

**For Information
on 16 June 2009**

Legislative Council Panel on Commerce and Industry

**Progress update on the Support Measures for Small and Medium
Enterprises (SMEs) Arising from the Global Financial Turmoil**

Supplementary Note

Further to Paper No. CB(1)1866/08-09(04), we now provide updated figures on the SME Loan Guarantee Scheme (SGS) and the Special Loan Guarantee Scheme (SpGS) as at 14 June 2009 –

	No. of applications received by TID	No. of applications approved by TID	Amount of loans involved
SGS ¹	1,335	1,148	\$3.7 billion
SpGS ²	11,409	10,084	\$19.0 billion
Total	12,744	11,232	\$22.7 billion

2. To illustrate the progress of these two schemes, we attach two charts showing the *cumulative* number of loan applications approved (**Annex I**) and the *weekly* number of loan applications approved (**Annex II**) respectively.

3. We also provide, at **Annex III**, a summary of the statistics provided by the participating lending institutions (PLIs) on the loan applications received under both schemes as at 7 June 2009³.

¹ Since 6 November 2008.

² Since 15 December 2008.

³ The figures in this table are compiled once every two weeks. It involves collating information from all the branch offices of the PLIs. Hence, the figures are not as up-to-date as those in paragraph 1 as well as those in Annexes I and II.

Enhancement measures to the SpGS

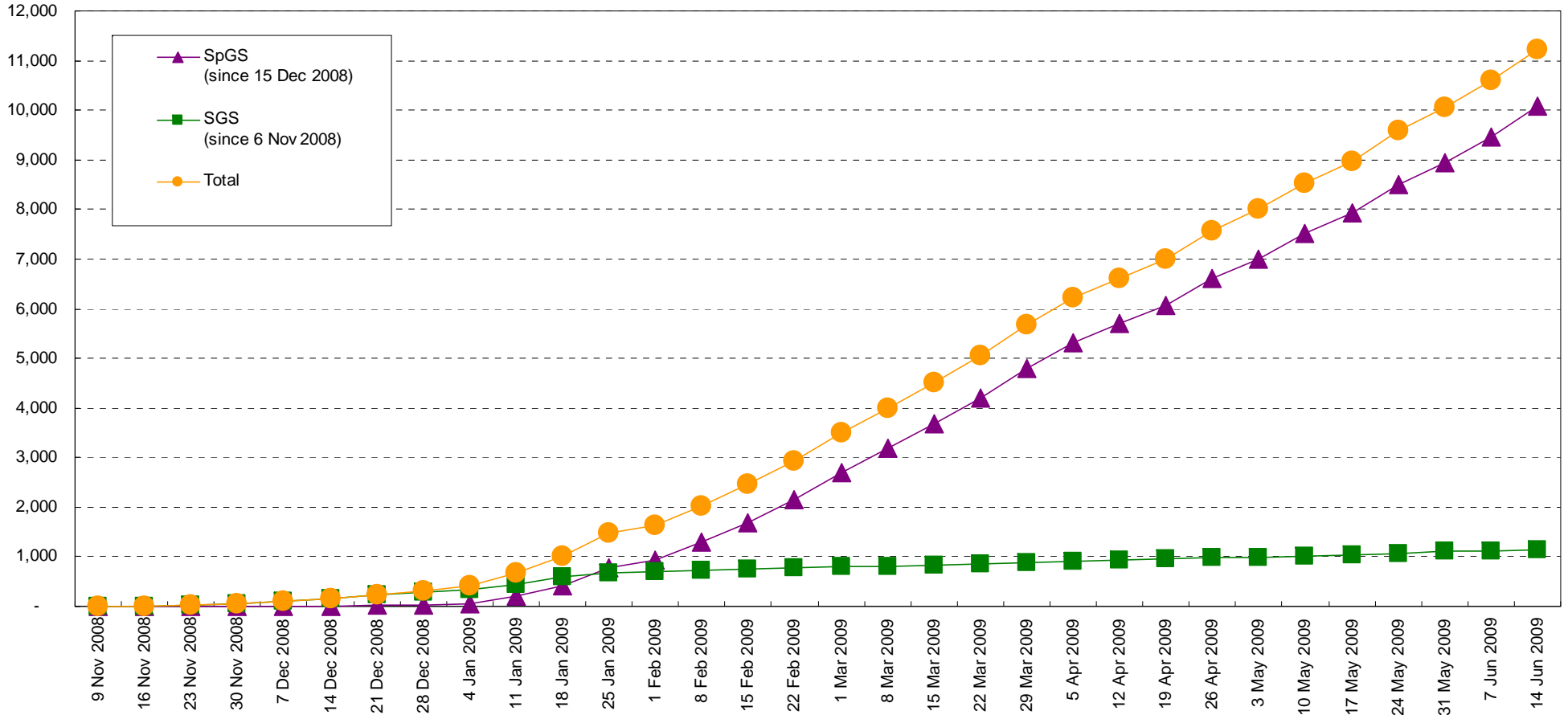
4. Following the Finance Committee's approval on 5 June 2009, the enhancement measures to the SpGS were implemented on 15 June 2009. So far, 25 PLIs⁴ have completed the legal procedures and are ready to accept new applications under the enhanced SpGS.

