Press Release

Enhancement Measures to 80% and 90% Guarantee Products under SME Financing Guarantee Scheme

HKMC Insurance Limited (HKMCI), a wholly-owned subsidiary of the Hong Kong Mortgage Corporation Limited, announces that, the enhancement measures to the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS) as included in the second round of the Anti-epidemic Fund announced by the Government in April 2020 takes immediate effect (29 May). The measures include raising the maximum loan amount of the 80% and 90% Guarantee Products and extending the eligibility coverage to listed companies in Hong Kong, and will last for 12 months. In addition, both the existing guaranteed loans and new applications are eligible for an interest subsidy for a maximum period of 12 months, the payments of which will start to be made by the end of June this year.

The Financial Secretary, Mr Paul Chan, said, "Businesses of many local enterprises are seriously affected by the COVID-19. In light of this, in addition to the Special 100% Loan Guarantee launched earlier, we have further enhanced the 80% and 90% Guarantee Products under the SFGS, so that more enterprises affected by the COVID-19 can apply for guaranteed loans to alleviate their cash flow burden and tide over the current economic challenges."

Under the enhancement measures, the maximum loan amount per enterprise for the 80% Guarantee Product is increased from HK$15 million to HK$18 million, while that for the 90% Guarantee Product is increased from HK$6 million to HK$8 million. All borrowing enterprises under the scheme can benefit from the enhancements. The eligibility coverage of both guarantee products is extended to listed companies in Hong Kong. In addition, for the requirement of personal guarantee by individual shareholder(s) under the Special 100% Loan Guarantee, applicable percentage of equity interest is reduced from over 70% to over 50%, which is in line with that for the 80% and 90% Guarantee Products.

The Government will provide interest subsidy for the 80% and 90% guaranteed loans, with the amount of subsidy subject to a cap of 3%. Each loan is entitled to an interest subsidy for a maximum period of 12 months. HKMCI has reached a consensus with the Government and the lenders on the implementation details as follows:

- All outstanding loans as of 30 April 2020 will receive the first batch of interest subsidy for up to 3 months, of which payment will be successively made starting from the end of June 2020 (Please refer to the Annex for details);
- The payment of subsequent interest subsidy will be made on a monthly basis thereafter;
- Interest subsidy is applicable to new loan applications successfully submitted before 31 May 2021.

The payment of interest subsidy will be automatically deposited into relevant bank accounts, and no application is required. This will provide more expeditious supports to the borrowing enterprises. For public enquiries, please call the SFGS Hotline at 2536 0392.

HKMC Insurance Limited
29 May 2020

Annex

Lenders which will make payments of interest subsidy by end-June

1. Bank of China (Hong Kong) Limited
2. Bank of Communications Co., Ltd.
3. Bank of Communications (Hong Kong) Limited
4. China CITIC Bank International Limited
5. China Construction Bank (Asia) Corporation Limited
6. Chong Hing Bank Limited
7. Citibank (Hong Kong) Limited
8. Citibank, N.A.
9. CMB Wing Lung Bank Limited
10. Commonwealth Finance Corporation Limited
11. Dah Sing Bank, Limited
12. DBS Bank (Hong Kong) Limited
13. DZ BANK AG Deutsche Zentral-Genossenschaftsbank, HongKong Branch
14. Fubon Bank (Hong Kong) Limited
15. Hang Seng Bank, Limited
16. Industrial and Commercial Bank of China (Asia) Limited
17. Nanyang Commercial Bank, Limited
18. OCBC Wing Hang Bank Limited
19. ORIX Asia Limited
20. Public Bank (Hong Kong) Limited
21. Public Finance Limited
22. Shanghai Commercial Bank Limited
23. Standard Chartered Bank (Hong Kong) Limited
24. The Bank of East Asia, Limited
25. The Hongkong and Shanghai Banking Corporation Limited