

CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD

(Company Registration No. 201601032761 (1203702-U))

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

31 MARCH 2025

CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD

(Company Registration No. 201601032761 (1203702-U))

(Incorporated in Malaysia)

MANAGEMENT'S CERTIFICATION

I hereby certify that the unaudited condensed interim financial statements for the period from 1 January 2025 to 31 March 2025 have been prepared from the Bank's accounting and other records and that they are in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and the Guidelines on Financial Reporting issued by Bank Negara Malaysia.

On behalf of

CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD

Wang Qijie

Chief Executive Officer

Date:

CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD

(Company Registration No. 201601032761 (1203702-U))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		As at 31 March 2025 <u>RM'000</u>	As at 31 December 2024 <u>RM'000</u>
	Note		
Assets			
Cash and short-term funds	A8	1,550,918	541,400
Deposits and placements with banks and other financial institutions	A9	1,054,325	1,689,877
Debt instruments at fair value through other comprehensive income ("FVOCI")	A10	3,397,134	3,640,891
Other assets	A11	51,841	68,371
Derivative financial assets	A12	50,098	138,592
Loans and advances	A13	2,891,474	2,682,255
Tax recoverable		25,391	24,899
Statutory deposits with Bank Negara Malaysia		8,000	500
Right-of-use assets		29,475	30,598
Property and equipment		5,336	5,567
Intangible assets		6,549	6,735
Deferred tax assets		12,032	13,545
Total assets		<u>9,082,573</u>	<u>8,843,230</u>
Liabilities			
Deposits from customers	A14	2,913,901	2,495,295
Deposits and placements of banks and other financial institutions	A15	2,430,504	2,865,846
Obligations on securities sold under repurchase agreements ("Repo")		369,173	-
Other liabilities	A16	92,002	182,361
Derivative financial liabilities	A12	93,973	121,720
Lease liabilities		30,605	31,640
Borrowings	A17	1,279,750	1,284,843
Subordinated loan	A18	870,936	878,657
Total liabilities		<u>8,080,844</u>	<u>7,860,362</u>
Equity attributable to equity holder of the Bank			
Share capital		822,600	822,600
Reserves		179,129	160,268
Total equity		<u>1,001,729</u>	<u>982,868</u>
Total liabilities and equity		<u>9,082,573</u>	<u>8,843,230</u>
Commitments and contingencies	A24	<u>14,193,764</u>	<u>12,578,392</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2024.

CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD

(Company Registration No. 201601032761 (1203702-U))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

		Current quarter ended		Year-to-date ended	
	Note	31 March 2025	31 March 2024	31 March 2025	31 March 2024
		RM'000	RM'000	RM'000	RM'000
Interest income	A19	80,553	75,149	80,553	75,149
Interest expense	A20	(65,582)	(67,036)	(65,582)	(67,036)
Net interest income		14,971	8,113	14,971	8,113
Other operating income	A21	21,438	9,736	21,438	9,736
Net income		36,409	17,849	36,409	17,849
Other operating expenses	A22	(19,099)	(17,941)	(19,099)	(17,941)
Operating profit/(loss) before allowances		17,310	(92)	17,310	(92)
Writeback of/(Allowances for)					
expected credit losses ("ECL")	A23	1,313	(1,777)	1,313	(1,777)
Profit/(Loss) before taxation		18,623	(1,869)	18,623	(1,869)
Taxation		(5,758)	243	(5,758)	243
Net profit/(Loss) for the financial period		12,865	(1,626)	12,865	(1,626)
Other comprehensive income in respect of:					
Items that will be reclassified subsequently to profit or loss:					
<u>Debt instruments at FVOCI</u>					
Net fair value change in debt instruments at FVOCI		7,839	3,275	7,839	3,275
Net gain/(loss) on debt instruments measured at FVOCI reclassified to profit or loss on disposal		-	(270)	-	(270)
Income tax effect		(1,843)	(730)	(1,843)	(730)
		5,996	2,275	5,996	2,275
<u>Cash flow hedge</u>					
Net change in cash flow hedge		-	(153)	-	(153)
Net change in cost of hedging		-	(1,408)	-	(1,408)
Income tax effect		-	394	-	394
		-	(1,167)	-	(1,167)
Total other comprehensive income, net of tax, for the financial period		5,996	1,108	5,996	1,108
Total comprehensive income for the financial period		18,861	(518)	18,861	(518)

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2024.

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

Note	Non-Distributable					Distributable	
	Share Capital	Regulatory Reserve	FVOCI Reserve	Cash flow hedge Reserve	Cost of hedging Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2025	822,600	-	(9,806)	-	-	170,074	982,868
Net profit for the financial period	-	-	-	-	-	12,865	12,865
Other comprehensive income/(loss), net of tax, for the financial period	-	-	5,996	-	-	-	5,996
Total comprehensive income/(loss) for the financial period	-	-	5,996	-	-	12,865	18,861
Balance as at 31 March 2025	822,600	-	(3,810)	-	-	182,939	1,001,729
Balance as at 1 January 2024	822,600	4,700	(12,590)	(63)	1,643	139,567	955,857
Net profit for the financial year	-	-	-	-	-	25,807	25,807
Other comprehensive income/(loss), net of tax, for the financial year	-	-	2,784	63	(1,643)	-	1,204
Total comprehensive income/(loss) for the financial year	-	-	2,784	63	(1,643)	25,807	27,011
Transfer to retained profits	-	(4,700)	-	-	-	4,700	-
Balance as at 31 December 2024	822,600	-	(9,806)	-	-	170,074	982,868

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2024.

