

TERMS & CONDITIONS FOR FLEXI ASSETS FINANCING – INSURANCE PLAN

Key Facts Statement (KFS)

TERMS & CONDITIONS FOR FLEXI ASSETS FINANCING – INSURANCE PLAN

1. The Flexi Assets Financing - Insurance Plan (“Loan”) is only applicable to those applications which are secured by pledging “Elite 5 Insurance Plan (Golden Series)”, “Elite 5 Insurance Plan”, “Super 6 Insurance Plan”, “Prestige 5-Year Insurance Plan”, “Prestige 6-Year Insurance Plan”, “Goal 5 Insurance Plan”, “8-Year Saver Endowment Plan” or “Prestige 6-Year Insurance Plan (Golden Series)” or “Luxe 5 Insurance Plan” underwritten by China Life Insurance (Overseas) Company Limited^{charges 1}, or “Heritage Builder Universal Life Plan” underwritten by AXA China Region Insurance Company (Bermuda) Limited^{charges 2}, or “Wealth Elite”, “Wealth ULTIMA 2” or “Wealth Preserver 5” underwritten by AIA Hong Kong^{charges 2}, or “Universal life plus”, “Universal life 2” or “Universal Life Alpha” underwritten by Transamerica Life Bermuda Limited^{charges 2}, or “Sun Global Legacy Classic” underwritten by Sun Life Assurance Company of Canada^{charges 2}, or “Flexi Growth Premier” or “Noble Fortune” underwritten by FWD Life Insurance Company (Bermuda) Limited^{charges 2} (hereinafter each called “Acceptable Insurance Plan” or “Collateral”).

Charges:

The below charges are only applicable to Term Loan. For the charges related to Overdraft (only applicable for the acceptable insurance plan underwritten by China Life Insurance (Overseas) Company Limited), please refer to Key Facts Statements (KFS) for Overdraft Facility.

	Charges 1	Charges 2
Handling Fee	<u>The Bank will charge a set up fee of 0.3% flat on the approved loan amount, and deduct such fee at the time of loan disbursement. The handling fee paid will not be refunded in all circumstances.</u>	<u>The Bank will charge a set up fee of 0.3% flat on the approved loan amount, and deduct such fee at the time of loan disbursement. The handling fee paid will not be refunded in all circumstances.</u>
Prepayment Penalty	<u>The Bank will charge prepayment penalty at 0.2% of the prepayment amount within 1 year from the date of Loan drawdown (minimum HKD500) and Borrower should serve 30 days’ prior written notice to Bank for prepayment. The Bank may at its discretion adjust the early settlement penalty at any time with prior notice.</u>	<u>The Bank will charge prepayment penalty at 0.2% of the prepaid amount for the whole loan period (minimum HKD500) and Borrower should serve 30 days’ prior written notice to Bank for prepayment. The Bank may at its discretion adjust the early prepayment penalty at any time with prior notice.</u>
Default Interest	<u>Without prejudice to the other rights and remedies of the Bank, when the Borrower is in default of making any interest or principal payment or/and any part thereof when due, the Borrower shall each time pay Default Interest at minimum of 3.5% above the applicable interest rate of the respective facility, calculated on a daily basis until the date of repayment. The Bank may at its discretion adjust the Default Interest at any time with prior notice.</u>	<u>Without prejudice to the other rights and remedies of the Bank, when the Borrower is in default of making any interest or principal payment or/and any part thereof when due, the Borrower shall each time pay Default Interest at minimum of 3.5% above the applicable interest rate of the respective facility, calculated on a daily basis until the date of repayment. The Bank may at its discretion adjust the Default Interest at any time with prior notice.</u>

2. The approved amount of Loan will depend on the guaranteed surrender value of the pledged insurance plan. The calculation method of the Loan amount is determined and shall be subject to variation from time to time by Industrial and Commercial Bank of China (Asia) Limited (the “Bank”) at its absolute discretion.
3. The interest rate of Loan will depend on the Borrower’s credit rating, loan amount and loan tenor confirmed on the facility letter. The Bank may at its absolute discretion approve or decline the application and determine the loan amount, tenor, relevant interest rate and other terms without giving any reason. The Bank may require the Borrower to provide additional information or documents for application further processing.
4. Borrower should settle punctually to the Bank all interest, principal and/or other fees from time to time. The Bank reserves the right to alter the interest rate or charges applicable to the Loan from time to time and may notify the Borrower of such alteration in any manner it thinks fit. The interest and/or charges concerned shall be debited directly from the designated settlement account.

