

## CAPITAL INVESTMENT FUND

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### Memorandum Note

On 1 April 1990, the Legislative Council established the Capital Investment Fund by Resolution for the purpose of financing investments in the Mass Transit Railway Corporation, the Kowloon-Canton Railway Corporation, the Hong Kong Housing Authority, the New Hong Kong Tunnel Company Limited and such other bodies as the Finance Committee may specify. On 6 November 1991, the Legislative Council passed an amendment to the Resolution to include provisions for Government borrowings to be credited to the Fund and for repayments, and payments of interest and expenses relating to such borrowings, to be made from the Fund.

2 The Resolution provides, *inter alia*, that—

- (a) the Fund be administered by the Financial Secretary who may delegate his power of administration to other public officers;
- (b) there be credited to the Fund—
  - (i) all sums received by way of repayment of any loan or advance made from the Fund under sub-paragraph (c) below;
  - (ii) subject to the Mass Transit Railway Corporation Ordinance (Cap. 270) and the Kowloon-Canton Railway Corporation Ordinance (Cap. 372), all sums received by way of interest or dividend or under profit-sharing arrangements on the investments, loans or advances under sub-paragraph (c) below;
  - (iii) such appropriations from the general revenue as may be approved by the Legislative Council for the purpose of the Fund;
  - (iv) all sums received from the sale or other disposal of all or part of any investment made under sub-paragraph (c) or (e) below;
  - (v) all sums received by way of interest or dividend on money invested under sub-paragraph (e) below;
  - (vi) all such other sums as may be received for the purpose of the Fund; and
  - (vii) sums borrowed under section 3 of the Loans Ordinance (Cap. 61) where the resolution of the Legislative Council approving the borrowing so stipulates;
- (c) the Financial Secretary may expend moneys from the Fund for the purpose of—
  - (i) meeting the liabilities assumed, under terms and conditions already approved as at 31 March 1990 by the Finance Committee;
  - (ii) financing loans, advances and investments (including investments by way of waived land premium, donated works or other benefits (other than cash)) to or in such persons as may be approved by the Finance Committee, in accordance with such terms and conditions as may be specified by the Finance Committee; and
  - (iii) repaying or, where appropriate, paying the principal and interest of and expenses incurred in relation to sums borrowed under section 3 of the Loans Ordinance (Cap. 61) where the sums have been credited to the Fund;
- (d) the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditure from the Fund;
- (e) the Financial Secretary may, in his discretion, authorise the investment of moneys forming the unexpended balance held in the Fund at any time in interest-bearing securities in such manner as he may determine; and
- (f) the Financial Secretary may from time to time transfer from the Fund to the general revenue any balance held in the Fund which is not in his opinion reasonably required for the purpose of the Fund.

3 Payments during 1999–2000 and 2000–01 are estimated at \$8,645,000,000 and \$6,744,000,000 respectively.

4 Receipts for 1999–2000 and 2000–01 are estimated at \$10,669,437,000 and \$6,177,710,000 respectively.

5 The following notes supplement the estimates of payments and receipts in respect of approved commitments.

### Head 951—Housing

#### *Hong Kong Housing Authority*

6 On 31 August 1994, the Hong Kong Housing Authority and the Government signed a supplemental agreement to the then existing financial arrangements. The supplemental agreement took effect from 1 October 1994. Under the supplemental agreement, part of the Government capital investment amounting to \$13,488,797,000 became non-interest-bearing permanent capital. The capital injections made previously under the financial arrangements totalling \$10,000,000,000 together with the closing balance of \$2,795,588,000 in the Home Ownership Fund making a total of \$12,795,588,000 were converted into a loan capital bearing interest at 5% per annum on the reducing balance. The Authority has started repaying this loan capital over 14 years since the quarter ended 31 December 1994.

7 The Authority will continue to share equally with Government the overall surplus from the operation of commercial facilities in public rental estates and Home Ownership courts. The total receipts from this source and interest on loan capital in 1999–2000 and 2000–01 are expected to be \$1,126,200,000 and \$1,146,900,000 respectively.

