

LOAN FUND

LOAN FUND

Memorandum Note

On 1 April 1990, the Legislative Council established the Loan Fund by Resolution to assume the functions of the Development Loan Fund and the Student Loan Fund. The Development Loan Fund had been used to finance development schemes in Hong Kong through loans and advances. The Student Loan Fund had been used to finance loans to students at selected post-secondary institutions. 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) such appropriations from general revenue as may be approved by the Legislative Council for the purpose of the Fund;
 - (ii) all sums received by way of repayment of any loan or advance made from the Fund under sub-paragraph (c) below;
 - (iii) all sums received by way of interest or dividend on any loan or advance made from the Fund under sub-paragraph (c) below and any sum invested under sub-paragraph (e) below;
 - (iv) all sums received from the sale or other disposal of all or part of any investment made under sub-paragraph (e) below; and
 - (v) all such other sums as may be received for the purpose of the Fund;
- (c) the Financial Secretary may expend moneys from the Fund for the purpose of—
 - (i) meeting the liabilities assumed under the terms and conditions already approved as at 31 March 1990 by the Finance Committee; and
 - (ii) granting loans and advances to 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;
- (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.

2 The revised loan payments for 2014–15 are estimated at \$3,507,779,000. The loan payments for 2015–16 are estimated at \$5,285,849,000.

3 The revised loan repayments and other receipts for 2014–15 are estimated at \$4,744,526,000. This includes proceeds of \$108,231,000 from sale of loans. The loan repayments and other receipts for 2015–16 are estimated at \$5,519,657,000. Estimated sums of \$2,500,000,000 and \$3,000,000,000 will be transferred from the general revenue in 2014–15 and 2015–16 respectively.

4 The following notes supplement the estimates of payments and receipts in respect of the approved projects.

Head 251—Housing

Hong Kong Housing Society

5 From January 1982 to November 1986, the Finance Committee approved two interest-free loans totalling \$140,800,000 to the Housing Society for the development of two rural public housing projects. The loans are repayable over 40 years by equal monthly instalments. The estimated repayments in both 2014–15 and 2015–16 are \$3,520,000.

6 On 21 February 1997, the Finance Committee approved a commitment of \$1,380,000,000 to provide the Housing Society with interest-free funding to make loans under the extended Sandwich Class Housing Loan Scheme (SCHLS) whereby low interest loans were granted to eligible applicants to assist them in buying their own homes. The Housing Society had drawn the full amount by 31 March 1998.

7 On 9 January 1998, the Finance Committee approved a commitment of \$18,000,000,000 to provide the Housing Society with interest-free funding to make loans under the Home Starter Loan Scheme (HSLs) whereby low-interest loans were granted to eligible home buyers to purchase their own homes. Applications for the HSLs were closed on 31 March 2002 and the Housing Society had drawn \$14,953,000,000 by that date.

8 On 2 December 2003, the Government signed an agreement with the Hong Kong Mortgage Corporation Limited (HKMCL) for the sale of loans under the SCHLS and HSLs which are secured by second legal charges. As a result of the sale, the loan repayments received by the Housing Society less any reasonable expenses necessarily incurred in implementing the loan schemes are remitted to the HKMCL. The loan repayments received by the Housing Society from the unsold loans less any reasonable expenses continue to be remitted to the Government. The estimated remittances to the Government under the HSLs in 2014–15 and 2015–16 are \$1,204,000 and \$120,000 respectively.

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Housing assistance for civil servants

9 On 11 February 1981, the Finance Committee approved a commitment of \$400,000,000 to provide downpayment loans and housing loans under the civil service housing benefits schemes. From December 1985 to January 1989, the commitment was increased several times to \$2,137,000,000 to cover additional requirements. On 13 July 1990, 9 June 1995 and 7 May 1999, the Finance Committee approved increases in the commitment by \$4,553,000,000, \$2,123,000,000 and \$1,625,000,000 respectively to \$10,438,000,000 for servicing loans under the Home Purchase Scheme, the Home Financing Scheme and the Housing Loan Scheme. All the above loans are repayable with interest.

10 Subsequent to the Government's agreement with the HKMCL on 30 May 2003 for the sale of outstanding loans under various housing loan schemes for civil servants, further disposal(s) of the accumulated stock of loans to the HKMCL were made on a regular basis. After the sale, only the loan repayment from the unsold loans and new loans granted after the sale will be received by the Government. The estimated loan payments and repayments in 2014–15 are \$228,300,000 and \$19,800,000 respectively.

