

Product Factsheet – Major Features
Dedicated 100% Loan Guarantee Schemes for Specified Sectors (Schemes)

Specified Sectors	Please refer to Section Nos.:
~ Licensed Travel Agents	(1) and (2)
~ Local Tour Coach Owners	(1) and (3)
~ Cross-boundary Coach Owners	(1) and (4)
~ Cross-boundary Hire Car Owners	(1) and (5)
~ Cross-boundary Ferry Owners or Operators	(1) and (6)
~ Battery Electric Taxis (e-Taxis)	(1) and (7)

(1) Common Features applicable to loan applicants of all specified sectors

Important Note to Loan Applicants under the Schemes

HKMC Insurance Limited (**HKMCI**) wishes to alert the members of the public to beware of anyone offering to make loan applications or obtain approval for a loan under the Schemes for a fee.

Loan applicants are reminded that:

- (a) they need not engage or appoint any third party (except the participating lenders under the Schemes (**Lenders**)) to apply for a loan under the Schemes (**Loan**). Any loan application prepared by or submitted through a third party may incur unnecessary financial costs or loss to the applicant and expose the applicant’s personal data to the risk of disclosure to or misuse by an unscrupulous third party;
- (b) they should apply for the Loan directly through the Lenders which will provide assistance without levying any application fee or handling fee. The Lenders will use their professional expertise, judgement and care in conducting customer due diligence, reviewing each application, and verifying the eligibility of each applicant before submitting the applications and relevant supporting documents to HKMCI for review and approval. The Lender and/or the HKMCI may request the applicants to provide further supporting documents and information to support the application and may verify them against those from any source or in any manner as the Lender and/or the HKMCI may choose or deem appropriate; and
- (c) the Lenders and HKMCI will not tolerate any illegal conduct (e.g. making a false declaration or using a false instrument) and will report suspected illegal conduct to the relevant law enforcement agencies.

Application Period	For e-Taxis – 5 years from 4 September 2023 For Other Specified Sectors – from 29 April 2023 to 28 October 2024
Approval of Loans	By the participating lenders, based on the Scheme’s eligibility criteria and approval requirements.
Loan Type	Term loan only
Maximum Repayment Period	10 years

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Repayment Term:

The Loan shall be repaid by monthly instalments and be fully amortised by the end of the repayment period.

The Lender may allow a principal repayment holiday up to twelve months, but the Borrower is required to apply for it in application for the Loan or at any time after the drawdown of the Loan (**Loan Drawdown**). The Borrower may choose to extend the Repayment Term correspondingly.

Loan Interest Rate

The annual interest rate will be based on the prime lending rate for HKD as announced from time to time either by The Hong Kong Mortgage Corporation Limited (**HKMC**) (**Hong Kong Prime Rate**) or by the relevant Lender (**Lender's Prime Rate**), depending on the Lender's practice. The Lender will inform the Borrower of the prime lending rate applicable to the Loan concerned before the Loan Drawdown.

Regardless of which prime lending rate is adopted, the annual interest rate at the Loan Drawdown will be an interest rate of or equivalent to Hong Kong Prime Rate minus 2.5% per annum. After the Loan Drawdown, the annual interest rate will be adjusted in accordance with any changes to the applicable Hong Kong Prime Rate or Lender's Prime Rate.

As at 31 July 2023, the Hong Kong Prime Rate is 6.125% per annum, subject to changes from time to time by the HKMC, and the Borrower may refer to the HKMC's official website (https://www.hkmc.com.hk/eng/information_centre/rates_update.html). The Borrower may enquire the relevant Lender for its Lender's Prime Rate announced from time to time.

Credit History

The Borrower and the Guarantor must not be:

- (a) an undischarged bankrupt or dissolved, nor subject to any winding up or bankruptcy petition or proceedings; or
- (b) having any outstanding default of more than 60 days.

Use of Loan Proceeds

For licensed travel agents, the proceeds from the Loan must be used for meeting needs in general working capital for the borrower's resumption of business.

For local tour coach owners or cross-boundary passenger transport vehicle owners/ferry owners/operators, the proceeds from the Loan must be used for repair and/or maintenance of and/or buying insurance for the relevant vehicle(s) or vessel for the Borrower's resumption of business (for local tour coach owners) or cross-boundary passenger transport services (for cross-boundary passenger transport vehicle owners/

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ferry owners/operators).