**Commerce and Economic Development Bureau
Trade and Industry Department
June 2009**

⁴ They are Bangkok Bank Public Co Ltd, Bank of China (Hong Kong) Limited, Bank SinoPac, Chinatrust Commercial Bank, Ltd, Chiyu Banking Corporation Limited, Citibank N.A., Citic Ka Wah Bank Limited, Commonwealth Finance Corp Ltd, Dah Sing Bank, Limited, DBS Bank (Hong Kong) Limited, First Commercial Bank, Ltd, Fubon Credit (Hong Kong) Limited, Hang Seng Bank Limited, Intesa Sanpaolo S.P.A., Nanyang Commercial Bank, Ltd, Orient First Capital Limited, ORIX Asia Limited, Oversea-Chinese Banking Corporation Ltd, Shanghai Commercial Bank Ltd, Standard Chartered Bank (Hong Kong) Limited, The Bank of East Asia, Limited, The Hongkong and Shanghai Banking Corporation Limited, United Commercial Bank, Wing Hang Bank Limited and Wing Lung Bank Ltd.

Cumulative No. of Applications Approved by TID under SGS and SpGS

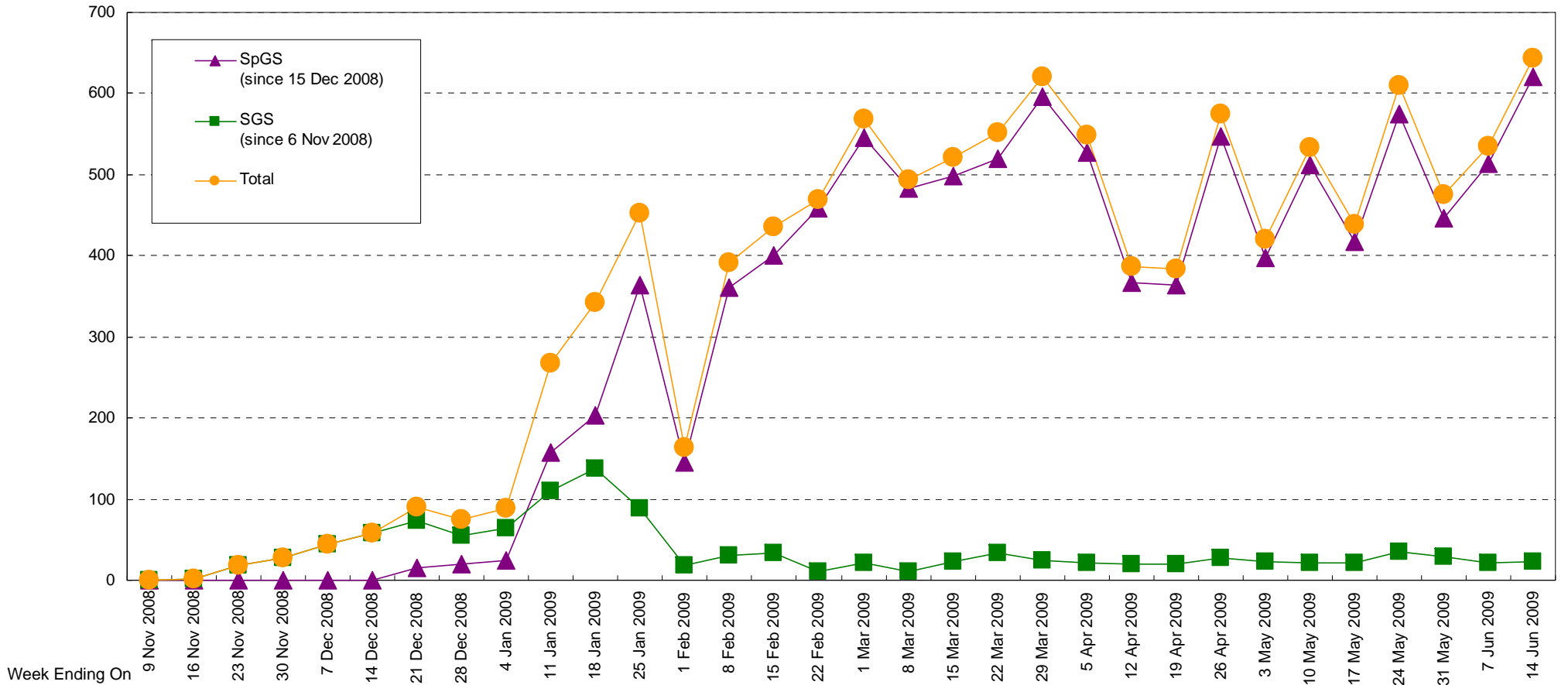
No. of Applications



SpGS (since 15 Dec 2008)	0	0	0	0	0	0	16	36	61	219	423	787	932	1,293	1,694	2,153	2,699	3,182	3,680	4,199	4,795	5,323	5,690	6,054	6,601	6,999	7,511	7,928	8,503	8,950	9,464	10,084
SGS (since 6 Nov 2008)	0	1	19	47	91	149	223	278	342	452	590	679	697	728	762	772	794	805	828	861	886	907	927	947	974	997	1,018	1,040	1,075	1,104	1,125	1,148
Total	0	1	19	47	91	149	239	314	403	671	1,013	1,466	1,629	2,021	2,456	2,925	3,493	3,987	4,508	5,060	5,681	6,230	6,617	7,001	7,575	7,996	8,529	8,968	9,578	10,054	10,589	11,232

Weekly No. of Applications Approved by TID under SGS and SpGS

No. of Applications



SpGS (since 15 Dec 2008)	0	0	0	0	0	0	16	20	25	158	204	364	145	361	401	459	546	483	498	519	596	528	367	364	547	398	512	417	575	447	514	620
SGS (since 6 Nov 2008)	0	1	18	28	44	58	74	55	64	110	138	89	18	31	34	10	22	11	23	33	25	21	20	20	27	23	21	22	35	29	21	23
Total	0	1	18	28	44	58	90	75	89	268	342	453	163	392	435	469	568	494	521	552	621	549	387	384	574	421	533	439	610	476	535	643

Annex III

Loan Application Statistics of SGS and SpGS Provided by PLIs (collated once every two weeks from all branches of PLIs⁵)