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### **Head 957—Kowloon-Canton Railway Corporation**

8 The Kowloon-Canton Railway Corporation was incorporated under the Kowloon-Canton Railway Corporation Ordinance (Cap. 372) on 24 December 1982. The assets, rights and liabilities of the then existing railway were vested in the Corporation on 1 February 1983 in accordance with section 7 of the Ordinance. On 27 February 1998, the Finance Committee approved a commitment to inject equity of \$29,000,000,000 into the Kowloon-Canton Railway Corporation to allow major works on West Rail Phase 1 to proceed. On 3 April 1998, the Financial Secretary specified the initial authorised capital of the Corporation to be \$2,120,000,000 based on the book value of all assets vested in it and ordered an increase in the authorised capital of the Corporation from \$2,120,000,000 to \$34,000,000,000. The first two tranches of equity injection of \$14,500,000,000 and \$6,000,000,000 were made in April 1998 and January 1999 respectively, and the remaining approved equity of \$8,500,000,000 was drawn in April 1999.

### **Head 962—Industry**

#### *Hong Kong Industrial Technology Centre Corporation*

9 On 13 July 1990, the Finance Committee approved a sum of \$438,000,000, comprising a capital grant of \$250,000,000 and a loan of \$188,000,000 for the Provisional Hong Kong Industrial Technology Centre Company Limited for start-up purposes to construct and operate a technology centre. The Company drew down the full grant of \$250,000,000 on 10 October 1990. The new technology centre was officially opened on 14 March 1995.

10 The grant is treated as Government's equity injection in the Hong Kong Industrial Technology Centre Corporation, which has been established as a statutory corporation under the Hong Kong Industrial Technology Centre Corporation Ordinance following the dissolution of the Company on 1 June 1993. No interest will be payable in respect of this equity injection. The Corporation has taken over all the assets, liabilities, powers and duties of the Company. The Corporation may be required to pay into the general revenue dividends on shares issued to the Government or the part of its funds which the Financial Secretary declares to be surplus funds.

11 The loan, which is to meet the outstanding balance of the start-up cost, remained undrawn as at 31 March 1999. The Corporation does not anticipate any future need to draw down this loan.

#### *Applied Research Fund (previously Applied Research and Development Scheme)*

12 On 13 December 1991, the Finance Committee approved a sum of \$200,000,000 for the setting up of an Applied Research and Development Scheme to provide funding for worthwhile applied industrial research and development projects. On 11 December 1992, the Finance Committee approved revised terms and conditions for operating the Scheme, whereby Government investment in projects funded under the Scheme should be by way of equity participation in the recipient companies or a loan or a combination of both, and that a private limited company wholly owned by the Government should be formed to hold and manage the Government investments.

13 In February 1993, a private company called the Hong Kong Applied R&D Fund Company Limited was established to administer the Scheme. It was renamed as The Applied Research Council Company Limited in May 1995, and subsequently as The Applied Research Council in June 1996. Up to 31 March 1999, the Government has paid \$175,000,000 to the Council from the Capital Investment Fund.

14 On 27 March 1998, the Finance Committee approved the merger of the Scheme with the Co-operative Applied Research and Development Scheme, set up in 1995 with a one-off grant of \$50,000,000 from the Government, to become the Applied Research Fund and the consequential variation to the terms and conditions of the \$175,000,000 equity injection. It also approved a grant of \$525,000,000 to the Applied Research Council for financing applied research and development projects and a change in the Applied Research Council's mode of operation.

### **Head 964—Hong Kong IPM Manpower International Limited**

15 According to the agreement reached by all the shareholders of the Hong Kong IPM Manpower International Limited, the final distribution of assets of the Company, amounting to \$515,452, has been credited to the CIF account in October 1999. The process of members' voluntary winding up of the Company would be completed in February 2000.