For e-Taxis, the proceeds from the Loan must be used for the purchase of an e-Taxi for replacing a taxi which is not battery electric taxi (**Non-electric Taxi**).

Proceeds from the Loan must not be used, whether in whole or in part, for paying, repaying, restructuring or repackaging all or any part of any loan, credit facility or payment obligation of the Borrower, any of its subsidiaries or its related entities to the Lender, including any credit facilities granted to the Borrower by the same Lender and, for e-Taxis, also any outstanding rents payable by the Borrower under the hire purchase agreement (**HP agreement**) in which the purported owner is the Lender.

Guarantee by Major Shareholder(s) or Equity Interest Holder(s)

- (a) Subject to (b) below, each person (who is an individual) who, directly or indirectly, holds or is beneficially entitled to more than 50% of the issued share capital or equity interest of the Borrower must enter into an irrevocable, unconditional and legally binding guarantee in favour of the Lender in relation to the Loan (if more than one, on a joint and several basis).

In the event that there is no such single person, those persons (who are individuals) who, directly or indirectly, hold in aggregate more than 50% of the issued share capital or equity interest of the Borrower each must enter into an irrevocable, unconditional and legally binding guarantee (on a joint and several basis) in favour of the Lender in relation to the Loan.

- (b) If more than 50% of the issued share capital or equity interest of the Borrower is directly or indirectly held by a Listed Corporation or Listed Corporations in aggregate, such Listed Corporation(s) must enter into an irrevocable, unconditional and legally binding guarantee (on a joint and several basis if more than one Listed Corporation is involved) in favour of the Lender in relation to the Loan.

A Listed Corporation means a corporation which (i) has any of its shares listed on the Stock Exchange of Hong Kong Limited (**HK listed company**), or (ii) is a subsidiary of a HK listed company.

The Borrower and the relevant Loan shall satisfy the Scheme Eligibility Criteria:

- (a) on the date of submission of application form and the date of the Loan Drawdown; and
- (b) after the date of the Loan Drawdown as long as it remains in force, except "Eligible Borrower" (to the extent as determined by HKMCI from time to time) and the section entitled "Credit History" of the Scheme Eligibility Criteria.

Remarks:

The Schemes are operated by the HKMCI and are subject to the relevant terms and conditions.

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(2) Applicable to Licensed Travel Agents									
Eligible borrower	<p>The Borrower:</p> <p>(a) must be a limited company, sole proprietorship, partnership or unincorporated body of persons which has business operation in Hong Kong and remains registered under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong); and</p> <p>(b) must be a travel agent licensed under the Travel Industry Ordinance (Chapter 634 of the Laws of Hong Kong).</p>								
Maximum loan amount	<p>(a) For licensed travel agents that have applied for and received subsidy under the second round Anti-epidemic Fund (AEF 2.0), the Loan will be subject to the maximum amount based on the number of employees as at 31 March 2020 according to the records of AEF 2.0 according to the table below.</p> <p>(b) For licensed travel agents that have neither applied for nor received any subsidy under AEF 2.0, the Loan will be subject to the maximum amount based on the number of employees for any two consecutive months on or before 29 April 2023 but no earlier than 31 March 2020 according to the table below.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Number of employees</th> <th>Maximum Loan Amount</th> </tr> </thead> <tbody> <tr> <td>1 to 10</td> <td>HK\$1 million</td> </tr> <tr> <td>11 to 49</td> <td>HK\$2.5 million</td> </tr> <tr> <td>50 or above</td> <td>HK\$5 million</td> </tr> </tbody> </table>	Number of employees	Maximum Loan Amount	1 to 10	HK\$1 million	11 to 49	HK\$2.5 million	50 or above	HK\$5 million
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(3) Applicable to Local Tour Coach Owners	
Eligible borrower	<p>The Borrower must, on any date between 30 April 2019 and 29 April 2023 (both dates inclusive):</p> <p>(a) be a registered owner of each eligible tour coach and a non-franchised bus operator for provision of tour service; and</p> <p>(b) for each eligible tour coach *:</p> <p style="padding-left: 20px;">(i) be issued with a valid “Passenger Service Licence Certificate” (PSLC) with A01 (Tour Service) endorsement by the Transport Department (TD); or</p> <p style="padding-left: 20px;">(ii) have obtained an approval-in-principle letter issued by the TD for the replacement of the local tour coach.</p>
Maximum loan amount	<p>HK\$100,000 per local tour coach *</p> <p>* If the eligible local tour coach is also an eligible cross-boundary coach, the application should only be made under Cross-boundary Coach Owners.</p>