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	31 March 2025	31 March 2024
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	18,623	(1,869)
Adjustments for:		
(Writeback of)/Allowance for expected credit losses	(1,313)	1,777
Net unrealised fair value gain/(loss) on derivatives	60,748	6,363
Depreciation of property and equipment	420	351
Depreciation of right-of-use assets	1,124	1,124
Amortisation of intangible assets	461	448
Interest income from debt instruments at FVOCI	(28,348)	(15,980)
Interest expense from subordinated loan	6,091	17,010
Net foreign exchange gain/(loss) on subordinated loan	6,474	26,917
Interest expense from lease liabilities	267	302
Operating profit before working capital changes	64,547	36,443
Change in derivative financial assets and financial liabilities	(1)	(61,232)
Change in loans and advances	(207,266)	(200,707)
Change in statutory deposits with Bank Negara Malaysia	(7,500)	(8,000)
Change in other assets	16,530	11,706
Change in deposits from customers	418,606	470,205
Change in deposits and placements of banks and other financial institutions	(435,342)	(228,569)
Change in other liabilities	(91,244)	(79,573)
Change in borrowing	(5,093)	
Change in obligations on securities sold under Repo	369,173	-
	57,863	(96,170)
Cash generated/(used in) from operations	122,410	(59,727)
Net tax paid	(6,580)	(2,572)
Net cash generated/(used in) from operating activities	115,830	(62,299)
Cash flows from investing activities		
Change in deposits and placements with banks and other financial institutions		
with original maturity of more than 3 months	440,083	936,006
Purchase of debt investments at FVOCI	(572,931)	(1,066,188)
Proceeds from redemption and disposal of debt investments at FVOCI	812,875	741,197
Interest received from debt investments at FVOCI	40,011	94,906
Purchase of property and equipment	(189)	(12)
Purchase of intangible assets	(275)	(5)
Net cash (used in)/generated from investing activities	719,574	705,904

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2024.

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	31 March 2025	31 March 2024
	RM'000	RM'000
Cash flows from financing activities		
Interest payment of subordinated loan	(20,286)	(14,991)
Proceeds from borrowings	-	234,707
Lease payments	(1,303)	(1,303)
Net cash generated/(used in) financing activities	<u>(21,589)</u>	<u>218,413</u>
Net decrease in cash and cash equivalents	813,815	862,018
Cash and cash equivalents, at gross:		
- at the beginning of the financial year	480,768	1,299,253
- at the end of the financial period	<u><u>1,294,583</u></u>	<u><u>2,161,271</u></u>
Cash and cash equivalents comprise:		
Cash and short-term funds	1,550,942	1,960,220
Deposits and placements with banks and other financial institutions	<u>1,054,325</u>	<u>401,178</u>
	2,605,267	2,361,398
Less: Deposits and placements with banks and other financial institutions with original maturity of more than 3 months	<u>(1,310,684)</u>	<u>(200,127)</u>
	<u><u>1,294,583</u></u>	<u><u>2,161,271</u></u>

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2024.

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NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and the Guidelines on Financial Reporting issued by Bank Negara Malaysia ("BNM").

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2024. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2024.

All the significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2024. The following are the accounting standards, interpretations and amendments that have been issued by the MASB but have not been adopted by the Bank:

Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Statements: Disclosures - Classification and Measurement of Financial Instruments

Amendments to MFRS Accounting Standard contained in the document entitled "Annual Improvements to MFRS Accounting Standards - Volume 11"

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Statements: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for financial periods beginning on or after 1 January 2027

Amendments to MFRS 18 - Presentation and Disclosure in Financial Statements

Amendments to MFRS 19 - Subsidiaries without Public Accountability: Disclosures

Effective for financial periods to be determined by the MASB

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Bank plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Bank upon their initial application.

A2. Auditors' Report on Preceding Annual Financial Statements

The audit report on the audited annual financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

A4. Exceptional or Unusual Items

There were no exceptional or unusual items for the period from 1 January 2025 to 31 March 2025.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect in the current financial period.

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025****A6. Changes In Debt and Equity Securities**

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

A7. Dividend Paid

No dividend was paid during the period from 1 January 2025 to 31 March 2025.

