Press Release

Special Arrangement of the SME Financing Guarantee Scheme

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Monday) the introduction of a special arrangement under the SME Financing Guarantee Scheme (SFGS) to help local enterprises adversely impacted by the Japanese earthquake to tide over the difficult times.

The special arrangement, coming into effect on 1 June 2011, will last until 31 December 2011. Eligible enterprises will receive a waiver of three months' guarantee fee for loans with tenor of three years or less and a waiver of six months' guarantee fee for loans with tenor of more than three years.

To be eligible for the special arrangement, an enterprise should fulfill the following requirements in addition to the existing eligibility criteria under the SFGS:

(a) the enterprise must be either a Japanese restaurant or running other businesses related to Japanese products or services; and

(b) the enterprise must provide evidence of a drop in business turnover by more than 30% (or a lower level, subject to approval on a case-by-case basis) in any single month since March 2011 as compared with the monthly average business turnover of the

six-month period before March 2011.

The Executive Director of the HKMC, Mr Peter Pang, said: "In consultation with the Commerce and Economic Development Bureau, the HKMC is pleased to offer this special arrangement to render assistance to enterprises affected by the Japanese earthquake. We believe that the special arrangement should help such enterprises in obtaining bank financing to meet their funding needs."

Details of the special arrangement are set out at Annex. For public enquiries, please call the SFGS Hotline (Tel: 2536 0392).

The Hong Kong Mortgage Corporation Limited
30 May 2011

Annex

Major Details of the Special Arrangement

Offer Period	Applications submitted to the HKMC from 1 June 2011 to 31 December 2011
Eligible Borrower(s)	Enterprises shall fulfil the existing eligibility criteria and be: (a) either (i) Japanese restaurants; or (ii) running any other businesses related to Japan products or services; and (b) able to substantiate that it has been adversely affected by the Japanese earthquake by providing evidence of a reduction of business turnover of more than 30% (or a lower level to be approved by the HKMC on a case-by-case basis) in any single month since March 2011 as compared with the monthly average business turnover of the six-month period before March 2011.
Waiver of Guarantee Fee	i. For Facility with tenor of three years or less: Waiver of three months' guarantee fee

	ii. For Facility with tenor of more than three years: Waiver of six months' guarantee fee Borrowers can enjoy the fee waiver up front.
Other Features	Same as the existing features of the SFGS