Key Facts Statement (KFS) for Premium Financing / Policy Financing Overdraft Facility

Airstar Bank Limited ("the Bank")

Premium Financing / Policy Financing Overdraft Facility

May 2025

This product is an overdraft facility.

This KFS provides you with indicative information about interest, fees and charges of this product but please refer to our offer letter for the final terms of your overdraft facility.

Please read and understand the information in this KFS before you apply for this product. You will be requested to confirm that you have read and understood the information in this KFS when submitting the application.

Interest Rates and Interest Charges

Annualised Interest Rate

The following annualised rates apply to overdraft facilities falling within the respective loan amount brackets below:

Premium Financing:

Loan Amount	Annualised interest rate (or range of annualised interest rate)
Above HK$ 100,000	1-month HIBOR[2] + 1.75% Capped at the Bank HKD Prime Rate(P)[3] - 0.25%

Policy Financing:

Loan Amount	Annualised interest rate (or range of annualised interest rate)
Above HK$ 100,000	1-month HIBOR[2] + 2% Capped at the Bank HKD Prime Rate(P)[3] + 1%

The interest rate in our offer letter of your loan may change during the tenor of this loan.

The interest rate of this loan is calculated based on an interest rate benchmark. The major risk of this loan is the interest rate risk.

Interest rate re-fixing for this loan takes place from time to time.

Latest rate and other details of the Bank HKD Prime Rate (P) is published on our website www.airstarbank.com/en-hk/hkprime.html .

Annualised Overdue / Default Interest Rate

Not applicable

Overlimit Interest Rate

If the overdraft amount utilised by the Borrower exceeds the Overdraft Limit, the Bank will charge overlimit interest on such excess amount which is outstanding. If such Policy Financing Overdraft Facility or

	Premium Financing Overdraft Facility is expired and not renewed, such overdraft Facility will be cancelled, all outstanding amount will be considered as the outstanding excess amount and overlimit interest will accrue on such amounts from the expiry date of such overdraft Facility to the date of full payment. The overlimit interest shall be calculated on a daily basis and there is no minimum interest amount. The overlimit interest rate shall be the Prime Rate of Airstar Bank plus 6%.
Repayment	
Repayment Frequency	This loan does not require periodic repayment in regular amount.
Periodic Repayment Amount	This loan does not require periodic repayment in regular amount.
Total Repayment Amount	Not applicable
Fees and Charges	
Annual Fee / Fee	0.25% per annum on the total overdraft facility amount will be charged and is payable on the first Drawdown Date; when the overdraft facility is renewed, Handling Fee will be paid on the first Interest Payment Date. **Remark:** This Handling Fee is refundable if customer cancels the facility within Cooling-off Period.
Commitment Fee	Commitment fee will be charged the borrower on the daily unutilized amount of the Overdraft Facility limit at the rate of 2% per annum, or the commitment fee rate which is revised by the Bank from time to time, for every day on which the amount withdrawn on the Overdraft Facility is less than 70%. **Remark:** Such commitment fee will be waived if customer cancels the facility within Cooling-off Period.
Late Payment Fee and Charge	Not applicable
Overlimit Handling Fee	Not applicable
Returned Cheque Charge / Rejected Autopay Charge	Not applicable
Additional Information	
1. Loan Tenor in any situation is not later than the maturity date specified in the proposed insurance life policy (the "Policy") and Premium Financing Overdraft Facility Limit is subject to review by the Bank from time to time (including annual review). 2. **"HIBOR"** means the Hong Kong Interbank Offered Rate, the interest rate benchmark for lending between banks in the Hong Kong market, which shall be determined by the Bank by reference to the HKAB HIBOR page (or its replacement) of the Hong Kong Association of Banks (HKAB) as of 11:00 a.m. (Hong Kong Time) on the first day of the relevant drawdown	

or the interest re-fixing day. If the first day of an Interest Period (as defined in the applicable terms and conditions, i.e. interest re-fixing day) is a Saturday, Sunday or public holiday, HIBOR will be determined on the immediately preceding Business Day.