11 Assuming that the existing practice of disposing of the accumulated stock of new loans will continue in 2015–16, the estimated loan payments and repayments in 2015–16 are \$264,500,000 and \$36,300,000 respectively.

Head 252—Loans to Schools/Teachers

Loans to non-profit-making international schools

12 On 17 January 1997, the Finance Committee approved a commitment of \$66,591,000 to provide an interest-free loan to the Canadian International School to meet part of the construction cost of a new school building at Nam Long Shan Road, Hong Kong. On 20 June 1997, the Finance Committee approved a commitment of \$44,800,000 to provide an interest-free loan to the Hong Kong Japanese School Limited to meet the capital cost of a new school building in Tai Po Kau, N.T. On 26 November 1999, the Finance Committee approved a commitment of \$77,000,000 to provide an interest-free loan to the Australian International School Foundation Limited to meet part of the construction cost of a new school building at Kowloon Tong, Kowloon. The loans for the Canadian International School, the Hong Kong Japanese School Limited and the Australian International School Foundation Limited were fully repaid on 1 February 2010, 1 June 2009 and 24 September 2012 respectively. On 27 April 2012, the Finance Committee approved a commitment of \$203,830,000 to provide an interest-free loan to the Kellett School Association Limited to meet part of the construction cost of its new school premises in Kowloon Bay, Kowloon. The loan was drawn down in December 2013. On 25 May 2012, the Finance Committee approved a commitment of \$157,720,000 to provide an interest-free loan to the Hong Kong Academy Educational Foundation Limited to meet part of the construction cost of its new school premises in Sai Kung, N.T. The loan was drawn down in September 2013. On 8 June 2012, the Finance Committee approved a commitment of \$272,740,000 to provide an interest-free loan to the Harrow International School (Hong Kong) Limited to meet part of the construction cost of its new school premises in So Kwun Wat, Tuen Mun, N.T. The loan was drawn down in December 2013. The total approved commitment is therefore increased by \$634,290,000 to \$822,681,000. All the loans have been fully drawn and are repayable over a period of ten years with the first instalment due one year after the loans are drawn. The estimated repayments in 2014–15 and 2015–16 are \$25,087,000 and \$63,429,000 respectively.

Slope improvement loan scheme for private schools

13 On 25 June 1999, the Finance Committee approved a commitment of \$100,000,000 to provide loans to private schools for upgrading the sub-standard slopes under their maintenance responsibility as required by Dangerous Hillside Orders served by the Building Authority under section 27A of the Buildings Ordinance (Cap. 123). The loans are offered on a non-means-tested basis. Loans to non-profit-making private schools are interest-free whereas those to profit-making private schools bear interest at the "no-gain-no-loss" rate. The loans are normally repayable with interest, where applicable, by instalments within a period of up to 60 months. This may be extended to a maximum of 120 months where justified. The first instalment is due one month after the final drawdown of the loan.

14 The loan scheme operates on a revolving basis. The outstanding loan was fully repaid on 1 August 2011. There are no estimated payments and repayments in 2014–15. The estimated payments and repayments in 2015–16 are \$4,000,000 and \$400,000 respectively.

Start-up loan for post-secondary education providers

15 On 6 July 2001, the Finance Committee approved a commitment of \$5,000,000,000 to provide post-secondary education providers with interest-free loans to meet their start-up expenses for launching accredited post-secondary education programmes. The loans are repayable in ten equal annual instalments starting one year after the date of the final drawdown. On 23 May 2008, the Finance Committee approved modification of the scheme with effect from the 2008/09 academic year by expanding the scope of the scheme to offer loans to course providers of full-time locally-accredited self-financing post-secondary programmes for enhancing teaching and other ancillary facilities. In addition, existing borrowing institutions with medium-term loan approved before 23 May 2008 may apply for an extension of the loan repayment period from no more than ten years to no more than 20 years if they have proven financial difficulties, but subject to the payment of interest at the "no-gain-no-loss" rate after the interest-free period in the first ten years. On 5 February 2010, the Finance Committee approved an increase in the commitment by \$2,000,000,000; and to extend the loan repayment period from no more than ten years to no more than 20 years for institutions borrowing loans after May 2008 for constructing new college premises, subject to proven financial difficulties, payment of first five repayment instalments and interest at the "no-gain-no-loss" rate after the interest-free period in the first ten years. On 11 May 2012,

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the Finance Committee approved an increase of \$2,000,000,000 in the commitment and an extension of the ambit of the scheme to support the development of student hostels for the self-financing tertiary education sector. The estimated payments and repayments in 2014–15 are \$849,700,000 and \$206,910,000 respectively. The estimated payments and repayments in 2015–16 are \$150,300,000 and \$213,767,000 respectively.

