

**BANK OF CHINA (MALAYSIA) BERHAD INDICATIVE PRINCIPAL TERMS AND  
CONDITIONS US\$310.0 MILLION SUBORDINATED LOAN FACILITY**

1.	<b>Borrower</b>	:	Bank of China (Malaysia) Berhad
2.	<b>Lender</b>	:	Bank of China (Hong Kong) Limited
3.	<b>Facility</b>	:	Unsecured subordinated loan facility (" <b>Sub Loan 2</b> ")
4.	<b>Amount</b>	:	US\$310,000,000
5.	<b>Prescribed Rate</b>	:	0.97% plus SOFR Overnight at a 5 days lookback. For the avoidance of any doubt, there shall be no step-up interest rate.
6.	<b>Tenure</b>	:	Subject to early prepayment / call option as specified in section 14 below, ten (10) years (non-call five (5)) from the drawdown date.
7.	<b>Repayment</b>	:	Unless previously prepaid pursuant to a prepayment or repaid pursuant to a call option, the Borrower shall, subject to the prior written approval of Bank Negara Malaysia (" <b>BNM</b> ") (and the Borrower shall not assume or create market expectations that the prior written approval of BNM will be given), repay the Sub Loan 2 in one (1) lump sum on the Maturity Date.
8.	<b>Interest Period</b>	:	Three (3) months.
9.	<b>Drawdown</b>	:	Drawdown shall be in one (1) lump sum.
10.	<b>Availability Period</b>	:	One (1) month from the date of the facility agreement.
11.	<b>Purpose</b>	:	The Sub Loan 2 shall be utilised by the Borrower to redeem the existing unsecured subordinated loan facility of US Dollars Three Hundred and Ten Million (US\$310,000,000) (" <b>Sub Loan 1</b> ") via contra-off/set-off against the Sub Loan 2 and the Sub Loan 2 shall be recognised as Tier 2 Capital of the Borrower (as defined in the Framework) for purposes of the Capital Adequacy Framework (Capital Components) issued by BNM on 9 December 2020 (the " <b>Framework</b> "), as approved by BNM.
12.	<b>Security/ Guarantee</b>	:	Not applicable.
13.	<b>Late Payment Interest</b>	:	At the rate of 1.0% p.a. above the Prescribed Rate or such other rate or rates as the Lender may at any time and from time to time determine, and shall be payable by the Borrower, on amounts of principal and/or interest not paid when due from due date(s) until actual date(s) of payments.
14.	<b>Prepayment / Call Option</b>	:	The Borrower may at its own option and shall not be obliged to, on any interest payment date, prepay/call the Sub Loan 2 in whole or in part in integral multiples of US Dollars One Million (US\$1,000,000) or such other amount as the Lender and the Borrower may agree, subject to:  (i) there shall be no prepayment / call option of the Sub Loan 2 during the first five (5) years from the drawdown date (" <b>Initial Duration</b> ");  (ii) the Borrower shall have given the Lender at least three (3) months' notice in writing setting out the proposed prepayment / call option amount and the proposed prepayment / call option

			<p>date or in lieu thereof, by paying three (3) months' interest on the proposed prepayment / call option amount;</p> <p>(iii) in relation to a prepayment / call option proposed to be made after the Initial Duration, the Borrower:</p> <p>(a) has obtained the written approval of BNM in respect of such proposed prepayment / call option and if applicable, the Borrower has complied or will comply with any condition as may be imposed by BNM;</p> <p>(b) the Borrower must not do anything which creates an expectation that a prepayment will be made / a call option will be exercised; and</p> <p>(c) has provided satisfactory evidence to the Lender evidencing that the conditions under paragraph 17.1(e)(iii)(A) and (B) of the Framework have been or will be fulfilled to the satisfaction of the Lender and BNM;</p> <p>(iv) the Borrower has paid in full all accrued interest and other amount due on such prepayment / call option date; and</p> <p>(v) such other conditions as the Lender may reasonably require.</p>
15.	<b>Conditions Precedent</b>	:	<p>Conditions precedent shall include but not limited to the following:</p> <p>(i) the relevant finance documents have been executed by the parties thereto and stamped;</p> <p>(ii) a certificate signed by the Borrower substantially in the form set out in the facility agreement and the documents therein referred to;</p> <p>(iii) an official search has been conducted at the Companies Commission of Malaysia on the Borrower;</p> <p>(iv) an official search has been conducted at the Malaysian Department of Insolvency on the Borrower;</p> <p>(v) the Borrower has received the written approval from BNM in respect of the Sub Loan 2 and for the Sub Loan 2 to be classified as Tier 2 Capital;</p> <p>(vi) a legal opinion from the solicitor on the validity, legality and enforceability of the finance documents and that all conditions precedent have been fulfilled; and</p> <p>(vii) such other documents or conditions as the Lender may reasonably require.</p>
16.	<b>Representations &amp; Warranties</b>	:	<p>The representations and warranties typical and customary for a financing of this nature, which shall include but is not limited to the following:</p> <p>(i) status of Borrower;</p> <p>(ii) powers and authority of Borrower;</p> <p>(iii) binding obligations;</p> <p>(iv) non-conflict with other obligations;</p> <p>(v) validity and admissibility in evidence;</p>