3. **The Bank HKD Prime Rate(P)** means the best lending rate for HK Dollars as may be quoted by the Bank from time to time and subject to fluctuations, which will be determined by the Bank and shown on the website of the Bank and the Mobile App.
4. Eligible life insurance policy for Premium Financing / Policy Financing must be the Bank's designated life insurance policy (applicable to the policy with single premium payment only). The customer shall assign the policy benefits to the Bank as collateral.
5. The minimum loan amount is HK$100,000.
6. The interest shall be calculated daily on the actual number of days elapsed and on the basis of 365-day year (for both ordinary and leap years) by a simple basis and payable in arrears to the debit of the Bank account. All unpaid accrued interests, shall automatically be paid from your overdraft facility if such amount failed to be debited from your account with the Bank.
7. The actual APR applicable may differ. APR is calculated in accordance with the method set out in the relevant guidelines referred to in the Code of Banking Practice and rounded up or down to the nearest two decimal places. APR is a reference rate which includes the basic interest rate and other fees and charges (if applicable) expressed as an annualized rate.
8. The Bank reserves the right to modify, suspend or terminate the promotion mentioned above and to amend the terms and conditions at any time without prior notice. Should any disputes arise, the Bank's decision shall be final and conclusive.

Risk Disclosure Statements

1. **Risk of collateral top-up and repayment on demand:**
   Your loan facility may be subject to review by the Bank and the Bank has the right to restructure or terminate the loan facility at any time. The Bank may request you to provide additional collateral, or partially or fully repay the outstanding loan, under particular circumstances stated in the loan contract. If you fail to meet the request(s), the Bank may restructure or terminate the loan facility or exercise its rights on the Policy such as surrendering the policy. You should read the terms and conditions of the loan contract, for example the frequency of review, the circumstances that may trigger the request(s) and the relevant arrangements of the request(s). You should consider your financial affordability in meeting the particular circumstances stated in the loan contract before purchasing life insurance products through the use of premium financing.

2. **Consequence of late repayment and default of loan facility:**
   If the Policy is funded by a loan facility, you are obligated to repay the outstanding loan amount and interest payments according to the repayment schedule under the terms and conditions of the loan contract. Any late or default of loan repayment over the course of the loan facility, including interest payment and principal repayment, may trigger the Bank to demand the repayment of the loan immediately. The Bank may surrender the policy and recover the defaulted payment, causing you significant financial losses and loss of insurance coverage. You may not be able to obtain the same insurance coverage for reasons such as changes in health conditions. You shall remain liable for any shortfall between the amounts of the proceeds of the policy and the outstanding amount of the loan facility. In addition, the Bank may set off any obligation under the loan facility owed by you to the Bank against any obligation owed by the Bank to you (including credit balances in any account you maintain with the Bank).

3. **Impact of early termination/surrender/withdrawal:**
   If the Bank exercises its right under the terms and conditions of the policy assignment agreement to terminate or surrender the policy, or withdraw cash value before the end of policy term:
   - the amount of benefits receivable under the policy may be substantially less than the sum of total premium paid, interest expenses incurred and early repayment penalty imposed (if applicable) under the loan contract, especially in the early years of the policy;
   - you may partially or fully lose the insurance coverage and may not be able to obtain the same insurance coverage;
   - you may lose the entitlement to dividends, bonuses, etc. under the policy;
   - the Bank may apply all or part of the benefits receivable under the policy against the outstanding amounts owed by you (whether or not the outstanding amounts are under the loan facility); and
   - in cases where the policy is required as part of conditions in your business or other arrangements, the termination of the policy may trigger further events of defaults in these arrangements with adverse consequences.

4. **Impact of death of insured:**
   In the event of the death of the insured, the amount of death benefit receivable under the policy may be substantially less than the sum of total premium paid, interest expenses incurred and early repayment penalty imposed (if applicable) under the loan contract, and you may suffer a significant financial loss.