Head 254—Loans to Students

Means-tested loan for tertiary students pursuing publicly-funded programmes

16 The Tertiary Student Finance Scheme - Publicly-funded Programmes (TSFS) is a means-tested scheme which provides financial assistance to eligible full-time students of publicly-funded institutions (i.e. University Grants Committee (UGC) - funded institutions, the Hong Kong Institute of Vocational Education, Hong Kong Design Institute, Chinese Cuisine Training Institute and International Culinary Institute of the Vocational Training Council, the Hong Kong Academy for Performing Arts, and the Dental Technology Course of the Prince Philip Dental Hospital).

17 Financial assistance is provided to students in need in the form of grants and/or loans. The loan element is intended to help towards students' living and personal expenses. The maximum loan for each student has been increased from \$40,960 in the 2013/14 academic year to \$42,520 in the 2014/15 academic year to reflect general price increases. The loans are interest-free during the study period and repayable upon graduation or termination of studies. Interest is accrued upon commencement of repayment. With the approval of the Finance Committee, the interest rate of the loans has been reduced from 2.5% to 1% per annum with effect from 1 July 2012 and the standard repayment period has been extended from five years to 15 years.

Means-tested loan for post-secondary students

18 The Financial Assistance Scheme for Post-secondary Students (FASP) is a means-tested scheme which provides financial assistance to eligible full-time students aged 30 or below pursuing locally-accredited, self-financing post-secondary education programmes which lead to a qualification at sub-degree (i.e. associate degree and/or higher diploma) or degree level. Financial assistance was provided in the form of grant or loan from the 2001/02 to 2005/06 academic years. With effect from the 2006/07 academic year, FASP loan for tuition fees has been replaced by FASP grant covering both tuition fees and academic expenses.

19 Starting from the 2008/09 academic year, means-tested loans at the same level as those under the TSFS are introduced to cover the students' living expenses based on the same terms and conditions as those under the TSFS. The maximum amount of living expenses loan is at the same level as that under the TSFS (i.e. \$42,520 per student per annum in the 2014/15 academic year).

20 The loans are interest-free during the study period and repayable upon graduation or termination of studies. Interest is accrued upon commencement of repayment. With the approval of the Finance Committee, the interest rate of the loans has been reduced from 2.5% to 1% per annum with effect from 1 July 2012 and the standard repayment period has been extended from five years to 15 years.

Non-means-tested loan scheme

21 The Non-means-tested Loan Scheme was introduced in 1998 to complement the TSFS and to ensure that no qualified students are denied access to tertiary education because of lack of means. It has been expanded and now comprises the Non-means-tested Loan Scheme for Full-time Tertiary Students (NLSFT) and the Extended Non-means-tested Loan Scheme (ENLS). NLSFT provides loans for tuition fees to eligible full-time students of publicly-funded institutions. ENLS provides loans for tuition fees to persons pursuing specific post-secondary and continuing and professional education courses provided in Hong Kong.

22 The Non-means-tested Loan Scheme for Post-secondary Students (NLSPS) was introduced in the 2001/02 academic year to complement the FASP to provide loans to eligible full-time students aged 25 or below pursuing locally-accredited self-financing post-secondary education programmes which lead to a qualification at or above the levels of associate degree, higher diploma and/or professional diploma. With effect from the 2008/09 academic year, the NLSPS is extended to cover sub-degree graduates studying full-time locally-accredited self-financing degree or top-up degree programmes. From the 2012/13 academic year, the age limit of the NLSPS has been removed.