### **Head 965—Asian Development Bank**

16 On 6 September 1967, the Finance Committee approved funds required to enable Hong Kong to become a member of the Asian Development Bank. On 28 March 1969, US\$8 million was subscribed to the Bank's capital stock, of which US\$4 million was paid up and the balance of US\$4 million would remain as callable shares. On 26 April 1972, the Finance Committee approved the subscription of US\$12 million to the first general capital increase of the Bank of which US\$2.4 million was paid up and US\$9.6 million remained as callable shares. On 1 June 1977, the Finance Committee approved the subscription of \$151,650,000 to the second general capital increase of the Bank, of which \$15,165,000 was paid up and the remaining \$136,485,000 remains on call. On 21 May 1986, the Finance Committee approved the subscription of \$331,810,000 to the third general capital increase, of which \$16,608,000 was paid up and the remaining \$315,202,000 remains on call.

17 On 24 June 1994, the Finance Committee approved an increase of \$18,470,000 (US\$2.33 million) in financial commitment for the subscription by Hong Kong to the fourth general capital increase of the Bank, amounting approximately to \$1,054,700,000 (US\$135.18 million). The increase in financial commitment is for the paid-in portion of the additional shares and the remaining \$1,036,230,000 (US\$132.85 million) will be a contingent liability in respect

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of the additional callable shares. The paid-in portion has been settled by three instalments. The first and second instalments of \$6,008,568 and \$6,000,420 were paid by 31 March 1996 and the last instalment of \$6,016,000 was paid by 31 March 1997.

**18** The total number of shares subscribed by Hong Kong since joining the Bank in March 1969 is 19 270 shares, comprising 1 350 paid-up shares and 17 920 callable shares.

**19** The callable shares will be subject to call only as and when required by the Bank to meet its financial obligations. Since Hong Kong became a member of the Bank, there has not been a call on the callable shares subscribed by Hong Kong, which have remained a contingent liability of the Government. As of 11 November 1999, the contingent liability was \$1,918,203,392. This amount will vary with the change in exchange rates. On 10 December 1995, the Central People's Government issued a letter of guarantee to the Bank guaranteeing Hong Kong's financial obligations to the Bank after 1997.

### **Head 967—Mass Transit Railway Corporation**

#### *Purchase of equity in MTRC*

**20** The Mass Transit Railway Corporation was established on 26 September 1975 by the enactment of the Mass Transit Railway Corporation Ordinance (Cap. 270) with an authorised capital of \$2,000,000,000. On 11 February 1981, the Finance Committee approved a commitment of \$3,500,000,000 to enable the Government to make a further equity investment as a capital contribution towards the cost of constructing the Island Line. To enable the Corporation to draw on this equity, the Government increased the authorised capital of the Corporation by \$3,500,000,000 from \$2,000,000,000 to \$5,500,000,000 on 16 March 1981. The paid up capital as at 31 March 1985 amounted to \$5,225,500,000. The authorised capital was further increased to \$11,500,000,000 on 11 June 1985 and to \$32,700,000,000 on 5 February 1995.

**21** On 26 June 1985, the Finance Committee accepted a financial commitment of \$2,500,000,000 in equity injection for the Corporation together with further callable equity of \$2,500,000,000 to be called on or after 31 December 1989. Government paid \$1,500,000,000 in 1985–86 and \$1,000,000,000 in 1987–88. As at 31 March 1996, a total of \$8,488,100,000 had been paid in capital injections to the Corporation for the operating railway. No payment for further purchase of equity in the operating railway is expected in 1999–2000 or 2000–01.

**22** Previously, the Government has agreed to accept equity to cover the Corporation's payments of rates until such time as the Corporation was able to meet its liabilities for these payments in cash. This was achieved by accepting cash payment in full for the rates due and then separately purchasing equity through the Fund covering the rates payment. Shares in multiples of \$100,000 each were then issued, leaving any odd sum to be carried forward to the next payment due. Starting from April 1993, the Corporation has been able to pay rates in cash.

#### *Airport Railway*

**23** On 18 November 1994, the Finance Committee approved a commitment to inject equity of \$23,700,000,000 into the Corporation to allow major works on the airport railway to proceed. The equity was fully paid by 31 March 1997.