5. **Exposure to interest rate fluctuation:**
   The interest payment of the loan facility for premium financing will affect the net rate of return (i.e. net of interest payment) you plan to achieve in your Policy with the use of premium financing. You may be exposed to significant interest rate risk if the interest rate of the loan facility is not fixed (i.e. floating rate subject to changes from time to time). Even in the case of fixed interest rate, the Bank may have discretion to adjust the interest rate on the loan facility from time to time. Any increase in interest rates applicable to the loan facility will increase the cost of servicing the loan facility (i.e. increase in regular interest payments.). You may not be able to service the loan facility and may hence default when there is a substantial increase in the interest rate. Also, in cases where the interest rate of the loan facility is substantially higher than the returns received from the policy, you will suffer a significant financial loss.

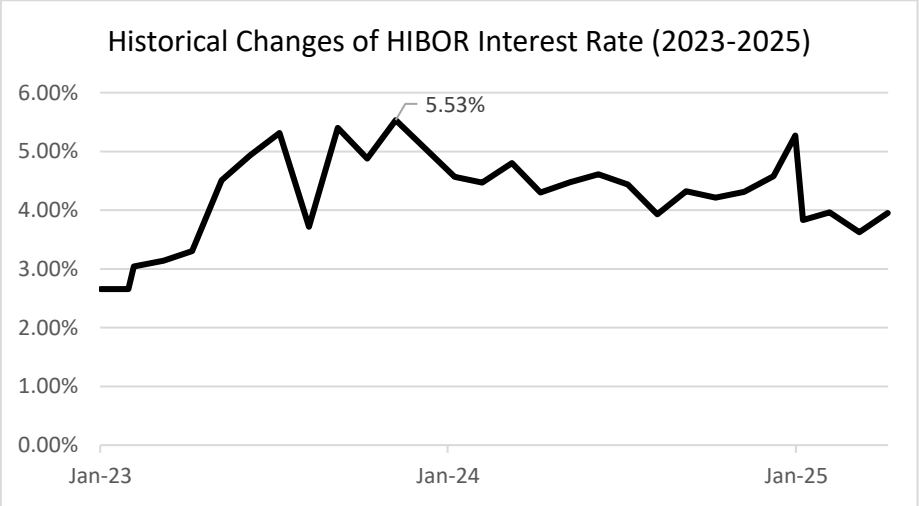
6. **Exposure to risk of non-guaranteed benefits fluctuation:**
   If your Policy includes non-guaranteed benefits, the projected non-guaranteed benefits shown in the Benefit Illustration are determined under the assumed investment return and are not guaranteed. If the investment return assumed for your Policy is not achieved, your non-guaranteed benefits may be lower than those illustrated or substantially lower than the interest applicable to the loan facility, and in certain circumstances, may even be zero. If the total return generated by the Policy is substantially lower than the interest payable under the loan facility, you will suffer a significant financial loss.

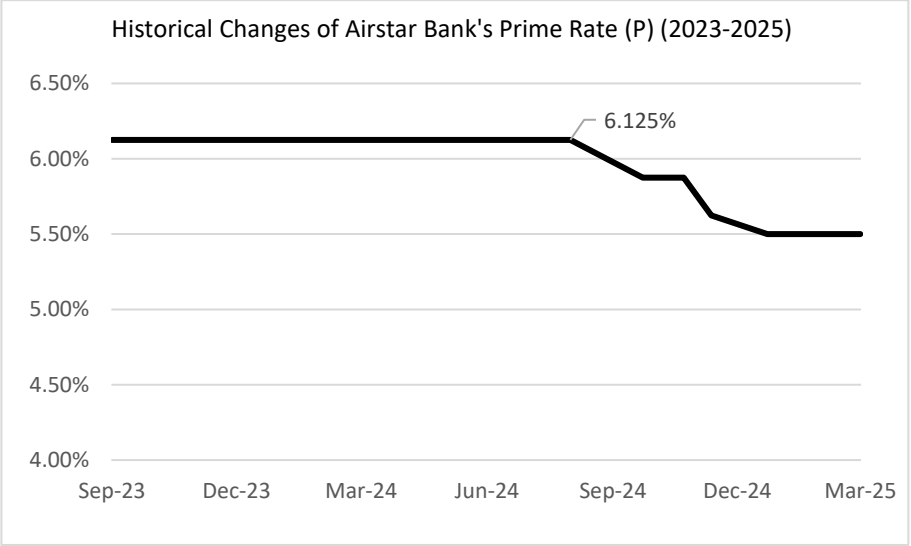
7. **Exposure to exchange rate fluctuation:**
   Exchange rate exposure arises when the loan currency differs from the policy currency. In the case of premium financing, you may be required to convert the proceeds received under your Policy into the loan currency, under the prevailing exchange rate, before being able to settle the loan repayments. In cases where the proceeds received from the policy is substantially lower than the outstanding loan amount due to adverse fluctuation in the exchange rate, you will suffer a significant financial loss.