(4) Applicable to Cross-boundary Coach Owners	
Eligible borrower	<p>The Borrower must, on any date between 30 April 2019 and 29 April 2023 (both dates inclusive):</p> <p>(a) be a registered owner of each eligible cross-boundary coach (CBC) and a non-franchised bus operator for provision of CBC service; and</p> <p>(b) for each eligible CBC:</p> <p style="padding-left: 20px;">(i) be issued with a valid PSLC with A05 (International Passenger Service (cross-boundary service)) endorsement by the TD and hold a “Closed Road Permit” (CRP); or</p> <p style="padding-left: 20px;">(ii) have obtained an approval-in-principle letter issued by the TD for the replacement of the CBC.</p>
Maximum loan amount	HK\$100,000 per cross-boundary coach

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(5) Applicable to Cross-boundary Hire Car Owners	
Eligible borrower	<p>The Borrower must, on any date between 30 April 2019 and 29 April 2023 (both dates inclusive):</p> <ul style="list-style-type: none"> (a) be a registered owner of each eligible cross-boundary hire car (CBHC) with a valid hire car permit issued by the TD for provision of CBHC service; and (b) for each eligible CBHC: <ul style="list-style-type: none"> (i) be a holder a CRP; or (ii) have obtained an approval-in-principle letter issued by the TD for the replacement of the CBHC.
Maximum loan amount	HK\$80,000 per cross-boundary hire car

(6) Applicable to Cross-boundary Ferry Owners or Operators	
Eligible borrower	<ul style="list-style-type: none"> (a) The Borrower must be either an operator of each eligible cross-boundary ferry with the registered owner's endorsement for the operator to take out the Loan, or the registered owner of the eligible cross-boundary ferry. (b) For each eligible cross-boundary ferry, on any date between 30 April 2019 and 29 April 2023 (both dates inclusive), it must hold: <ul style="list-style-type: none"> (i) a valid "Certificate of Registry" or "Certificate of Ship's Nationality"; and (ii) a valid "Permit to Operate High Speed Craft" .
Maximum loan amount	HK\$2 million per cross-boundary ferry

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(7) Applicable to e-Taxi	
Lender	<p>In relation to a Borrower which is a hirer under the HP Agreement of a Non-electric Taxi (to be replaced by an e-Taxi) and the purported owner under the HP Agreement is a participating lender under the Scheme for e-Taxis, his loan application (for the purchase of the e-Taxi) shall be processed by the purported owner under the HP Agreement.</p> <p>Otherwise, such loan application (for the purchase of the e-Taxi) can be processed by any lender participating in the Scheme for e-Taxis.</p>
Eligible borrower	<p>The Borrower must be:</p> <p>(a) a registered owner of a Non-electric Taxi and the related taxi licence; or</p> <p>(b) a hirer under the HP Agreement in relation to a Non-electric Taxi and the related taxi licence.</p>
Maximum loan amount	The purchase price of the e-Taxi, subject to a cap of HK\$350,000.
Comprehensive (including third party liability) motor insurance	Comprehensive motor insurance for the e-Taxi should be maintained during the first 3 years from the date of Loan Drawdown.
Negative Pledge	<p>The Borrower shall not charge, transfer, enter into any HP Agreement or permit creation of encumbrance against or otherwise dispose (*) of any interest of the e-Taxi or discontinue to use the e-Taxi for operation of taxi business without prior written consent of the Lender.</p> <p>(*) Except that the e-Taxi being disposed of is to be replaced by another e-Taxi (and such another e-taxi shall be subject to the same negative pledge clause under the terms and conditions of the Loan related to the e-Taxi being disposed of).</p>