### **Head 969—Airport Authority**

**24** On 29 June 1990, the Finance Committee approved a commitment of \$20,000,000 as an advance to the Provisional Airport Authority to finance its establishment and initial operation. On 13 July 1990, the Finance Committee approved an additional advance of \$760,000,000 to enable the Authority to commission the Airport Master Plan consultancy and to establish a major works site at Chek Lap Kok for subsequent use by the major reclamation contractor. On 19 July 1991, 27 November 1992, 18 June 1993 and 21 January 1994, the Finance Committee approved four further increases in this commitment, of \$6,550,000,000, \$6,699,000,000, \$562,000,000 and \$1,671,000,000 respectively, to enable the Authority to meet its full contractual commitments and associated expenses for the airport Site Preparation Contract and some urgent work items, 13 critical design packages and Head Office expenses up to 31 March 1995.

**25** On 1 July 1994, the Finance Committee approved a further increase in commitment of \$15,184,000,000 for major works items at the new Airport and for additional Head Office expenses up to 31 March 1995 to cope with increased project workload and to maintain the expansion of commercial and operational planning and development activities. On 27 January 1995, the Finance Committee approved a further commitment of \$5,202,000,000 for further major works items, bringing the total approved commitment to \$36,648,000,000. On 14 July 1995, the Finance Committee approved the conversion of the total authorised advance to the Provisional Airport Authority into a commitment to inject that amount of equity into the Airport Authority once it was established. The total authorised advance of \$35,553,600,000 up to 1 December 1995 was converted into equity upon the formal establishment of the Authority on that date. The remaining \$1,094,400,000 was injected into the Airport Authority as equity by 31 March 1997, through cash payment of \$816,160,699 and conversion of initial debt of \$278,239,301 due to Government into equity.

### **Head 971—Tradelink Electronic Commerce Limited**

**26** On 24 July 1992, the Finance Committee approved a commitment of \$187,000,000 to buy up to 48% of the issued capital of Tradelink Electronic Commerce Limited to finance the provision of a community electronic trading service. Subsequently, Government bought 48% of the issued capital of the company for \$56,125,000.

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**27** On 31 May 1996, the Finance Committee approved the reduction of the above commitment by \$130,875,000 and also approved a convertible loan of \$425,000,000 to the Company. The loan operates on a revolving basis with a credit limit of \$425,000,000 for a period that is coterminous with Government's Operating Agreement with the Company. In December 1997, the Government converted \$5,000,000 of the loan drawn into 80 shares in the Company at par value. As at 31 March 1999, the Government's capital injection in the Company was \$61,125,000 and there was an outstanding loan of \$195,000,000 due from the Company. The Company has fully repaid the loan as at 31 October 1999. It is estimated that no drawdown of the loan is required in the remainder of 1999–2000 and 2000–01.

**28** The Company will pay interest monthly on any outstanding balance of the loan at a rate equal to the average of the best lending rates quoted by the note-issuing banks.

### Head 972—Trading Funds

#### *Companies Registry*

**29** On 30 June 1993, the Legislative Council passed a Resolution for the establishment of the Companies Registry Trading Fund with effect from 1 August 1993. Under the Resolution, net assets valued at \$415,160,000 were appropriated to the trading fund on its establishment. Of this amount, \$138,460,000 is contribution to trading fund capital and the balance of \$276,700,000 is a loan from the shareholder to be repaid by ten annual instalments of \$27,670,000 starting from 1 August 1994.

**30** On 16 July 1993, the Finance Committee approved a commitment of \$20,000,000 to provide a loan to meet the trading fund's cash flow requirements in the early years of its operation. The loan operates as an overdraft facility with a credit limit of \$20,000,000. The loan would be drawn as and when necessary and repaid in full within ten years from 2 August 1993. It is expected that the trading fund will not draw down the loan in 1999–2000 and 2000–01.

#### *Land Registry*

**31** On 30 June 1993, the Legislative Council passed a Resolution for the establishment of the Land Registry Trading Fund with effect from 1 August 1993. Under the Resolution, net assets valued at \$354,900,000 were appropriated to the trading fund on its establishment. Of this amount, \$118,300,000 is contribution to trading fund capital and the balance of \$236,600,000 is a loan from the shareholder to be repaid by ten annual instalments of \$23,660,000 starting from 1 August 1994.