8. **Exposure to credit risk:**
   You are subject to the credit risk of the Insurer. In the event that the Insurer becomes default on its obligations or an adverse change in its credit rating, the Bank may, at its discretion, ask for additional collateral, adjust your credit limit, restructure or even terminate the loan facility. You may be obligated to repay the loan, the interest and administrative fee accrued immediately, and you shall remain liable for any shortfall between the amounts of the proceeds of the policy and the outstanding amount of the loan facility.

9. **Payment timing mismatch:**
   There is a possibility that the proceeds from your Policy will not be remitted to the Bank on or before the repayment date as specified in the loan contract (e.g. due to loan facility maturity date being earlier than your policy maturity date, or turn-around-time for policy benefits disbursement), resulting in the default of loan repayment by you. You will be solely liable for any late penalty interest or defaulting interest imposed by the Bank under the terms and conditions of the loan contract.

10. **Impacts on cooling-off right:**
    Your right to cancel this Policy within the cooling-off period may be assigned to the Bank, and therefore any cancellation request may be subject to the Bank's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

Reference Information	
Historical Changes of Interest Rate Benchmark	The chart below is provided for illustrative purposes only and shows the highest benchmark HIBOR interest rate on every interest re-fixing days noted over the past 3 years is 5.53%.  The chart below is provided for illustrative purposes only and shows the highest benchmark (the Bank HKD Prime Rate (P)) interest rate noted in the past 3 years is 6.125%.

	
Periodic Repayment Amount	This loan does not require periodic repayment in regular amount.
Total Repayment Amount	Not applicable

To borrow or not borrow? Borrow only if you can repay!

The Chinese version of this KFS is for reference only. The English version will prevail if there is any inconsistency between the English and Chinese versions.

Key Facts Statement (KFS) for Premium Financing / Policy Financing Instalment Loan

Airstar Bank Limited ("the Bank")

Premium Financing / Policy Financing Instalment Loan

May 2025

This product is an instalment loan.

This KFS provides you with indicative information about interest, fees and charges of this product but please refer to our offer letter for the final terms of your instalment loan.

Please read and understand the information in this KFS before you apply for this product. You will be requested to confirm that you have read and understood the information in this KFS when submitting the application.

Interest Rates and Interest Charges	
Interest Rate	For a loan amount of HK$100,000: Annualized Floating Interest Rate: Premium Financing: the Bank HKD Prime Rate (P)[2] Policy Financing: the Bank HKD Prime Rate (P)[2] + 1%. The interest rate for the loan is not subject to a cap and thus may subject to higher interest rate risk. The interest rate in our offer letter of your loan may change during the tenor of this loan. The interest rate of this loan is calculated based on an interest rate benchmark. The major risk of this loan is the interest rate risk. Interest rate re-fixing for this loan takes place from time to time Latest rate and other details of the Bank HKD Prime Rate (P) is published on our website: www.airstarbank.com/en-hk/hkprime.html. **Remark**: If customer cancels the loan within cooling-off period, the interest fee will be calculated by the actual withdrawal amount and number of days used.
Annualised Percentage Rate (APR)	Not Applicable
Annualised Overdue / Default Interest Rate	The annualized overdue/default interest rate is the Bank HKD Prime Rate (P)[2]+6%. Upon default in repayment of a part or all of any instalment, an annualized overdue penalty shall be charged on the overdue principal amount from

