

Adversity Risks & Opportunities

逆境中
怎樣轉危為機

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Our Speakers

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Topic Outline

- 1. Current economic status**
 - Recession
 - Shape - V or U or L
- 2. How to-**
 - Survive
 - Sustainable
 - Successful
- 3. Enterprise Support Scheme (ESS) (創新科技署)**
- 4. SME Financing Guarantee Scheme (香港按證保險有限公司)**
- 5. Q and A**

1. Current Economic Status

View of pandemic impact and changes in consumer behavior

- Global shut down and impact of countries going through different stages of pandemic cycle
- Unique social and political situation of HK
- Shift in consumer behavior for an extended period of time, it will never be the same again
- When economy recover, it will not be a V or U-Curve, more like a Hockey Stick in L- shape, a 18~24 months' outlook would be more pragmatic

2.1 Survive, Sustainable & Successful

Considerations for the Government relief schemes, specifically the 6-month support schemes

- \$81Billion Employment Support Scheme
- \$20Billion Special 100% Loan Guarantee under the SME Financing Guarantee Scheme
- Is 100% Loan Guarantee the best option or 90% or even 80%, each SME has its unique situation and should be considered on a case by case basis
- The existing business must see a post-pandemic business prospect otherwise the relief schemes only serve to extend the pain and delay the problem but there is still no light at the end of the tunnel

2.2 How a total solution business consultant firm can add value to the decision-making process?

- Bring in experience from other companies and technical expertise to review the total business situation
- Apply objective analytic tools, without being emotional:
 - a) Assess business strategy & business plan
 - b) Potential consolidation and business transformation
 - c) Cost control in particular fixed and semi fixed cost
 - d) Inventory control
 - e) Financial arrangement including debt restructuring
 - f) Cash flow forecast, etc.

2.2 How a total solution business consultant firm can add value to the decision-making process? (cont'd)

- Pool knowledge with cross-functional task force with a deep focus on solving specific issues
- Existing staff may not be able to handle problem solving situation in this critical time and advise owner appropriately
- Access to wealth of experience at a much lower cost than hiring full time staff

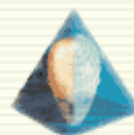
2.3 Why UBC?

- We provide total business consulting solutions to business owners
- Our Partners and consultants are seasoned operators with invaluable experience from different industries and functions
- To support SME owners, UBC offers free service in the month May to help owners to objectively assess the pros and cons of the Relief Schemes for their operations

3. Enterprise Support Scheme (ESS) 企業支援計劃



Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region
of the People's Republic of China



香港特別行政區政府
創新科技署-創新及科技基金

- Encourage private sector to invest in **research and development (R&D) in HK**
- Funding support of each approved project is up to HK\$10 million and will be provided on a **dollar-for-dollar (1:1)** matching basis
- Project period should generally not be longer than 2 years
- ESS **will NOT support** general business operations such as improvement of production/operational process
- **Eligible Company:** Incorporated in Hong Kong under the Companies Ordinance; registered in Hong Kong under the Business Registration Ordinance; not a government subvented organization or its subsidiary
- For details, please refer to <https://www.if.gov.hk/I-eng/ESS.asp>

4. SME Financing Guarantee Scheme

中小企融資擔保計劃

- 80%, 90%, 100% Special Guarantee

Guarantee Product	<u>80% Guarantee Product</u>	<u>90% Guarantee Product</u>	<u>Special 100% Loan Guarantee</u>
Risk Sharing Factor	80%	90%	100%
Application Period	From 31 May 2012 to end-June 2022	From 16 December 2019 to end-June 2022	From 20 April 2020 to 19 April 2021
Maximum Aggregate Guaranteed Amount	HK\$100 billion	HK\$33 billion	HK\$50 billion
Maximum Facility Amount per Borrower	<p>HK\$12,000,000* under normal circumstances.</p> <p>Maximum Facility Amount for qualifying guarantees under the 80% Guarantee Product is HK\$18,000,000* (including credit facilities guaranteed under 80% Guarantee Product and 90% Guarantee Product)</p>	<p>HK\$6,000,000* (including credit facilities guaranteed under 80% Guarantee Product and 90% Guarantee Product)</p>	<ul style="list-style-type: none"> • Borrower's total amount of (a) wages and (b) rents for six months, or HK\$4,000,000, <u>whichever is the lower</u>. • For Borrowers without (a) and (b) above, proxy is made to 50% of the highest monthly net income in 2019 multiplied by six.

4. SME Financing Guarantee Scheme

中小企融資擔保計劃

- 80%, 90%, 100% Special Guarantee (cont'd)

Maximum Facility Amount per Borrower	Maximum Facility Amount for qualifying guarantees under the 80% Guarantee Product is HK\$18,000,000* (including credit facilities guaranteed under 80% Guarantee Product and 90% Guarantee Product)	Maximum Facility Amount for qualifying guarantees under the 90% Guarantee Product is HK\$8,000,000* (including credit facilities guaranteed under 80% Guarantee Product and 90% Guarantee Product)	Note: An enterprise is eligible for the Special 100% Loan Guarantee up to the maximum of HK\$4,000,000 <u>regardless of the existing credit facilities of that enterprise, its Subsidiaries and/or its Related Entities (whether with the same business nature or otherwise) guaranteed under the 80% or 90% Guarantee Products, if any.</u> Multiple applications under the Special 100% Loan Guarantee from the same enterprise shall be submitted to the same Lender.
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4. SME Financing Guarantee Scheme

中小企融資擔保計劃

- 80%, 90%, 100% Special Guarantee (cont'd)

Business Entity	<p>The Borrower:</p> <p>(a) business operation in Hong Kong and remains registered under the Business Registration Ordinance;</p> <p>(b) shall not be listed on The Stock Exchange of Hong Kong Limited. <u>In relation to the applications for 80% Guarantee Product and 90% Guarantee Product under the Further Enhancement Measures, relaxed to listed company on The Stock Exchange of Hong Kong Limited.</u></p>		
Business Operation History	<p>The Borrower's business must have been in operation for at least one year in Hong Kong</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> • The Borrowers must have been in operation for at least three months in Hong Kong as at 31 December 2019. • The Borrowers must have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter (i.e. January to March, April to June, July to September or October to December) in 2019.

4. SME Financing Guarantee Scheme

中小企融資擔保計劃

- 80%, 90%, 100% Special Guarantee (cont'd)

Maximum Guarantee Period	5 years under normal circumstances. Under the Enhancement Measures rolled out <u>in November 2018</u> , the Maximum Guarantee Period is 7 years	5 years	3 years
Personal Guarantee	Required		

- ▶ For details, please refer to :
http://www.hkmc.com.hk/eng/our_business/sme_financing_guarantee_scheme.html
- ▶ Scheme Hotline: 2536 0392 / Scheme Enquiry: sfgs_enquiry@hkmc.hk

Q&A

THANK YOU!

Albert Law 羅裕群 | Managing Director 董事總經理

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