**32** On 16 July 1993, the Finance Committee approved a commitment of \$160,700,000 to provide a loan to the trading fund to finance part of the cost of a number of computerisation and office automation projects to improve trading fund's services. The loan would be drawn as and when necessary during the four-year period from 1993–94 to 1996–97 and repaid over a period of five years from the date of drawdown. The Land Registry drew \$13,000,000 in 1995–96 and had repaid a total of \$7,800,000 by 31 March 1999. The outstanding loan will be repayable by two annual instalments of \$2,600,000 each in 1999–2000 and 2000–01.

**33** On 21 February 1997, the Finance Committee approved the extension of the drawdown period of \$115,000,000 of the then existing loan facility from 31 March 1997 to 31 March 2001. The loan will be repaid by five equal annual instalments or may be repaid in whole or in part at any time ahead of the repayment schedule provided that such amount should not be less than \$10,000,000 in any one transaction. It is estimated that no drawdown of the loan will be required in 1999–2000 and 2000–01.

#### *Office of the Telecommunications Authority*

**34** On 10 May 1995, the Legislative Council passed a Resolution for the establishment of the Office of the Telecommunications Authority Trading Fund with effect from 1 June 1995. Under the Resolution, net assets valued at \$212,400,000 were appropriated to the trading fund on its establishment as contribution to trading fund capital.

#### *Post Office*

**35** On 19 July 1995, the Legislative Council passed a Resolution for the establishment of the Post Office Trading Fund with effect from 1 August 1995. Under the Resolution, net assets valued at \$3,001,400,000 were appropriated to the trading fund on its establishment. Of this amount, \$2,101,000,000 is contribution to trading fund capital and the balance of \$900,400,000 is a loan from the shareholder to be repaid by ten annual instalments of \$90,040,000 starting from 1 August 1996. In 1998–99, \$654,500,000 of the trading fund's development reserve was capitalised to increase the trading fund capital to \$2,755,500,000.

#### *Electrical and Mechanical Services Trading Fund*

**36** On 26 June 1996, the Legislative Council passed a Resolution for the establishment of the Electrical and Mechanical Services Trading Fund with effect from 1 August 1996. Under the Resolution, net assets valued at \$1,009,400,000 were appropriated to the trading fund on its establishment. Of this amount, \$706,600,000 is contribution to trading fund capital and the balance of \$302,800,000 is a loan from the shareholder to be repaid by ten annual instalments of \$30,280,000 starting from 1 July 1997.

**37** On 12 July 1996, the Finance Committee approved a commitment of \$150,000,000 to provide a loan to the trading fund. The loan operates as an overdraft facility with a credit limit of \$150,000,000. The trading fund would draw the loan as and when necessary and repay any outstanding balance in full by 31 July 2006. The trading fund drew

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down \$105,000,000 in 1996–97 and repaid that amount in full in 1997–98. It is estimated that the trading fund will not draw down the loan in 1999–2000 or 2000–01.

**38** The Trading Funds will pay interest on any outstanding loan balance at a rate equal to the average of the best lending rate quoted by the note-issuing banks.

### **Head 973—Tourism**

**39** On 26 November 1999, the Finance Committee approved a commitment to inject \$3,250,000,000 as equity and to provide \$5,619,000,000 as a loan from the Capital Investment Fund to Hongkong International Theme Parks Limited (HKITP) to allow HKITP to proceed with the development and operation of Hong Kong Disneyland (HKD). The Finance Committee also approved a non-cash investment of \$4,000,000,000 in subordinated equity by the Capital Investment Fund representing land premium for the HKD Phase I site.

**40** HKITP is a joint venture company owned by the Government and The Walt Disney Company for the purpose of developing and operating HKD. The \$3,250,000,000 equity injection will entitle the Government to a 57% shareholding in HKITP. The loan of \$5,619,000,000 must be completely repaid within 25 years of HKD Phase I opening at interest rates ranging from prime rate minus 1.75% to prime rate. The subordinated equity shares can convert to ordinary shares progressively during the life of HKD depending on operating performance.

### **Additional Commitments**

**41** A sum of \$6,000,000,000 will be required in 2000–01 to allow for additional commitments that may be identified during the course of the year.