		<ul style="list-style-type: none"> <li>(vi) no filing or stamp taxes;</li> <li>(vii) no default;</li> <li>(viii) insolvency;</li> <li>(ix) no litigation or proceedings which, if adversely determined, could have a material adverse effect;</li> <li>(x) no default in payment of tax or submission of tax returns;</li> <li>(xi) accounts give true and fair view;</li> <li>(xii) Borrower has disclosed all material facts;</li> <li>(xiii) no breach of law; and</li> <li>(xiv) immunity.</li> </ul>
17.	<b>Covenants</b>	<p>: Covenants typical and customary for a financing of this nature, which shall include but is not limited to the following:</p> <p>The Borrower shall:</p> <ul style="list-style-type: none"> <li>(i) comply with terms and conditions;</li> <li>(ii) provide Lender with information;</li> <li>(iii) maintain all relevant authorizations, consents and licenses;</li> <li>(iv) exercise due diligence in carrying on its business;</li> <li>(v) prepare financial statements in accordance with generally accepted accounting principles and which give a true and fair view;</li> <li>(vi) notify Lender of any event of default or substantial changes;</li> <li>(vii) utilise the Sub Loan 2 solely for the purpose stated in section 11 above;</li> <li>(viii) not transfer any or all of its interest in the licenses;</li> <li>(ix) not assign or transfer any or all of its obligations under the Sub Loan 2;</li> <li>(x) not enter into any amalgamation, demerger, reconstruction or winding-up;</li> <li>(xi) not reduce its authorised and paid-up share capital;</li> <li>(xii) not change in a material manner the nature of its existing business;</li> <li>(xiii) seek BNM's written approval prior to any subsequent modification of the terms and conditions of the Sub Loan 2 that may affect its eligibility as regulatory capital; and</li> <li>(xiv) obtain BNM's written approval prior to making any planned reduction in its capital, including capital instruments issued out of consolidated subsidiaries and held by third parties recognised in paragraphs 12.1(c), 13.1(c) and 14.1(c) of the Framework. The Borrower is required to demonstrate, through its capital plans, that the planned reduction of capital results in capital levels remaining well above the minimum capital adequacy requirements and capital buffer requirements, and consistent with its risk profile and business plans.</li> </ul>

18.	<b>Event of Default</b>	<p>: Events of Default shall be limited to the following:</p> <ul style="list-style-type: none"> <li>(i) The Borrower fails to pay any amount due under the Sub Loan 2 on the due date or on demand, if so payable; and</li> <li>(ii) If a court order is made or an effective resolution is passed for the winding up, dissolution or liquidation of the Borrower.</li> </ul> <p>At any time after the occurrence of any of the Events of Default listed above, the Lender may:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Event of Default as set out in section 18(i) above, institute legal proceedings to enforce the Borrower's payment obligations under the Sub Loan 2 that are in default and/or institute proceedings in Malaysia for the winding-up of the Borrower, PROVIDED THAT the Lender shall not have the right to accelerate the payment or repayment of the Sub Loan 2 as a result of any default by the Borrower in respect of (1) the payment of any money owing under the Sub Loan 2 when the same shall become due and payable; or (2) the performance or observance of any covenant, condition or provision contained in the finance documents in relation to the Sub Loan 2;</li> <li>(b) in respect of the Event of Default as set out in section 18(ii) above, declare (by giving written notice thereof to the Borrower) that all monies due and outstanding under the Sub Loan 2 (including the principal amount, interest accrued thereon and any other amounts then payable under the Sub Loan 2) shall immediately become due and payable.</li> </ul> <p>For the avoidance of any doubt, the occurrence of a Trigger Event (as defined in section 19 below) and/or any write-off to be undertaken as provided in section 20 below shall not constitute an Event of Default under the Sub Loan 2 nor shall they trigger any cross default clauses.</p>
19.	<b>Trigger Events</b>	<p>: A "<b>Trigger Event</b>" shall be the earlier of the following:</p> <ul style="list-style-type: none"> <li>(i) the Relevant Malaysian Authority (the "<b>Relevant Malaysian Authority</b>" means BNM, jointly with Malaysia Deposit Insurance Corporation "<b>PIDM</b>") notifies the Borrower in writing that the Relevant Malaysian Authority is of the opinion that a write-off is necessary, without which the Borrower would cease to be viable; or</li> <li>(ii) the Relevant Malaysian Authority publicly announces that a decision has been made by BNM, PIDM, or any other federal or state government in Malaysia, to provide a capital injection or equivalent support to the Borrower, without which the Borrower would cease to be viable.</li> </ul> <p>A Trigger Event shall be deemed to have occurred on the day on which the Borrower receives the relevant written notification from the Relevant Malaysian Authority.</p>
20.	<b>Write-off</b>	<p>: At the point of a Trigger Event, the Borrower shall irrevocably, without the consent of the Lender, write-off the Sub Loan 2 in whole or in part, if so required by BNM and/or PIDM at their full discretion and for such purpose, the Lender irrevocably agrees that it shall not dispute such write-off.</p>