23 Eligible students who fail to obtain or do not wish to apply for assistance under the TSFS/FASP may apply for loans under the NLSFT/NLSPS up to the maximum amount of their tuition fees payable. Students who receive financial assistance under the TSFS may apply for loans under the NLSFT up to the difference between the maximum financial assistance under the TSFS and the amount of financial assistance they may receive under the TSFS, subject to the loan maximum (equivalent to the tuition fee payable) not being exceeded. Students who receive financial assistance under the FASP may apply for loans under the NLSPS up to the difference between their tuition fee payable plus the maximum levels of academic expenses and basic living expenses under the FASP and the financial assistance they may receive under the FASP, subject to the loan maximum (equivalent to the tuition fee payable) not being exceeded. Other eligible students may apply for loan under ENLS up to the maximum amount of their tuition fee payable. With effect from the 2012/13 academic year, a combined life-time loan limit of \$300,000 has been imposed under the NLSFT and NLSPS and another life-time loan limit of \$300,000 has been imposed under the ENLS. The life-time loan limits will be price-adjusted annually in accordance with the Composite Consumer Price Index. The limits for the 2014/15 academic year are \$325,700.

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24 The NLSFT, NLSPS and ENLS operate on a full-cost recovery basis. Interest, charged once the loan is drawn down, is payable on the outstanding balance of the loan at the “no-gain-no-loss” rate, plus a risk-adjusted factor which seeks to cover the Government’s risk in disbursing unsecured loans. With the approval of the Finance Committee, the risk-adjusted factor has been reduced from 1.5% to zero from 1 July 2012, subject to a review after three years, and the standard repayment period has been extended from ten to 15 years. An administrative fee is chargeable for each application and annually thereafter until the loan is fully repaid. The loan and the interest accrued are repayable upon graduation or termination of studies or lapse of six years from the first disbursement of the loan (applicable to ENLS and NLSPS only), whichever is the earliest.

Students of approved post-secondary colleges

25 The Student Finance Assistance Scheme, which provided loans to eligible students of the Hong Kong Shue Yan University registered in the 2000/01 academic year or before, has been phased out since the 2005/06 academic year.

Hong Kong students in the United Kingdom

26 The former Hong Kong/United Kingdom Governments Joint Funding Scheme provided financial assistance to eligible Hong Kong students of first degree or Higher National Diploma courses in the United Kingdom. Financial assistance under the scheme was subject to means-testing and was in the form of grants and loans. Loans under this scheme are normally repayable over a period of five years after the students’ graduation or termination of studies. The scheme was phased out as from the 1994/95 academic year. No more loan payments are to be made under this scheme.

27 As at 31 March 2014, the amount of outstanding loans under the schemes mentioned in paragraphs 16 to 26 above was \$10,459,408,000. The estimated loan payments and repayments in 2014–15 are \$1,901,534,000 and \$1,512,651,000 respectively. The estimated loan payments and repayments in 2015–16 are \$2,084,284,000 and \$1,454,114,000 respectively.

Head 255—Interest-free loans to employees injured at work and dependants of employees who die as a result of work-related accidents

Loans to employees injured at work and dependants of deceased employees

28 On 2 July 1993, the Finance Committee approved a revolving fund with a commitment of \$10,000,000 to provide temporary relief in the form of interest-free loans of up to \$15,000 each to employees injured at work and to dependants of employees who die as a result of work-related accidents. The loans are normally repayable in four equal quarterly repayments after the relevant employees’ compensation claims have been settled. The estimated payments and repayments in 2014–15 are \$195,000 and \$74,000 respectively. The estimated payments and repayments in 2015–16 are \$165,000 and \$95,000 respectively.

Head 257—Employees Compensation Assistance Fund

Bridging loan to Employees Compensation Assistance Fund Board

29 On 16 June 2000, the Finance Committee approved the provision of a bridging loan up to \$60,000,000 to the Employees Compensation Assistance Fund Board to assist its cash flow up to the end of July 2001. The Board fully drew the loan in July 2001 and repaid the first instalment of \$10,000,000 in August 2001. On 21 June 2002, the Finance Committee approved the provision of an additional loan of \$220,000,000 to the Board. The additional loan has been fully drawn by 31 March 2005. Interest on the outstanding balance of the previous bridging loan and the additional loan is payable at the “no-gain-no-loss” rate. The total loan is repayable by ten annual instalments beginning on 1 April 2006. The estimated repayments in 2014–15 and 2015–16 are \$31,147,000 and \$31,375,000 respectively.