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### (Payments)

Sub-head (Code)	Approved commitment	Actual expenditure to 31.3.99	Revised estimate 1999–2000	Estimate 2000–01	
	\$'000	\$'000	\$'000	\$'000	
<b>Investments/Loans</b>					
<b>Head 957—Kowloon-Canton Railway Corporation</b>					
111	West Rail Phase I.....	29,000,000	20,500,000	8,500,000	—
	<i>Head 957: total</i> .....	29,000,000	20,500,000	8,500,000	—
<b>Head 962—Industry</b>					
<b>Hong Kong Industrial Technology Centre Corporation</b>					
111	Loan .....	188,000	—	—	—
<b>Applied Research Fund</b>					
121	Investment in applied industrial research and development projects.....	175,000	175,000	—	—
	<i>Head 962: total</i> .....	363,000	175,000	—	—
<b>Head 965—Asian Development Bank</b>					
101	Shares in Asian Development Bank.....	87,688	87,243	—	—
	<i>Head 965: total</i> .....	87,688	87,243	—	—
<b>Head 967—Mass Transit Railway Corporation</b>					
101	Purchase of equity in MTRC.....	8,544,236	8,488,100	—	—
112	Airport Railway.....	23,700,000	23,700,000	—	—
	<i>Head 967: total</i> .....	32,244,236	32,188,100	—	—
<b>Head 969—Airport Authority</b>					
101	Purchase of equity in Airport Authority...	36,648,000	36,648,000	—	—
	<i>Head 969: total</i> .....	36,648,000	36,648,000	—	—
<b>Head 971—Tradelink Electronic Commerce Limited</b>					
102	Loan for Tradelink Electronic Commerce Limited.....	425,000	200,000	—	—
	<i>Head 971: total</i> .....	425,000	200,000	—	—

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### (Payments)

Sub-head (Code)	Approved commitment	Actual expenditure to 31.3.99	Revised estimate 1999–2000	Estimate 2000–01
	\$'000	\$'000	\$'000	\$'000
<b>Investments/Loans</b>				
<b>Head 972—Trading Funds</b>				
101	Loan to Companies Registry loan for working capital #.....	20,000	—	—
102	Loan to Land Registry loan for working capital term loan .....	13,000	13,000	—
	revolving loan .....	115,000	—	—
104	Loan to Office of the Telecommunications Authority loan for working capital.....	20,000	—	—
105	Loan to Post Office loan for working capital.....	20,000	—	—
106	Loan to Electrical and Mechanical Services Trading Fund loan for working capital #.....	150,000	—	—
	<i>Head 972: total</i> .....	338,000	13,000	—
<b>Head 973—Tourism</b>				
101	Equity in Hongkong International Theme Parks Limited.....	3,250,000	—	145,000
102	Loan to Hongkong International Theme Parks Limited.....	5,619,000	—	624,000
	<i>Head 973: total</i> .....	8,869,000	—	145,000
	<b>Additional Commitments</b> .....	—	—	6,000,000
<b>Total (Payments)</b> .....		107,974,924	89,811,343	8,645,000
		<b>6,744,000</b>		