	the repayment date until full payment is received. Such overdue penalty rate will accrue daily on a 365-day year basis. There is no minimum amount of overdue penalty that will apply.
Repayment	
Repayment Frequency	This loan requires monthly repayment.
Periodic Repayment Amount (Illustrative Example)	Assuming a loan amount of HK$100,000 with monthly repayment with the Bank HKD Prime Rate (P)[2] equal to 5.5%: Premium Financing: Policy Financing: **Remark:** Calculation results are for reference only. All are subject to credit approval results.
Total Repayment Amount (Illustrative Example)	Assuming a loan amount of HK$100,000 with monthly repayment with the Bank HKD Prime Rate (P)[2] equal to 5.5%: Premium Financing:

Premium Financing:

Loan Tenor	6-month	12-month	24-month
Periodic repayment amount for the interest rate (or range of interest rate) specified above	HK$ 16,935	HK$ 8,584	HK$ 4,410

Policy Financing:

Loan Tenor	6-month	12-month	24-month
Periodic repayment amount for the interest rate (or range of interest rate) specified above	HK$ 16,984	HK$ 8,630	HK$ 4,455

Premium Financing:

Loan Tenor	6-month	12-month	24-month
Total repayment amount for the interest rate (or range of interest rate) specified above	HK$ 101,610	HK$ 103,004	HK$ 105,830

Policy Financing:

Loan Tenor	6-month	12-month	24-month
Total repayment amount for the interest rate (or range of interest rate) specified above	HK$ 101,904	HK$ 103,556	HK$ 106,911

Remark: Calculation results are for reference only. All are subject to credit approval results. To calculate the above information applicable to your specific case, please use our online calculator accessible from our website which provides instalment loans at www.airstarbank.com/en-hk/calculator.html#ddopmf.

Fees and Charges

Handling Fee	0.25% on the total Loan Amount and is payable on the drawdown day. **Remark:** This handling fee is refundable if the prepayment is made following a cancellation of the Insurance Policy during the Cooling-off Period.
Late Payment Fee and Charge	Not Applicable
Prepayment / Early Settlement / Redemption Fee	1% of the original Loan Amount within the first year of repayment. Prepayment is only permitted upon submission of 1-month prior written notice to the Bank. **Remark:** Such Prepayment Fee will be waived when customer cancels the loan within Cooling-off Period.
Returned Cheque / Rejected Autopay Charge	Not Applicable

Additional Information

1. The ratio of principal and interest in each repayment amount shall be calculated on the basis of “Reducing Balance Method”, and interest is calculated on 365 days per year.
2. **The Bank HKD Prime Rate(P)** means the best lending rate for HK Dollars as may be quoted by the Bank from time to time and subject to fluctuations, which will be determined by the Bank and shown on the website of the Bank and the Mobile App.
3. Eligible life insurance policy for Premium Financing / Policy Financing must be the Bank’s designated life insurance policy (applicable to the policy with single premium payment only) (“Policy”). The customer shall a ssign the policy benefits to the Bank as collateral.
4. The minimum loan amount is HK$100,000.
5. Prepayment
   - Borrower is required to pay: (a) all outstanding principal amount under the Loan; (b) all accrued and unpaid interest, fees, charges and any other debts owed to the Bank under or in respect of the Loan; and (c) Prepayment Fee (if applicable).
   - Partial repayment of the Loan is not permitted.

6. The Bank reserves the right to modify, suspend or terminate the promotion mentioned above and to amend the terms and conditions at any time without prior notice. Should any disputes arise, the Bank's decision shall be final and conclusive.

Risk Disclosure Statements

1. **Risk of collateral top-up and repayment on demand:**

   Your loan facility may be subject to review by the Bank and the Bank has the right to restructure or terminate the loan facility at any time. The Bank may request you to provide additional collateral, or partially or fully repay the outstanding loan, under particular circumstances stated in the loan contract. If you fail to meet the request(s), the Bank may restructure or terminate the loan facility or exercise its rights on the Policy such as surrendering the policy. You should read the terms and conditions of the loan contract, for example the frequency of review, the circumstances that may trigger the request(s) and the relevant arrangements of the request(s). You should consider your financial affordability in meeting the particular circumstances stated in the loan contract before purchasing life insurance products through the use of premium financing.