Head 262—Primary Products

Fisheries loans

30 The Fisheries Development Loan Fund (FDLF) is a revolving fund established in January 1960 with a commitment of \$2,000,000 from the Development Loan Fund to provide loans at an interest rate of 6% per annum to promote fishing in middle and distant waters. The approved commitment for this fund was increased to \$5,000,000 in December 1961, \$7,000,000 in October 1984, \$100,000,000 in November 1997 and \$290,000,000 in June 2006. On 27 April 2012, the Government revised the terms and conditions of the FDLF to provide (a) one-off loans to owners of trawlers and fish collectors affected by the trawl ban, if the application is submitted on or before 31 December 2015, for upgrading their vessels to operate outside Hong Kong waters or switching to more sustainable fisheries operations and other fisheries-related operations, or for carrying out projects that will reduce fuel consumption or carbon footprint of their operations without increasing fishing effort; (b) loans to capture fishermen and owners of fish collectors for switching to more sustainable fisheries operations and other fisheries-related operations, and for carrying out projects that will reduce fuel consumption or carbon footprint of their operations without increasing fishing effort; and (c) loans to fish farmers to help them develop aquaculture or improve their aquaculture businesses leading to more environmentally friendly operations or an improvement of the quality and food safety standards of the aquaculture products. Interest for loans to owners of trawlers and fish collectors affected and not affected by the trawl ban is compound interest calculated on a monthly basis at 1% and 2.5% per annum respectively, and for loans to aquaculture operators is compound interest calculated on a monthly basis at the “no-gain-no-loss” rate. Loans are repayable by instalments according to a quarterly

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repayment pledge. The estimated loan payments and repayments in 2014–15 are \$130,000,000 and \$3,846,000 respectively. The estimated loan payments and repayments in 2015–16 are \$75,000,000 and \$42,732,000 respectively.

Kadoorie Agricultural Aid Loan Fund-loans to mariculturists

31 On 23 April 1998, the Finance Committee approved a commitment of \$200,000,000 to the Kadoorie Agricultural Aid Loan Fund (KAALF) to provide loans at an interest rate of 2% per annum to mariculturists affected by the red tide in March and April 1998. The loans are for the mariculturists to re-establish their fish farming businesses. The KAALF had drawn \$130,189,000 by 31 March 2000 and no further drawdown is expected. The estimated repayments in 2014–15 and 2015–16 are \$182,000 and \$60,000 respectively.

Fish Marketing Organization Loan Fund-fishing moratorium loan scheme

32 On 16 June 2006, the Finance Committee approved a commitment of \$60,000,000 to the Fish Marketing Organization Loan Fund to provide loans on a revolving basis at the “no-gain-no-loss” interest rate to the Fish Marketing Organization which then provides loans to fishermen affected by the annual fishing moratorium in the South China Sea. The loans are for the fishermen to maintain and repair their fishing vessels for resumption of fishing operation after the moratorium. The estimated payments and repayments in 2014–15 are \$57,000,000 and \$51,954,000 respectively. The estimated payments and repayments in 2015–16 are \$60,000,000 and \$47,968,000 respectively.

Head 269—Building Safety

Comprehensive Building Safety Improvement Loan Scheme

33 On 27 April 2001, the Finance Committee approved the merger of the Fire Safety Improvement Loan Scheme under Head 268 and the Building Safety Improvement Loan Scheme under Head 269 into a new Comprehensive Building Safety Improvement Loan Scheme (CBSILS) under Head 269 with a commitment of \$700,000,000 to provide loans to building owners who need financial assistance to improve the safety of their premises. The CBSILS is a revolving loan facility. In general, interest is payable on the outstanding balance of the loans at the “no-gain-no-loss” rate. However, the Director of Buildings may, on the advice of an advisory committee, grant loans on an interest-free basis to needy applicants subject to assessment on income and assets. The estimated payments and repayments in 2014–15 are \$71,000,000 and \$55,000,000 respectively. The estimated payments and repayments in 2015–16 are \$77,500,000 and \$59,800,000 respectively.

Head 274—Tourism

Loan for the Ocean Park Redevelopment Plans

34 On 16 December 2005, the Finance Committee approved a commitment of \$1,387,500,000 to provide a subordinated loan to The Ocean Park Corporation for a period of 25 years at a fixed interest rate of 5% per annum, and a guarantee for a \$1,387,500,000 commercial loan and interest arising therefrom for the Corporation to proceed with the Redevelopment Plans of the Ocean Park. The loan has been fully drawn by 2007–08 but no repayment is expected in 2014–15 and 2015–16.