# Actual expenditure to 31.3.99 is not shown as the item is a revolving loan.

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**(Receipts)**

Sub-head (Code)	Actual receipts to 31.3.99	Revised estimate 1999–2000	Estimate 2000–01	
	\$'000	\$'000	\$'000	
<b>Loan repayments</b>				
<b>Head 951—Housing</b>				
<b>Hong Kong Housing Authority</b>				
211	Loan .....	3,190,873	810,176	<b>853,283</b>
	<i>Head 951: total</i> .....	<u>3,190,873</u>	<u>810,176</u>	<u><b>853,283</b></u>
<b>Head 971—Tradelink Electronic Commerce Limited</b>				
202	Loan for Tradelink Electronic Commerce Limited loan.....	—	195,000	—
	conversion of loan to equity .....	5,000	—	—
	<i>Head 971: total</i> .....	<u>5,000</u>	<u>195,000</u>	<u>—</u>
<b>Head 972—Trading Funds</b>				
201	Loan to Companies Registry loan for appropriated assets.....	138,350	27,670	<b>27,670</b>
	loan for working capital # .....	—	—	—
202	Loan to Land Registry loan for appropriated assets.....	118,300	23,660	<b>23,660</b>
	loan for working capital term loan.....	7,800	2,600	<b>2,600</b>
205	Loan to Post Office loan for appropriated assets.....	270,120	90,040	<b>90,040</b>
206	Loan to Electrical and Mechanical Services Trading Fund loan for appropriated assets.....	60,560	30,280	<b>30,280</b>
	loan for working capital # .....	—	—	—
	<i>Head 972: total</i> .....	<u>595,130</u>	<u>174,250</u>	<u><b>174,250</b></u>
	<i>Loan repayments: total</i> .....	<u>3,791,003</u>	<u>1,179,426</u>	<u><b>1,027,533</b></u>
	<b>Dividends and interest on investments/loans</b> .....	—	1,430,942	<b>1,376,177</b>
	<b>Residual capital from Hong Kong IPM Manpower International Limited</b> .....	—	515	—
	<b>Interest on deposits and bank balances</b> .....	—	58,554	<b>174,000</b>
	<b>Transfer from General Revenue</b> .....	—	8,000,000	<b>3,600,000</b>
	<b>Total (Receipts)</b> .....	<u><u>3,791,003</u></u>	<u><u>10,669,437</u></u>	<u><u><b>6,177,710</b></u></u>

# Actual receipts to 31.3.99 are not shown as the item is a revolving loan.



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### Movement of the Account

	Actual				Revised Estimate	Estimate
	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
	\$m	\$m	\$m	\$m	\$m	\$m
OPENING BALANCE	4,456	5,112	2,599	6,368	1,152	<b>3,176</b>
Expenditure	21,525	9,036	119	20,545	8,645	<b>6,744</b>
Revenue	2,681	3,023	3,888	6,329	2,669	<b>2,578</b>
Surplus/(Deficit) before Transfer from GRA	(18,844)	(6,013)	3,769	(14,216)	(5,976)	<b>(4,166)</b>
Transfer from GRA	19,500	3,500	—	9,000	8,000	<b>3,600</b>
Surplus/(Deficit) after Transfer from GRA	656	(2,513)	3,769	(5,216)	2,024	<b>(566)</b>
CLOSING BALANCE	5,112	2,599	6,368	1,152	3,176	<b>2,610</b>

### Expenditure Analysis

	Actual				Revised Estimate	Estimate
	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
	\$m	\$m	\$m	\$m	\$m	\$m
Investments/Loans						
Hong Kong Housing Authority	—	—	—	—	—	—
Kowloon-Canton Railway Corporation	—	—	—	20,500	8,500	—
Hong Kong Industrial Technology Centre Corporation	—	—	—	—	—	—
Applied Research Fund	40	49	24	—	—	—
Asian Development Bank	6	6	—	—	—	—
Mass Transit Railway Corporation	8,000	8,000	—	—	—	—
Airport Authority	13,466	816	—	—	—	—
Tradelink Electronic Commerce Limited	—	60	95	45	—	—
Trading Funds	13	105	—	—	—	—
Tourism	—	—	—	—	145	<b>744</b>
Additional Commitments	—	—	—	—	—	<b>6,000</b>
<b>Total Expenditure</b>	<b>21,525</b>	<b>9,036</b>	<b>119</b>	<b>20,545</b>	<b>8,645</b>	<b>6,744</b>

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### Revenue Analysis

	Actual				Revised Estimate	Estimate
	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
	\$m	\$m	\$m	\$m	\$m	\$m
Loan repayments	715	844	971	826	1,179	<b>1,028</b>
Dividends and interest on investments/loans	1,721	1,963	2,779	2,677	1,431	<b>1,376</b>
Residual capital from						
Hong Kong IPM Manpower International Limited	—	—	—	—	1	—
Sewage Services Trading Fund	—	—	—	2,486	—	—
Interest on deposits and bank balances	245	216	138	340	58	<b>174</b>
<b>Total Revenue</b>	<b>2,681</b>	<b>3,023</b>	<b>3,888</b>	<b>6,329</b>	<b>2,669</b>	<b>2,578</b>