		<p>Upon the occurrence of a Trigger Event, the Borrower is required to give notice to the Lender in accordance with the terms of the relevant finance documents in relation to the Sub Loan 2, then as of the relevant write-off date:</p> <ul style="list-style-type: none"> <li>(i) the write-off shall reduce: <ul style="list-style-type: none"> <li>(a) the claim of the Sub Loan 2 in liquidation. The Lender agrees and undertakes that, as of the relevant write-off date, the write-off shall extinguish the claim of the Sub Loan 2 in liquidation and in furtherance thereto, the Lender shall be automatically deemed to irrevocably waive its right to receive, and shall no longer have any rights against the Borrower with respect to, payment of the principal amount of and interest payment on the Sub Loan 2 written-off;</li> <li>(b) the amount to be paid when a prepayment is proposed to be made / the amount repaid when a call option is exercised; and</li> <li>(c) the interest accrued on the amount of the Sub Loan 2 written-off;</li> </ul> </li> <li>(ii) the write-off shall be permanent and the full or part (as the case may be) of the Sub Loan 2 (together with all interests accrued thereon up to the relevant write-off date) will automatically be written-off and the whole or part (as the case may be) of the Sub Loan 2 will be cancelled; and</li> <li>(iii) the write-off of the Sub Loan 2 shall not constitute an Event of Default or trigger any cross-default clauses.</li> </ul> <p>The write-off must generate Common Equity Tier 1 Capital (“<b>CET1 Capital</b>”) under the Malaysian Financial Reporting Standards and the Sub Loan 2 will only receive recognition in Tier 2 Capital up to the level of CET1 Capital generated by a full write-off of the Sub Loan 2.</p> <p>For the avoidance of doubt, the Sub Loan 2 will under no circumstances be converted into equity of the Borrower and the Lender will have to absorb losses pursuant to the terms of the Sub Loan 2.</p>
21.	<b>Status</b>	<p>:</p> <p>The liabilities of the Borrower under the Sub Loan 2 rank equally and with all its other unsecured liabilities, except:</p> <ul style="list-style-type: none"> <li>(i) liabilities which are subject to liens or rights of set off arising in the normal course of business;</li> <li>(ii) liabilities which are preferred solely by Malaysian law and not by reason of any security interest; and</li> <li>(iii) in the case of winding up or liquidation or insolvency of the Borrower, the liabilities of the Borrower under the Sub Loan 2 constitute subordinated obligations of the Borrower in that the liabilities of the Borrower under the Sub Loan 2 rank above the share capital of the Borrower but be subordinated in right and priority of payment to the claims of depositors and general creditors of the Borrower.</li> </ul>
22.	<b>Withholdings</b>	<p>:</p> <p>All payments by the Borrower under the Sub Loan 2, whether in respect of principal, interest, default interest, fees or any other amount, shall be made in full without any deduction or withholding (whether in</p>

			<p>respect of set off, counterclaim, duties, taxes, charges or otherwise whatsoever) unless the deduction or withholding is required by law, in which event the Borrower shall:</p> <p>(i) ensure that the deduction or withholding does not exceed the minimum amount legally required;</p> <p>(ii) forthwith pay to the Lender such additional amount so that the net amount received by the Lender will equal the full amount which would have been received by it had no such deduction or withholding been made;</p> <p>(iii) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding (including, but without prejudice to the generality of the foregoing, the full amount of any deduction or withholding from any additional amount paid pursuant to this clause); and</p> <p>(iv) furnish to the Lender, within the period for payment permitted by applicable law, either:</p> <p>(a) an official receipt of the relevant taxation authorities in respect of all amounts so deducted or withheld as aforesaid; or</p> <p>(b) if such receipts are not issued by the relevant taxation authorities on payments to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding.</p>												
<b>23.</b>	<b>Years to Maturity</b>	:	<p>In the final four (4) years of its contractual maturity, the Lender shall derecognise the Sub Loan 2 from Tier 2 Capital on a straight line basis as follows:</p> <table border="1"> <thead> <tr> <th><b>Years to maturity (x)</b></th> <th><b>Amount recognised in Tier 2 Capital</b></th> </tr> </thead> <tbody> <tr> <td><math>x &gt; 4</math></td> <td>100%</td> </tr> <tr> <td><math>3 &lt; x \leq 4</math></td> <td>80%</td> </tr> <tr> <td><math>2 &lt; x \leq 3</math></td> <td>60%</td> </tr> <tr> <td><math>1 &lt; x \leq 2</math></td> <td>40%</td> </tr> <tr> <td><math>x \leq 1</math></td> <td>20%</td> </tr> </tbody> </table>	<b>Years to maturity (x)</b>	<b>Amount recognised in Tier 2 Capital</b>	$x > 4$	100%	$3 < x \leq 4$	80%	$2 < x \leq 3$	60%	$1 < x \leq 2$	40%	$x \leq 1$	20%
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<b>24.</b>	<b>Governing Law</b>	:	The Law of Malaysia.												