Loan for the Ocean Park’s Tai Shue Wan Development Project

35 On 24 May 2013, the Finance Committee approved a commitment of \$2,290,000,000 to provide a subordinated loan to The Ocean Park Corporation for a period of 20 years at a floating interest rate, which is equivalent to the interest rate of the Government’s fiscal reserves placed with the Exchange Fund, for the Corporation to proceed with the Tai Shue Wan Development Project of the Ocean Park. The estimated payments in 2014–15 and 2015–16 are \$270,000,000 and \$1,920,000,000 respectively.

Head 275—Small and Medium Enterprises

Special finance scheme for small and medium enterprises

36 On 31 July 1998, the Finance Committee approved a commitment of \$2,500,000,000 for the establishment of a special finance scheme, which operated on a revolving basis, to provide guarantees for loans or credit facilities extended by recognised lending institutions to small and medium enterprises which were then hard hit by the liquidity crunch in Hong Kong. The maximum amount of the guarantee in each case was either \$2,000,000 or 50% of an approved loan, whichever was the less. On 23 April 1999, the Finance Committee approved an increase in the maximum amount of the guarantee in each case to either \$2,000,000 or 70% of an approved loan, whichever was the less. Under the scheme, the Government placed with a lending institution, on request, a deposit of up to the amount of each guarantee issued. On 12 November 1999, the Finance Committee approved the increase of the commitment to \$5,000,000,000 and at the same time the revocation of the deposit option for lending institutions. On 8 April 2000, the Government stopped receiving further applications. On 30 September 2000, all outstanding applications were either processed or withdrawn. Placements of deposits and payments of compensation under guarantees in default cases are classified as payments while uplifting of deposits and recoveries of compensation are classified as receipts. The net amount of payments as at 31 March 2014 was \$112,669,000. The estimated payments and repayments in 2014–15 are \$50,000 and \$188,000 respectively. The estimated payments and repayments for 2015–16 are \$100,000 and \$142,000 respectively.

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Head 276—Water Supply

Loan to the Guangdong Provincial People's Government for water quality improvement project

37 On 3 April 1998, the Finance Committee approved a commitment of \$2,364,000,000 to provide an interest-free loan to the Guangdong Provincial People's Government to help finance a works project in Guangdong to improve the quality of water supplied to the Hong Kong Special Administrative Region. The loan was fully drawn by 2002–03. The loan is repayable in 20 equal annual instalments starting from 2003–04. The estimated repayments in both 2014–15 and 2015–16 are \$118,200,000.

Additional Commitments

38 A sum of \$650,000,000 will be provided in 2015–16 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 31.3.2014	Revised estimate 2014–15	Estimate 2015–16	
	\$'000	\$'000	\$'000	\$'000	
Loans					
Head 251—Housing					
Housing assistance for civil servants					
151	Housing loans§	10,438,000	102,518	228,300	264,500
	<i>Head 251: total</i>	<u>10,438,000</u>	<u>102,518</u>	<u>228,300</u>	<u>264,500</u>
Head 252—Loans to Schools/Teachers					
105	Slope improvement loan scheme for private schools§	100,000	—	—	4,000
106	Start-up loan for post-secondary education providers	9,000,000	5,829,519	849,700	150,300
	<i>Head 252: total</i>	<u>9,100,000</u>	<u>5,829,519</u>	<u>849,700</u>	<u>154,300</u>
Head 254—Loans to Students					
101	Means-tested loan for tertiary students pursuing publicly-funded programmes	—	11,852,268	275,493	276,313
102	Non-means-tested loan scheme	—	14,398,545	1,404,817	1,544,400
103	Means-tested loan for post-secondary students..	—	1,763,924	221,224	263,571
	<i>Head 254: total</i>	<u>—</u>	<u>28,014,737</u>	<u>1,901,534</u>	<u>2,084,284</u>
Head 255—Interest-free loans to employees injured at work and dependants of employees who die as a result of work- related accidents					
101	Loans to employees injured at work and dependants of deceased employees§	10,000	177	195	165
	<i>Head 255: total</i>	<u>10,000</u>	<u>177</u>	<u>195</u>	<u>165</u>
Head 262—Primary Products					
101	Fisheries loans§	290,000	40,287	130,000	75,000
132	Fish Marketing Organization Loan Fund— fishing moratorium loan scheme§	60,000	12,907	57,000	60,000
	<i>Head 262: total</i>	<u>350,000</u>	<u>53,194</u>	<u>187,000</u>	<u>135,000</u>

§ The actual expenditure to 31.3.2014 represents the net amount of outstanding loans as at that date.