5. Where the Loan and the Collaterals are in different currencies, exchange rate risk will be involved.
6. Interest rate may be increased substantially if there is unbalance in the currency demand and supply in the market. Customer may suffer higher interest payment due to the increase in Interest rate.
7. The Bank will charge a handling fee for rejected item due to insufficient fund for settlement. Borrower should notify the Bank as soon as possible of any difficulty in repaying the Loan during the loan period.
8. If the pledged Insurance Policy of the Acceptable Insurance Plan mature or become forfeited in any manner, the amount of Loan indebtedness shall be deducted from the surrender value of the policy.
9. If the Event of Default (as defined in Clause 9 of the Bank's Master Terms and Conditions - Investment Products) occurs, or if any circumstances arise which in the Bank's opinion might jeopardize the Bank's interests in relation to the Borrower's Loan (whether or not the Bank has issued a notice about an additional deposit request and whether the period for satisfying such request has expired), all sums owing by the Borrower under his/her Loan will immediately become due and payable. The Bank reserves the right to:
 - i. transfer from any or all of the Borrower's account(s) any amount(s) (of any nature and whether the amount(s) is/are matured or not) to his/her Loan; and
 - ii. sell/redeem all of the collaterals which have been pledged for the Loan and apply the proceeds from the sale/redemption after deducting all reasonable expenses to repay any amounts owing to the Bank by the Borrower in the order as reasonably adopted by the Bank.
10. If any Event of Default occurs, the Bank may cancel any outstanding instructions or terminate any contracts in relation to the Loan under the Borrower without notice and without legal liability.
11. If the Borrower fails to pay on demand of any secured obligation, or there is breach of any provision of the Terms, or the Borrower is insolvent on due date or admits being insolvent, or the Borrower is being subject to bankruptcy, insolvency or debt consolidation or related procedures, or there is legal proceedings against any assets of the Borrower, the Bank may take legal action or any other action against the Borrower without any notice. The Bank may realize or redeem all the assets pledged by the Borrower in satisfaction of his/her secured obligation at any time and in any way as it thinks fit. The Borrower shall not have any rights to claim against the Bank in respect of losses arising from such sale/redemption regardless of the reason for incurring those losses.
12. In the event that the Secured Lending Service is Overdraft facility:
 - a) The approved Overdraft facility shall be subject to review annually or at any time at the Bank's absolute discretion. The Bank may adjust the Overdraft limit or withdraw the Overdraft facility at its absolute discretion;
 - b) Interest will accrue on the debit balance under the current account with approved Overdraft facility ("Overdraft Account") at the rates and in the manner as determined by the Bank from time to time, and will be debited from the customers' Overdraft Account at the times decided by the Bank;
 - c) The Bank shall have the right to charge interest at HKD/USD Prime Rate or 1-month HIBOR/LIBOR (whichever is higher) +10% p.a. on any sum which is drawn in excess of the approved Overdraft facility;
 - d) Customers should be prepared to receive notification of additional deposit request. A demand for any additional deposit is effective upon a message being left at the telephone number provided by the customer with any person, or upon sending an email or fax to the customer's email address or fax number known to the Bank, whether or not (or when) the communication is received by the customers; and
 - e) Customers will be required to make additional deposit as requested by Bank from time to time and maybe requested to make such additional deposit or pay interest with short notice. The Bank may debit any additional deposit as such requested from any of the customer's account(s) maintained with the Bank.
13. The Bank reserves the right to vary or terminate the Secured Lending Service at any time and to amend these Terms and Conditions from time to time. In case of any dispute, decision of the Bank shall be final and conclusive.
14. Any person or entity that is not a party to these Terms and Condition shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of Laws of Hong Kong) to enforce any part of these Terms and Conditions.
15. Shall there be any discrepancy between the Chinese and the English versions of the above terms and conditions, the English version shall prevail.

Key Facts Statement (KFS) for Overdraft Facility

Industrial and Commercial Bank of China (Asia) Limited

“Flexi Assets Financing” Secured Overdraft Facility

Dec 2017

<p>This product is an Overdraft Facility.</p> <p>This statement 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.</p>										
Interest Rates and Interest Charges										
Annualised Interest Rate*	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f2f2f2;">To-be-pledged Asset Type</th> <th style="background-color: #f2f2f2;">Lending Currency</th> <th style="background-color: #f2f2f2;">Annualised Interest Rate*</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f2f2f2;">Insurance Plan</td> <td>HKD</td> <td>HKD P – 2.5% to HKD P – 2.25%</td> </tr> <tr> <td style="background-color: #f2f2f2;"></td> <td>USD</td> <td>USD P – 0.5% to USD P – 0.25%</td> </tr> </tbody> </table>	To-be-pledged Asset Type	Lending Currency	Annualised Interest Rate*	Insurance Plan	HKD	HKD P – 2.5% to HKD P – 2.25%		USD	USD P – 0.5% to USD P – 0.25%
To-be-pledged Asset Type	Lending Currency	Annualised Interest Rate*								
Insurance Plan	HKD	HKD P – 2.5% to HKD P – 2.25%								
	USD	USD P – 0.5% to USD P – 0.25%								
Annualised Overdue / Default Interest Rate	Not applicable									
Overlimit Interest Rate	HKD/USD Prime Rate or 1-month HIBOR/LIBOR (whichever is higher) + 10%p.a. will be applied to your overdraft exceeds the authorized limit if your current loan balance exceeds the credit limit of the loan.									
Fees and Charges										
Annual Fee / Fee	Set-up Fee : waived Annual Review Fee : waived Cancellation Fee (for the 1 st year) : HKD500 per limit									
Late Payment Fee and Charge	Not applicable									
Overlimit Handling Fee	HKD120/ USD15 per item									
Returned Cheque / Rejected Autopay Charge	Returned Cheque : HKD150/ USD20 per cheque Rejected Autopay Charge : HKD150 per transaction									
Additional Information										
<p>* The final approved Annualized Percentage Rate (APR) is subject to the loan amount and credit assessment result.</p> <ul style="list-style-type: none"> As of 14 Dec 2017, the BLR (“HKD P” and “USD P”) of the Bank are 5.25% and 3.5% respectively. 										