

Example of Interest-Free Tax Loan Repayment Schedule without Early Settlement

A 12-month loan of HK\$100,000 at a monthly flat rate of 0% and add-on handling fee of 1.5% per annum

Average Monthly Interest = HK\$100,000 x 0% = HK\$0

Interest for the full term = HK\$0 x 12(instalments) = HK\$0

Handling fee in each monthly repayment amount = HK\$100,000 x 1.5% / 12(instalments) = HK\$125

Monthly repayment amount = (HK\$100,000 + HK\$125 x 12) / 12(monthly payments) = HK\$8,459

Annualized Percentage Rate (APR)[#] = 2.79% (including 1.5% add-on handling fee)

The repayment schedule is as follows:

Nth of Instalment	Handling Fee		Principal Repaid		Outstanding Principal	
0						HK\$ 100,000.00
1	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$100,000 - \$8,334 =$	HK\$ 91,666.00
2	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$91,666 - \$8,334 =$	HK\$ 83,332.00
3	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$83,332 - \$8,334 =$	HK\$ 74,998.00
4	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$74,998 - \$8,334 =$	HK\$ 66,664.00
5	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$66,664 - \$8,334 =$	HK\$ 58,330.00
6	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$58,330 - \$8,334 =$	HK\$ 49,996.00
7	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$49,996 - \$8,334 =$	HK\$ 41,662.00
8	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$41,662 - \$8,334 =$	HK\$ 33,328.00
9	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$33,328 - \$8,334 =$	HK\$ 24,994.00
10	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$24,994 - \$8,334 =$	HK\$ 16,660.00
11	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$16,660 - \$8,334 =$	HK\$ 8,326.00
12	$\$100,000 \times 1.5\% / 12 =$	HK\$ 125.00	$\$8,459 - \$125 =$	HK\$ 8,334.00	$\$8,326 - \$8,326^* =$	HK\$ -

[#] The annualized Percentage Rate ("APR") is calculated according to the standard of Hong Kong Association of Banks and rounded to 2 decimal places. An APR is a reference rate which includes the basic interest rates and other applicable fees and charges of the product expressed as an annualized rate.

* For the last term, if the principal repaid amount is larger than the outstanding principal, outstanding principal is used as the principal repaid amount.

The above example is for reference only.