy ratio was 26.6% as at June 30, 2018 (December 31, 2017: 21%).

2018 Half-Year Business Performance Highlights

Asset Purchase

- Purchased HK\$5 million loan assets (1H 2017: HK\$19 million); and
- Outstanding principal balance of the loan portfolio was HK\$6.9 billion as at June 30, 2018 (December 31, 2017: HK\$7.8 billion).

Debt Issuance

- Issued in total HK\$10.4 billion corporate debts (Note 2) (1H 2017: HK\$14.3 billion), being a major and active corporate debt issuer in Hong Kong;
- Outstanding balance of debt securities was HK\$35.9 billion as at June 30, 2018 (December 31, 2017: HK\$34.8 billion); and
- Credit ratings of AA+ from S&P Global Ratings and Aa2 from Moody's, same as those of the Hong Kong Special Administrative Region Government.

Mortgage Insurance Programme (MIP)

- New mortgage loans drawn down amounted to HK\$18.9 billion (1H 2017: HK\$15.9 billion); and
- 90% of loans drawn down (in terms of loan amount) were secured on properties in the secondary market, demonstrating the importance of the MIP to homebuyers in the secondary market.

SME Financing Guarantee Scheme

- Approved 851 applications under the Special Concessionary Measures (i.e. the 80% guarantee product) with a total loan amount of approximately HK\$3.6 billion (91% of the benefitted borrowers since the launch of the 80% guarantee product were small and medium enterprises with less than 50 employees each).

Reverse Mortgage Programme

- Approved 323 applications under the Reverse Mortgage Programme, with an average property value of HK\$5.2 million and an average monthly payout of HK\$14,000.

Further details of the HKMC's unaudited consolidated financial results and financial review for 1H 2018 are set out at the Annex.

Note 1: For better comparison, the adjusted annualised return on shareholders' equity and cost-to-income ratio for the six months ended June 30, 2017 would be 5.4% and 35.5% respectively after excluding the exceptional gains of HK\$210 million on disposal of available-for-sale investments arising from portfolio rebalancing and exchange gain of HK\$129 million mainly from the US dollar exposures in cash and debt investments.

Note 2: For debts with tenor of one year or above.

[Sixteen immigration offenders arrested \(with photo\)](#)

The Immigration Department (ImmD) mounted a series of territory-wide anti-illegal worker operations, including an operation codenamed "Twilight" and joint operations with the Hong Kong Police Force codenamed "Champion", from October 2 to 4. A total of 13 illegal workers and three suspected employers were arrested.

During operation "Twilight", ImmD Task Force officers raided 314 target locations including a commercial building, construction sites, a frozen meat shop, residential flats, restaurants, a tailor shop and village houses. Eleven illegal workers and three employers were arrested. The illegal workers comprised three men and eight women, aged 34 to 53. Among them, two women were holders of recognisance forms, which prohibit them from taking any employment. Furthermore, one man and five women were suspected of using and being in possession of forged Hong Kong identity cards. Meanwhile, two men

and a woman, aged 27 to 44, were suspected of employing the illegal workers.

In addition, during operation "Champion", enforcement officers raided 10 target locations in Tsing Yi and Kwai Chung including a car park, a recycling shop, industrial buildings and commercial buildings. Two illegal workers comprising a man and a woman, aged 30 and 51, were arrested. Among them, the man was a holder of a recognisance form, which prohibits him from taking any employment.

"Any person who contravenes a condition of stay in force in respect of him shall be guilty of an offence. Also, visitors are not allowed to take employment in Hong Kong, whether paid or unpaid, without the permission of the Director of Immigration. Offenders are liable to prosecution and upon conviction face a maximum fine of \$50,000 and up to two years' imprisonment. Aiders and abettors are also liable to prosecution and penalties," an ImmD spokesman said.

The spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases. It is an offence to use or possess a forged Hong Kong identity card or a Hong Kong identity card related to another person. Offenders are liable to prosecution and a maximum penalty of a \$100,000 fine and up to 10 years' imprisonment.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and

identification by using a standardised checklist to ascertain the presence of TIP elements, such as threat and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent interference, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.



[Four Hong Kong productions featured at Zurich Film Festival \(with photos\)](#)

The Hong Kong Economic and Trade Office, Berlin (HKETO Berlin) is continuing to support the Hong Kong film industry by once again sponsoring the Zurich Film Festival in Switzerland. The film festival is running from September 27 to October 7 (Zurich time) and welcoming around 100 000 visitors from around the world. Four new Hong Kong productions are featured in the dedicated "Window: Hong Kong" section, and noted Hong Kong filmmaker Ann Hui is serving as a jury member and will teach a master class session for aspiring filmmakers.

This year's "Window: Hong Kong" features a variety of films showcasing talents from Hong Kong: Wilson Yip's "Paradox", which won this year's Asian Film Award for Best Action Film; "The Empty Hands" by Chapman To, which is characterised by its dry humour; Simon Chung's "I Miss You When I See You", a story of love and loneliness; and Ann Hui's historical drama "Our Time Will Come", which was celebrated at the Hong Kong Film Awards 2018 with awards for Best Film and Best Director.

