

[Immediate Release]

**PAOB Launches “Business Short-term Loan”
Further Assists SMEs in Engineering and Construction Sector
To Support Development of Housing and Infrastructure in Hong Kong**

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- A short-term loan designed for SMEs in the engineering and construction industry that is in accordance with the industry's capital turnover model helping them pursue development opportunities
- A balloon payment¹ will be provided and SMEs can enjoy early redemption without a penalty fee improving the flexibility of capital turnover
- Differing from traditional loan assessment model, PAOB incorporates SME construction contracts and project completion reports in the credit assessment process to gain a more comprehensive understanding of SME business conditions enhancing the efficiency and accuracy of loan assessment

14 December 2022, Hong Kong - Ping An OneConnect Bank (Hong Kong) Limited (“Ping An OneConnect Bank” or “PAOB”) announced the launch of “Business Short-term Loan” for Hong Kong’s engineering and construction small and medium-sized enterprises (“SMEs”) which fits with their capital turnover model and will help them secure a flexible financing solution. It will also support SMEs to seize future infrastructure and housing development opportunities.

The maximum loan amount of the “Business Short-term Loan” is up to HK\$3 million with the repayment period ranging from three to six months. During the initial stage of construction projects, SMEs need significant funding for materials, equipment and labour in advance and often have difficulties in securing adequate funding. The “Business Short-term Loan” is tailor-made solution for engineering and construction SMEs that fits with their operating cycle. With a balloon payment, SMEs can pay the interest on a month-to-month basis with the principal being repaid when the loan matures. In addition to a “0” handling fee, the interest is calculated on a daily basis and the penalty fee is waived for early redemption helping SMEs allocate funds in a flexible manner. Differing from the traditional loan assessment model, selected SMEs will not need to submit financial statements, collateral and other documents during the loan application process. Instead, in order to enhance the efficiency of the loan assessment process, PAOB has incorporated existing and past construction contracts and project completion reports of SMEs in the credit assessment process helping generate a holistic understanding of SME business conditions to assess credit risk.

¹ Interest payments are made on a month to month basis with the principal being repaid when the loan matures.

According to the latest “The Chief Executive’s 2022 Policy Address” of Hong Kong Special Administrative Region Government, an acceleration in the pace of public and private housing supply is expected over the next five years with new housing supply of approximately 230,000 units². The planned infrastructure includes the Northern Metropolis, the Kau Yi Chau Artificial Islands and San Tin Technopole projects. They will bring substantial business opportunities for the engineering and construction sector. Currently, more than 1,700 SMEs in Hong Kong work on construction sites, mining, electricity and waste management³ supporting the development of land, housing and transport infrastructure. With the launch of multiple infrastructure projects, it is expected that demand for capital will surge. Hence, the “Business Short Term Loan” will provide timely financing for engineering and construction SMEs helping them flexibly allocate resources for more projects and seize opportunities to expand their businesses.

Mr. Michael Fei, Chief Executive and Executive Director of PAOB, said, "As the first virtual bank dedicated to SMEs in Hong Kong, PAOB has been paying close attention to the financing needs of SMEs across sectors and providing tailor-made banking services and products to support their business development. Given the government stepping up efforts to increase the supply of land and housing as it has invested significant resources in the development of transportation infrastructure further boosting the growth of engineering and construction industry, PAOB has grasped the opportunity to launch the ‘Business Short-term loan’ targeting the engineering and construction SMEs helping them deploy funds flexibly so as to undertake more construction projects. We are working alongside SMEs to improve Hong Kong’s land, housing and transportation infrastructure development.”

To meet customers’ business development needs, PAOB has specially launched the “Business Short-term Loan Interest Rebate Program”. From now until March 31, 2023, eligible SME customers who successfully apply for and drawdown a “Business Short-term Loan” can enjoy a 10% interest rebate of up to HK\$15,000⁴! PAOB’s flexible loan services can help customers secure initial funding and expand their new business opportunities.

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² According to the opening remarks of the Secretary for Housing at the press conference on land and housing policies and measures in the "The Chief Executive’s 2022 Policy Address"

³ According to the data of the SME Support and Consultation Centre of the Trade and Industry Department of the Government of the Hong Kong Special Administrative Region (as of June 2022)

⁴ This interest rate is calculated based on a loan amount of HK\$3,000,000, a repayment tenor of 6 months. The annualised percentage rate (“APR”) is 10%. (The APR is calculated according to the guidelines laid down in the Code of Banking Practice). The above example is based on a number of assumptions and for reference only. The credit rating of each customer must fulfill the requirements of the Bank. The approved APR may vary on a case-by-case basis, subject to the credit rating of each individual customer, loan amount and repayment tenor. The approval of the loan amount, the repayment tenor and the interest rate are all subject to the final decision of the Bank without giving any reason. Terms and Conditions apply. For details, please refer to the terms and conditions of the “Business Short-term Loan Interest Rebate Program” on the PAOB website. To borrow or not to borrow? Borrow only if you can repay!



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About Ping An OneConnect Bank (Hong Kong) Limited

Ping An OneConnect Bank (Hong Kong) Limited (“PAOB”), a wholly-owned subsidiary of OneConnect Financial Technology Co., Ltd. (“OneConnect”) (HKEx:6638; NYSE:OCFT) and a member of Ping An Insurance (Group) Company of China Ltd. (“Ping An”) (HKEx:2318; SSE:601318), is committed to establishing a virtual banking ecosystem by optimising customer-centric services through its innovation and sophisticated technology. PAOB was granted a virtual banking licence by the Hong Kong Monetary Authority in May 2019. PAOB is developing diverse business segments including retail banking and SME banking.