

Special Finance Scheme for Small and Medium Enterprises

The Special Finance Scheme for Small and Medium Enterprises launched in 1998 during the Asian Financial Crisis was administered by the Treasury. According to the information provided by the Treasury, during the application period from 24 August 1998 to 8 April 2000, there were a total of 9,912 successful applicants and 2 unsuccessful applicants. The total amount of approved guarantee commitment is \$5 billion, and the total amount of guarantee approved is \$5.81 billion, representing a utilization rate of 116.2%¹. Detailed breakdown of the successful applicants by business sectors is set out below.

| Business Sectors | No. of successful applicants (%) |
|--|---|
| Agriculture & Fishing | 6 (0.06) |
| Mining & Quarrying | 2 (0.02) |
| Manufacturing | 3,996 (40.31) |
| Construction | 427 (4.31) |
| Wholesale & Retail | 1,662 (16.77) |
| Import & Export Trades | 2,215 (22.35) |
| Restaurants & Hotels | 144 (1.45) |
| Transport, Storage & Communication | 518 (5.22) |
| Financing, Insurance & Business Services | 547 (5.52) |
| Community, Social & Personal Services | 395 (3.99) |
| Total | 9,912 (100) |

2. Two applicants were rejected as they had a record of default payment for over 100 days, which had exceeded the 60-day limit as imposed when the Scheme was launched.

Defaulted loans

3. Of the 11,968 approved applications (lodged by the 9,912 successful applicants), 2,147 default claims have been received from the lending institutions. 697 claims were subsequently withdrawn because the borrowers had fully settled the loans after the loan maturity date.

4. As at 24 November 2008, of the remaining 1,450 claims, 1,417 has been fully settled, 17 are rejected and 16 are pending submission of supporting

¹ The cumulative Government guarantee granted exceeded the approved commitment as the Scheme was a facility of a revolving nature.

documents by the lending institutions or the claims have been suspended as requested by the lending institutions due to ongoing repayment by the borrowers. Based on the total amount of guarantee provided and the amount of claims paid to the lending institutions, the default rate is 5.7%.

**Loan Guarantee Scheme for
Severe Acute Respiratory Syndrome (SARS) Impacted Industries**

The Loan Guarantee Scheme for SARS Impacted Industries launched in 2003 was administered by the Labour Department. According to the information provided by the Labour Department, during the application period from 5 May to 31 July 2003, there were a total of 1,802 loan applications¹ and 1,559 were approved. The total amount of approved guarantee commitment is \$3.5 billion, and the total amount of guarantee approved is \$0.5 billion, representing a utilization rate of 14.3%. Detailed breakdown of the approved applications by business sectors is set out below.

| Business Sector | Number of applications approved (%) |
|--|--|
| Retailing Business | 890 (57.09) |
| Restaurant and Hotel / Guesthouse | 466 (29.89) |
| Travel Agent and Tourist Coach Operator | 202 (12.96) |
| Karaoke and Cinema | 1 (0.06) |
| Total | 1,559 (100) |

2. No information is kept on unsuccessful loan applications.

Defaulted Loans

3. As at 20 November 2008, 162 default claims have been received from the lending institutions. Payment has been effected to all these claims. The default rate is 4.9%.

¹ There is no information on the number of successful and unsuccessful applicants.