Press Release

Special 100% Loan Guarantee to Receive Applications

HKMC Insurance Limited (HKMCI), a wholly-owned subsidiary of the Hong Kong Mortgage Corporation Limited, announces that, the Special 100% Loan Guarantee under the SME Financing Guarantee Scheme (SFGS) will start receiving applications from 20 April 2020 (Monday).

The Financial Secretary, Mr Paul Chan, said, "I announced the introduction of the Special 100% Loan Guarantee in the 2020-21 Budget, with the objective of easing the cash flow problems of enterprises adversely affected by the COVID-19. In light of the prolonged impact of the COVID-19 on the economy, the second round of the Anti-epidemic Fund further enhances the Special 100% Loan Guarantee, thereby benefitting more enterprises. We believe the launch of the Loan Guarantee will be a timely response to the pressing needs of many enterprises."

HKMCI welcomes all lenders under the SFGS to participate in the Special 100% Loan Guarantee and the following lenders will receive applications: Bank of China (Hong Kong) Limited, Bank of Communications (Hong Kong) Limited, Chong Hing Bank Limited, DBS Bank (Hong Kong) Limited, Hang Seng Bank Limited, Nanyang Commercial Bank, Ltd., OCBC Wing Hang Bank Limited, Standard Chartered Bank (Hong Kong) Limited, The Bank of East Asia, Limited and The Hongkong and Shanghai Banking Corporation Limited. Besides, some other lenders have indicated their interest in joining.

The Special 100% Loan Guarantee is applicable to all sectors. The loans will be fully guaranteed by the Government. Eligible enterprises should have been operating for at least three months as at end-December 2019, and have suffered at least a 30% decline in sales turnover in any month since February 2020

compared with the monthly average of any quarter in 2019. An interest rate of the Prime Rate minus 2.5% per annum (i.e. current interest rate at 2.75%) will be charged. All guarantee fee will be waived. The maximum amount of the loan per enterprise is the total amount of employee wages and rents for six months[1], or HK$2 million, whichever is lower. Enterprises may also apply for an optional principal moratorium for the first 6 months, so as to alleviate instant burden on repayment. (Subject to approval of funding by the Finance Committee of the Legislative Council, the maximum loan amount per enterprise will be increased to HK$4 million, and the principal moratorium arrangement will be extended to the first 12 months.)

For public enquiries, please call the SFGS Hotline at 2536 0392.

HKMC Insurance Limited
16 April 2020

[1] If an enterprise does not have either employee(s) or rented office(s), the calculation can be replaced by half of the maximum monthly net income in 2019.