Ann Hui also attended the Hong Kong Reception on October 3 (Zurich time) in the Festival Centre, where the Director of HKETO Berlin, Mr Bill Li, highlighted the importance of the film industry for Hong Kong's development as a value-added and diversified economy. "We will promote further development of the local film industry, and nurture more talents. We also

welcome film production professionals from around the world including Switzerland to work in Hong Kong," he said, making reference to the recently published Talent List of Hong Kong.

Guests of the reception were then invited to join the screening of "Our Time Will Come" with the attendance of director Ann Hui, who provided an introduction. Hui is also a member of the international feature film jury of the Zurich Film Festival, which will present the Golden Eye Awards tomorrow (October 6, Zurich time). On the same day, she will teach a master class for aspiring film directors, scriptwriters and producers and discuss work methods with talents seeking the unique opportunity to explore new ideas of filmmaking and storytelling.

Apart from continuing its co-operation with the Zurich Film Festival, HKETO Berlin has also arranged screenings of Hong Kong movies at the Jameson CineFest International Film Festival in Miskolc, Hungary in September, and will support Hong Kong film industry at the Vienna International Film Festival (Viennale) in Austria later this month.

About HKETO Berlin

HKETO Berlin is the official Hong Kong Special Administrative Region Government representative in commercial relations and other economic and trade matters in Switzerland as well as Austria, the Czech Republic, Germany, Hungary, Poland, the Slovak Republic and Slovenia.



[Christmas Family Screen 2018 to greet festive season](#)

"Christmas Family Screen 2018" will screen six fascinating films for all ages from December 15 to 30 at the Auditorium of the North District Town Hall, the lecture halls of the Hong Kong Science Museum and Hong Kong Space

Museum, Grand Kornhill Cinema, Movie Town and the STAR Cinema.

Presented by the Film Programmes Office of the Leisure and Cultural Services Department in collaboration with MCL, the programme is one of the highlights of the "Cheers!" Series.

"The Legend of Timm Thaler or the Boy Who Sold His Laughter" (2017), which is an adaptation of a best-selling German novel for young adults, follows the diabolical Baron Lefuet who schemes to steal Timm Thaler's charming laughter. He proposes a deal by which Timm will win every future bet he ever makes. But when Timm closes the deal, he finds his life will never be the same. The film won the BIFAN Children's Jury Award at the Bucheon International Fantastic Film Festival 2017.

In Norway's biggest family box office hit "Santa Swap – Merry Christmas Mr Andersen" (2016), carpenter Andersen is preparing to wear a Santa costume when he bumps into the real Santa. The two decide to swap identities, giving their respective families a memorable Christmas.

Adapted from a famous German children TV series, "The Peppercorns and the Curse of the Black King" (2017) features a group of smart young agents who endeavour to uncover the reasons behind a series of mysterious accidents that have happened at the Gruber Family's mountain ranch, such as the cattle falling sick and the well water turning black.

Regarded as the French version of "Lassie", "Belle & Sebastian, Friends for Life" (2017) is adapted from a TV series which tells of the life of a little boy, Sebastian, and his beloved dog, Belle who live in the magnificent Alps. A man claims to be Belle's rightful owner, causing Sebastian, who doesn't want to lose Belle, to escape from home with his dog – and they embark on an adventure.

In "Christmas & Co." (2017), the elves in Santa's workshop – who have long been his assistants – fall ill and pass out, causing the toy production line to halt. Santa searches for a cure for his elves in order to get the Christmas gifts out on time.

Animation "Leo Da Vinci: Mission Mona Lisa" (2018) features Leonardo, who loves to invent machines, using his inventions to find hidden treasure so as to safeguard his best friend's home. Leonardo's journey becomes adventurous as a group of sinister pirates is closing in.

Experienced dubbing artists Pat Kwok and Kinson Lai will perform live Cantonese dubbing for "The Legend of Timm Thaler or the Boy Who Sold His Laughter" and "Santa Swap – Merry Christmas Mr Andersen", which also has English subtitles. "The Peppercorns and the Curse of the Black King" is in German; "Belle & Sebastian, Friends for Life" is in French; "Christmas & Co." is in French and Russian and "Leo Da Vinci: Mission Mona Lisa" is in English. The aforementioned films will have Chinese and English subtitles.

Tickets for North District Town Hall screenings are priced at \$50;

Science Museum and Space Museum screenings are priced at \$60 and other screenings are priced at \$70. Tickets are now available at URBTIX (www.urbtix.hk). For credit card telephone bookings, please call 2111 5999. For programme enquiries, please call 2734 2900 or visit www.lcsd.gov.hk/fp/en_US/web/fpo/programmes/cfs2018/index.html.

Meetings of Legislative Council and its Committees

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council (LegCo) and its Committees will hold 24 open meetings and a closed meeting during the week from October 8 to 12 in the LegCo Complex. Details of the meetings are available in the meeting schedule attached.

The information in the meeting schedule is subject to change. Please refer to the "LegCo Calendar" on the LegCo Website (www.legco.gov.hk) for the latest details of meetings.

Members of the public are welcome to observe open meetings of LegCo and its Committees. Interested individuals and groups are advised to make advance booking of seats by calling the LegCo Secretariat at 3919 3399 during office hours. Members of the public can also listen to or watch all open meetings via the "Webcast" system on the LegCo Website.