



Franchising and Licensing
Association (Singapore)
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**FLA Members
Franchise Program Development Financing
With**



FLA is teaming up with Hong Leong Finance to offer viable solutions through the following financing options:

1. SG50 Commercial Property Financing Package (For completed properties):

At a time when FLA Members face higher rental charges, investing in the purchase of a completed industrial property to replace the rental premises of a central kitchen for example is an option to seriously consider. However, SMEs may worry about the down-payment which will deplete their working capital funds.

Hong Leong is pleased to introduce the SG50 Commercial Property Financing Package. Launched in conjunction with nation's celebration of its 50th year, FLA members purchasing a completed commercial or industrial building for own use can avail financing of up to 100%* of the purchase price (or valuation of the property, whichever is lower).

*80% will be in the form of a property loan whilst the 20% balance will be in the form of a revolving working capital loan or term loan.

Eligibility

Borrowers being Active Operating & Profitable Companies with Purchase/Refinance of Completed Commercial Properties

Structure

80% will be in the form of a mortgage term loan whilst the 20% balance will be in the form of a working capital term loan.

Interest Rate*

2 years lock-in (Commercial Property Loan)(CPL)

- 1st year: 2.15% Fixed
- 2nd year: 2.45% Fixed
- 3rd year: 3.00% (EBR - 2.1%) {EBR is Enterprise Base Rate prevailing at 5.1%pa}
- Thereafter: 3.70% (EBR - 1.40%)

Working Capital Loan

- 6%p.a. (EBR + 0.9%p.a.)

Term

- Up to 25 years (Term depends on the nature of the tenure of the Land).

Promotion Period

- Up to end Sept 2015

Documents Required

- Recent 2 years financials
- Past 3 months bank statements
- Copy of OTP
- Details of Property-Land Area; BIA; Lease to Run; JTC Rental; Zoning; Purchase Price
- NOA of guarantors

Variations

Terms under CPL can be applied subject to our discretion to properties under construction

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2. Commercial/ Industrial Property Loan:

For FLA Members who wish to purchase a commercial retail property, whether it has just been developer-launched or a completed property, under proviso adequate funds for the down-payment and require only 80% financing.

- Financing up to 80% for purchase of commercial and industrial properties;
- Loan tenor can be up to a max 25yrs;
- Available in attractive floating or fixed rate;
- Conversion is available if property obtains TOP;
- Applies to both completed and properties under construction.

3. Equipment Financing / Hire Purchase Loans:

If you are upgrading your central kitchen to improve productivity and wish to invest in new heavy duty appliances and equipment but do not want to tap into your cash reserves, Hong Leong is able to offer:

- A Hire Purchase loan to finance your equipment purchases.
 - Up to 95% of the purchase price financing for new equipment.
 - Up to 85% of purchase price or valuation for used equipment.

Loan tenors can be up to 5 years, depending of the lifespan.

4. Unsecured Working Capital Loan:

- If you are newly embarking in Franchising after successful years of operating profitability and realize that securing the IP and licensing entails far more cash than what you have budgeted for, then a loan can conveniently supplement your committed funds.
 - Collateral free term loans (personal and or corporate guarantors may be required);
 - Attractive interest rate for unsecured loans;
 - Loan amount and tenor is subject to approval;

Required Documents for Evaluation*

1. Latest 2 years Audited Financial Statements;
2. Latest Management Accounts;
3. Latest 3 months of company's Bank Statements.

* The required documents may entail more documents than the above.

For more information and application forms, please contact (always use the reference "FLA SG 50"):

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