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(Payments)

Sub-head (Code)	Approved commitment	Actual expenditure to 31.3.2014	Revised estimate 2014–15	Estimate 2015–16	
	\$'000	\$'000	\$'000	\$'000	
Loans					
Head 269—Building Safety					
101	Comprehensive Building Safety Improvement Loan Scheme§	700,000	113,644	71,000	77,500
	<i>Head 269: total</i>	<u>700,000</u>	<u>113,644</u>	<u>71,000</u>	<u>77,500</u>
Head 274—Tourism					
122	Loan for the Ocean Park's Tai Shue Wan Development Project	2,290,000	100,000	270,000	1,920,000
	<i>Head 274: total</i>	<u>2,290,000</u>	<u>100,000</u>	<u>270,000</u>	<u>1,920,000</u>
Head 275—Small and Medium Enterprises					
101	Special finance scheme for small and medium enterprises§	5,000,000	112,669	50	100
	<i>Head 275: total</i>	<u>5,000,000</u>	<u>112,669</u>	<u>50</u>	<u>100</u>
Additional Commitments†	—	—	—	—	650,000
Total (Payments)					
	<u><u>27,888,000</u></u>	<u><u>34,326,458</u></u>	<u><u>3,507,779</u></u>	<u><u>5,285,849</u></u>	

§ The actual expenditure to 31.3.2014 represents the net amount of outstanding loans as at that date.

† Subject to Finance Committee's approval.

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(Receipts)

Sub-head (Code)	Actual receipts to 31.3.2014	Revised estimate 2014–15	Estimate 2015–16
	\$'000	\$'000	\$'000
Loan repayments			
Head 251—Housing			
Hong Kong Housing Society			
213	Rural public housing		
	(i) Tui Min Hoi.....	20,705	758
	(ii) Sha Tau Kok.....	62,847	2,762
216	Home starter loan scheme.....	12,059,446	1,204
			120
Housing assistance for civil servants			
251	Housing loans#.....	—	19,800
	<i>Head 251: total</i>	12,142,998	24,524
			36,300
			39,940
Head 252—Loans to Schools/Teachers			
204	Loans to non-profit-making international schools.....	188,391	25,087
205	Slope improvement loan scheme for private schools#.....	—	—
206	Start-up loan for post-secondary education providers.....	2,414,452	206,910
	<i>Head 252: total</i>	2,602,843	231,997
			63,429
			400
			213,767
			277,596
Head 254—Loans to Students			
201	Means-tested loan for tertiary students pursuing publicly-funded programmes.....	10,345,053	232,692
202	Non-means-tested loan scheme.....	6,686,762	1,139,395
203	Means-tested loan for post-secondary students.....	499,357	140,497
211	Students of approved post-secondary colleges.....	188,392	38
231	Hong Kong students in the United Kingdom.....	173,327	29
	<i>Head 254: total</i>	17,892,891	1,512,651
			241,735
			1,045,841
			166,531
			7
			—
			1,454,114
Head 255—Interest-free loans to employees injured at work and dependants of employees who die as a result of work-related accidents			
201	Loans to employees injured at work and dependants of deceased employees#.....	—	74
	<i>Head 255: total</i>	—	74
			95
			95

Actual receipts to 31.3.2014 are not shown as the item is a revolving loan.