2. **Consequence of late repayment and default of loan facility:**
   If the Policy is funded by a loan facility, you are obligated to repay the outstanding loan amount and interest payments according to the repayment schedule under the terms and conditions of the loan contract. Any late or default of loan repayment over the course of the loan facility, including interest payment and principal repayment, may trigger the Bank to demand the repayment of the loan immediately. The Bank may surrender the policy and recover the defaulted payment, causing you significant financial losses and loss of insurance coverage. You may not be able to obtain the same insurance coverage for reasons such as changes in health conditions. You shall remain liable for any shortfall between the amounts of the proceeds of the policy and the outstanding amount of the loan facility. In addition, the Bank may set off any obligation under the loan facility owed by you to the Bank against any obligation owed by the Bank to you (including credit balances in any account you maintain with the Bank).

3. **Impact of early termination/surrender/withdrawal:**
   If the Bank exercises its right under the terms and conditions of the policy assignment agreement to terminate or surrender the policy, or withdraw cash value before the end of policy term:
   - the amount of benefits receivable under the policy may be substantially less than the sum of total premium paid, interest expenses incurred and early repayment penalty imposed (if applicable) under the loan contract, especially in the early years of the policy;
   - you may partially or fully lose the insurance coverage and may not be able to obtain the same insurance coverage;
   - you may lose the entitlement to dividends, bonuses, etc. under the policy;
   - the Bank may apply all or part of the benefits receivable under the policy against the outstanding amounts owed by you (whether or not the outstanding amounts are under the loan facility); and
   - in cases where the policy is required as part of conditions in your business or other arrangements, the termination of the policy may trigger further events of defaults in these arrangements with adverse consequences.

4. **Impact of death of insured:**
   In the event of the death of the insured, the amount of death benefit receivable under the policy may be substantially less than the sum of total premium paid, interest expenses incurred and early repayment penalty imposed (if applicable) under the loan contract, and you may suffer a significant financial loss.

5. **Exposure to interest rate fluctuation:**
   The interest payment of the loan facility for premium financing will affect the net rate of return (i.e. net of interest payment) you plan to achieve in your Policy with the use of premium financing. You may be exposed to significant interest rate risk if the interest rate of the loan facility is not fixed (i.e. floating rate subject to changes from time to time). Even in the case of fixed interest rate, the Bank may have discretion to adjust the interest rate on the loan facility from time to time. Any increase in interest rates applicable to the loan facility will increase the cost of servicing the loan facility (i.e. increase in regular interest payments.). You may not be able to service the loan facility and may hence default when there is a substantial increase in the interest rate. Also, in cases where the interest rate of the loan facility is substantially higher than the returns received from the policy, you will suffer a significant financial loss.

6. **Exposure to risk of non-guaranteed benefits fluctuation:**
   If your Policy includes non-guaranteed benefits, the projected non-guaranteed benefits shown in the Benefit Illustration are determined under the assumed investment return and are not guaranteed. If the investment return assumed for your Policy is not achieved, your non-guaranteed benefits may be lower than those illustrated or substantially lower than the interest applicable to the loan facility, and in certain circumstances, may even be zero. If the total return generated by the Policy is substantially lower than the interest payable under the loan facility, you will suffer a significant financial loss.

7. **Exposure to exchange rate fluctuation:**
   Exchange rate exposure arises when the loan currency differs from the policy currency. In the case of premium financing, you may be required to convert the proceeds received under your Policy into the loan currency, under the prevailing exchange rate, before being able to settle the loan repayments. In cases where the proceeds received from the policy is substantially lower than the outstanding loan amount due to adverse fluctuation in the exchange rate, you will suffer a significant financial loss.

