



HONG LEONG  
FINANCE

## *Press Release*

### **Hong Leong Finance Unveils New HDB SME Loan Package**

*Loan solution targets HDB shops to add vibrancy to the precincts*

**18 April 2016** – With the rollout of a new HDB SME Loan Package, Hong Leong Finance is the first financial institution to provide targeted help to the HDB Small and Medium Enterprises (SMEs) to revitalise their businesses. First of its kind, the loan package serves specifically retail SMEs located in the HDB heartland by giving them a helping hand in financial support.

Hong Leong Finance conducted a qualitative survey with over 50 HDB business owners in the neighbourhoods of its 10 SME Centres located mainly in the heartland island-wide to find out their challenges. Almost all SME HDB business owners expressed that they face increasing stiff competition especially from bigger establishments and suburban shopping malls which have better resources. More than 50% of them recognize the need to address labour shortage with staff training and improved operation efficiency; and upgrade their premises to enhance customer service to keep their loyal customers and attract new HDB residents.

With the latest innovative SME HDB Loan Package tailored specially to help the heartland business owners to rejuvenate their businesses, those with setup of at least 2 years may apply to Hong Leong Finance for a collateral-free loan of up to S\$100,000. It comes with flexible repayment term of up to 3 years and the loan may be used for productivity related staff training to complement grants from Singapore Workforce Development Agency (WDA), working capital, process improvements or premises refurbishment. To assist these SMEs in managing interest rate risk more effectively, the loan interest is charged on fixed rate basis. Under the loan package, it also offers a Business Current Account with no account fee and no cheque book charge to ease the business owners' cash flow management. (Please refer to **Appendix 1** for more details.)

From now till 30 June 2016, HDB business owners who apply for the loan package will enjoy additional cost savings: waiver of loan application processing fee of S\$500 and one-year fall-below fee (S\$15 per month) for Business Current Account.

The launch of this new solution is aimed to complement Budget 2016's initiative on enhancement of the Revitalisation of Shops package to better support promotional activities and upgrading projects in HDB town centres and neighbourhood centres.

Hong Leong Finance President, Mr Ian Macdonald said: "As a SME Specialist and Singapore's largest finance company, we have a keen understanding of the challenges faced by Singapore's SMEs, especially those businesses located in HDB heartland for most of our 10 SME Centres are in the heartland neighbourhoods."

"We are aware that the HDB businesses owners are under immense stress during this challenging time. While the latest HDB SME Loan Package is not a silver bullet to all their problems, we hope that our loan package designed with them in mind will provide the further financial boost to assist them in invigorating their businesses. As neighbours, we do our part to serve the neighbourhoods."

As at December 2015, Hong Leong Finance Limited's shareholders' funds stood at S\$1.69 billion with S\$11.44 billion in deposits and balances of customers and \$10,091 million in loans, advances and receivables. Hong Leong Finance Limited is Singapore's largest finance company. It was named ASEAN Finance Company for 2015 and 2014 at the Asian Banking & Finance Review Retail Banking Awards.

## **Appendix 1**

<b>Type of Loan</b>	<b>HDB SME Loan Package</b>												
<b>Tenure</b>	1 to 3 years												
<b>Loan Amount</b>	Up to S\$100,000												
<b>Interest Rate</b>	<table border="1"><thead><tr><th>Loan Tenure</th><th>Nominal Rate p.a. (Flat Advance)</th><th>Effective Rate p.a.</th></tr></thead><tbody><tr><td>1</td><td>4.50%</td><td>9.73%</td></tr><tr><td>2</td><td>4.80%</td><td>9.77%</td></tr><tr><td>3</td><td>4.90%</td><td>9.68%</td></tr></tbody></table>	Loan Tenure	Nominal Rate p.a. (Flat Advance)	Effective Rate p.a.	1	4.50%	9.73%	2	4.80%	9.77%	3	4.90%	9.68%
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<b>Promotion till 30 Jun 2016</b>	<ul style="list-style-type: none"><li>• Waiver of loan application processing fee : S\$500</li><li>• Opening of Business Current Account with 1-year waiver of fall-below fee (S\$15 per month)</li></ul>												

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