	SGS (From 6 Nov 2008 to 7 Jun 2009)	SpGS (From 15 Dec 2008 to 7 Jun 2009)	Total
No. of applications received by the PLIs	2,902	16,897	19,799
No. of applications being processed by the PLIs	151	1,702	1,853
No. of applications withdrawn by the applicants	977 ⁶	1,978 ⁷	2,955
No. of loan applications rejected by PLIs	464	2,929	3,393
No. of applications forwarded to TID for processing	1,310	10,288	11,598
No. of applications approved by TID (amount of loan involved)	1,125 (\$3.6 billion)	9,464 (\$17.9 billion)	10,589 (\$21.5 billion)
No. of applications rejected by TID	2 ⁸	30 ⁹	32

⁵ The statistics in this Annex are collated from all the branches of the PLIs. Hence, the figures are not as up-to-date as those in Annexes I and II.

⁶ Most of the cases are withdrawn to apply for SpGS.

⁷ Major reasons for withdrawal are: verbal enquiries made by interested customers who are subsequently found not eligible for SpGS; the borrowers have not provided documents for credit assessment by PLI; or borrowers have chosen other PLIs with better terms.

⁸ The applicants have exceeded the maximum guarantee ceiling.

⁹ Eight companies (two of which have lodged two applications each) are in operation for less than one year; four companies have outstanding default with the Government, and 14 companies (two of which have lodged two applications each) have exceeded the guarantee ceiling.

Reasons for rejection by PLIs

	SGS (From 6 Nov 2008 to 7 Jun 2009)	SpGS (From 15 Dec 2008 to 7 Jun 2009)	Sub-total
1. The applicants have not provided sufficient documents to facilitate assessment	80	358	438
2. The applicants do not meet the eligibility criteria for the schemes	33	167	200
3. The applicants have outstanding default	20	51	71
4. The applicants' financial status is too weak	257	1,998	2,255
5. The applicant cannot demonstrate a reasonable prospect of their businesses	54	268	322
6. Others ¹⁰	20	87	107
Total	464	2,929	3,393

¹⁰ Applicants have high credit risk, fluctuated sales or relatively short operation history, etc.