LOAN FUND
(Receipts)

Sub-head (Code)	Actual receipts to 31.3.2014	Revised estimate 2014–15	Estimate 2015–16	
	\$'000	\$'000	\$'000	
Loan repayments				
Head 257—Employees Compensation Assistance Fund				
201	Bridging loan to Employees Compensation Assistance Fund Board.....	225,706	31,147	31,375
	<i>Head 257: total</i>	<u>225,706</u>	<u>31,147</u>	<u>31,375</u>
Head 262—Primary Products				
201	Fisheries loans#.....	—	3,846	42,732
213	Kadoorie Agricultural Aid Loan Fund—loans to mariculturists	126,851	182	60
232	Fish Marketing Organization Loan Fund—fishing moratorium loan scheme#.....	—	51,954	47,968
	<i>Head 262: total</i>	<u>126,851</u>	<u>55,982</u>	<u>90,760</u>
Head 269—Building Safety				
201	Comprehensive Building Safety Improvement Loan Scheme# ...	—	55,000	59,800
	<i>Head 269: total</i>	<u>—</u>	<u>55,000</u>	<u>59,800</u>
Head 275—Small and Medium Enterprises				
201	Special finance scheme for small and medium enterprises#.....	—	188	142
	<i>Head 275: total</i>	<u>—</u>	<u>188</u>	<u>142</u>
Head 276—Water Supply				
201	Loan to the Guangdong Provincial People's Government for water quality improvement project.....	1,300,200	118,200	118,200
	<i>Head 276: total</i>	<u>1,300,200</u>	<u>118,200</u>	<u>118,200</u>
	<i>Loan repayments: total</i>	<u>34,291,489</u>	<u>2,029,763</u>	<u>2,072,022</u>

Actual receipts to 31.3.2014 are not shown as the item is a revolving loan.

LOAN FUND
(Receipts)

Sub-head (Code)	Actual receipts to 31.3.2014	Revised estimate 2014–15	Estimate 2015–16
	\$'000	\$'000	\$'000
Interest on loans	—	102,442	140,022
Surcharges on overdue loan repayments	—	4,087	4,087
Investment income	—	3*	88,000
Proceeds from sale of loans	—	108,231	215,526
Transfer from General Revenue	—	2,500,000	3,000,000
Total (Receipts)	34,291,489	4,744,526	5,519,657

* This provision includes investment income from cash balances but excludes investment income placed with the Exchange Fund for 2014–15. The latter, which stood at \$52,414,000, along with the investment income on other parts of the fiscal reserves, has been set aside and retained within the Exchange Fund for the Housing Reserve.

LOAN FUND

Movement of the Account

	Actual				Revised Estimate	Estimate
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	1,671	1,922	2,250	2,186	1,389	2,626
Revenue	2,238	2,389	2,240	2,647	2,245	2,520
Expenditure	1,987	2,061	2,304	4,144	3,508	5,286
Surplus/(Deficit) before Transfer from GRA	251	328	(64)	(1,497)	(1,263)	(2,766)
Net Transfer from GRA	—	—	—	700	2,500	3,000
Surplus/(Deficit) after Transfer from GRA	251	328	(64)	(797)	1,237	234
Closing Balance	1,922	2,250	2,186	1,389	2,626	2,860

Revenue Analysis

	Actual				Revised Estimate	Estimate
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m	\$m	\$m
Loan Repayments	1,728	1,898	1,779	2,210	2,030	2,072
Interest on Loans	233	238	195	161	103	140
Surcharges on Overdue Loan Repayments	3	3	3	3	4	4
Investment Income	120	132	136	122	— ^{#*}	88
Proceeds from Sale of Loans	154	118	127	151	108	216
Total Revenue	2,238	2,389	2,240	2,647	2,245	2,520

Figures less than \$1 million are not reflected here.

* This provision includes investment income from cash balances but excludes investment income placed with the Exchange Fund for 2014-15. The latter, which stood at \$52,414,000, along with the investment income on other parts of the fiscal reserves, has been set aside and retained within the Exchange Fund for the Housing Reserve.

LOAN FUND

Expenditure Analysis

	Actual				Revised Estimate	Estimate
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m	\$m	\$m
Loans						
Housing	156	94	180	109	228	265
Loans to Schools/Teachers	1	213	227	1,847	850	154
Loans to Students	1,744	1,662	1,814	1,936	1,902	2,084
Labour	— [#]	— [#]				
Primary Products	32	41	35	98	187	135
Building Safety	54	51	48	54	71	78
Tourism	—	—	—	100	270	1,920
Small and Medium Enterprises	—	—	—	—	— [#]	— [#]
Additional Commitments	—	—	—	—	—	650
Total Expenditure	1,987	2,061	2,304	4,144	3,508	5,286

Figures less than \$1 million are not reflected here.

Estimated Outstanding Commitment of Loan Fund

	Outstanding Commitment
As at 31 March 2015	\$m 19,970