8. **Exposure to credit risk:**
   You are subject to the credit risk of the Insurer. In the event that the Insurer becomes default on its obligations or an adverse change in its credit rating, the Bank may, at its discretion, ask for additional collateral, adjust your credit limit, restructure or even terminate the loan facility. You may be obligated to repay the loan, the interest and administrative fee accrued immediately, and you shall remain liable for any shortfall between the amounts of the proceeds of the policy and the outstanding amount of the loan facility.

9. **Payment timing mismatch:**
   There is a possibility that the proceeds from your Policy will not be remitted to the Bank on or before the repayment date as specified in the loan contract (e.g. due to loan facility maturity date being earlier than your policy maturity date, or turn-around-time for policy benefits disbursement), resulting in the default of loan repayment by you. You will be solely liable for any late penalty interest or defaulting interest imposed by the Bank under the terms and conditions of the loan contract.

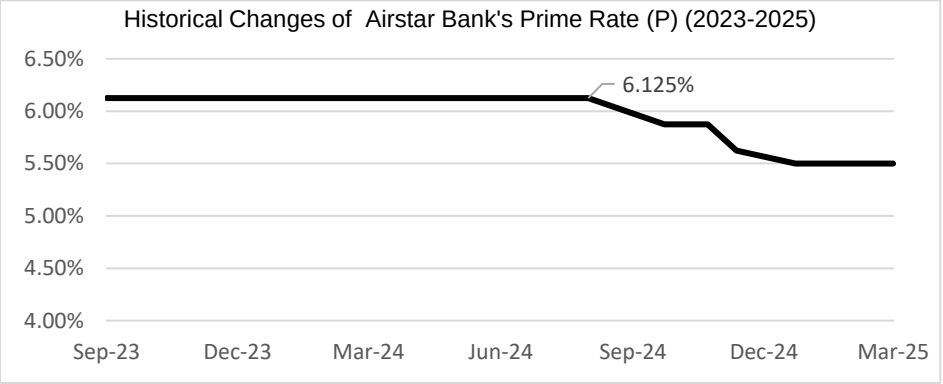
10. Impacts on cooling-off right:

Your right to cancel this Policy within the cooling-off period may be assigned to the Bank, and therefore any cancellation request may be subject to the Bank's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

Reference Information

Historical Changes of Interest Rate Benchmark

The chart below is provided for illustrative purposes only and shows the highest benchmark (the Bank HKD Prime Rate (P)) interest rate noted in the past 3 years is 6.125%.



Periodic Repayment Amount (Illustrative Example)

The following example illustrates the periodic repayment amount based on the highest interest rate noted in the past 3 years.

For a loan amount of HK$100,000 with monthly repayment:

Premium Financing:

Loan Tenor	6-month	12-month	24-month
Monthly repayment amount based on the highest interest rate noted in the past 3 years	HK$ 16,966	HK$ 8,612	HK$ 4,438

Policy Financing:

Loan Tenor	6-month	12-month	24-month
Monthly repayment amount based on the highest interest rate noted in the past 3 years	HK$ 17,015	HK$ 8,658	HK$ 4,483

<table>
<tr>
<td>Total Repayment Amount (Illustrative Example)</td>
<td>
The following example illustrates the total repayment amount based on the highest interest rate noted in the past 3 years.

For a loan amount of HK$100,000 with monthly repayment:

Premium Financing:
<table>
<tr><td>Loan Tenor</td><td>6-month</td><td>12-month</td><td>24-month</td></tr>
<tr><td>Total repayment amount based on the highest interest rate noted in the past 3 years</td><td>HK$ 101,794</td><td>HK$ 103,349</td><td>HK$ 106,505</td></tr>
</table>

Policy Financing:
<table>
<tr><td>Loan Tenor</td><td>6-month</td><td>12-month</td><td>24-month</td></tr>
<tr><td>Total repayment amount based on the highest interest rate noted in the past 3 years</td><td>HK$ 102,088</td><td>HK$ 103,901</td><td>HK$ 107,590</td></tr>
</table>
</td>
</tr>
</table>

To borrow or not borrow? Borrow only if you can repay!

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