A8. Cash and Short-Term Funds

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
Cash and balances with banks and other financial institutions	212,347	21,341
Money at call and deposit placements maturing within one month	1,338,595	520,317
	1,550,942	541,658
Less: ECL allowances	(24)	(258)
	<u>1,550,918</u>	<u>541,400</u>

Movements in ECL allowances for cash and short-term funds are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit- impaired RM'000	Stage 3 Lifetime ECL credit- impaired RM'000	Total ECL RM'000
ECL Allowances				
At 1 January 2025	258	-	-	258
Financial assets derecognised during the financial period	(251)	-	-	(251)
New financial assets acquired	17	-	-	17
Net total	(234)	-	-	(234)
At 31 March 2025	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>
At 1 January 2024	298	-	-	298
Financial assets derecognised during the financial year	(185)	-	-	(185)
New financial assets acquired	145	-	-	145
Net total	(40)	-	-	(40)
At 31 December 2024	<u>258</u>	<u>-</u>	<u>-</u>	<u>258</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
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A9. Deposits and Placements with Banks and Other Financial Institutions

Licensed banks	1,054,325	1,689,877
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A10. Debt Instruments at Fair Value Through Other Comprehensive Income ("FVOCI")**At fair value****Money market instruments**

Malaysian Government Securities	628,072	563,888
Malaysian Government Investment Issues	1,424,579	1,331,178
Negotiable Instruments of Deposits	410,442	801,636
	<u>2,463,093</u>	<u>2,696,702</u>

Unquoted securities

Corporate bonds within Malaysia	589,829	589,256
Cagamas debt securities	344,212	354,933
	<u>934,041</u>	<u>944,189</u>
	<u>3,397,134</u>	<u>3,640,891</u>

The following ECL for debt instruments are not recognised in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime non credit- impaired RM'000	Stage 3 Lifetime credit- impaired RM'000	Total ECL RM'000
ECL Allowances				
At 1 January 2025	910	-	-	910
Financial assets derecognised during the financial period	(22)	-	-	(22)
New financial assets purchased	11	-	-	11
Net total	(11)	-	-	(11)
At 31 March 2025	<u>899</u>	<u>-</u>	<u>-</u>	<u>899</u>
At 1 January 2024	962	-	-	962
Financial assets derecognised during the financial year	(1,011)	-	-	(1,011)
New financial assets purchased	959	-	-	959
At 31 December 2024	<u>910</u>	<u>-</u>	<u>-</u>	<u>910</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025****A11. Other Assets**

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
Deposits	2,171	2,171
Prepayments	2,780	1,306
Cash collateral pledged for derivative transactions	17,234	25,186
Amount due from ultimate holding company	25,102	17,602
Other receivables	4,554	22,106
	<u>51,841</u>	<u>68,371</u>

A12. Derivative Financial Assets/(Liabilities)

The Bank's derivative financial instruments are measured at their fair values together with their corresponding contract/notional amounts as at reporting date. The notional amounts of these derivative financial instruments refer to the underlying contract value on which changes in the value of the derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the financial period but are not indicative of either the market risk or credit risk inherent in the derivative contracts.

	31 March 2025		
	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Currency forwards/spot	539,567	771	588
- Currency swaps	10,921,292	48,907	91,649
Interest rate related contracts:			
- Interest rate swaps	535,000	420	1,736
	<u>11,995,859</u>	<u>50,098</u>	<u>93,973</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025****A12. Derivative Financial Assets/(Liabilities) (cont'd)**

31 December 2024			
	Contract/ Notional Amount RM'000	Fair Value	
		Assets	Liabilities
		RM'000	RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Currency forwards/spot	412,905	1,318	970
- Currency swaps	9,715,949	136,415	120,522
Interest rate related contracts:			
- Interest rate swaps	375,000	859	228
	10,503,854	138,592	121,720

31 March 2025			
	Contract/ Notional Amount RM'000	Fair Value	
		Assets	Liabilities
		RM'000	RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts			
- Less than one year	10,689,007	45,174	27,983
- More than one year	771,852	4,504	64,254
Interest rate related contracts:			
- More than one year	535,000	420	1,736
	11,995,859	50,098	93,973

31 December 2024			
	Contract/ Notional Amount RM'000	Fair Value	
		Assets	Liabilities
		RM'000	RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts			
- Less than one year	9,356,002	135,763	47,397
- More than one year	772,852	1,970	74,095
Interest rate related contracts:			
- More than one year	375,000	859	228
	10,503,854	138,592	121,720

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025****A13. Loans and Advances**

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
(i) By type:		
At amortised cost		
Overdrafts	5,241	5,173
Term loans:		
- Syndicated term loans	220,715	278,508
- Other term loans	410,089	625,414
- Factoring receivables	611,891	381,684
Bill receivables	841	-
Trust receipts	347,963	179,418
Revolving credits	1,313,988	1,233,265
Gross loans and advances	<u>2,910,728</u>	<u>2,703,462</u>
Less: ECL allowances		
- Stage 1	(19,254)	(17,942)
- Stage 2	-	(3,265)
Net loans and advances	<u><u>2,891,474</u></u>	<u><u>2,682,255</u></u>
(ii) Gross loans and advances by type of customers:		
Business enterprises	<u>2,910,728</u>	<u>2,703,462</u>
	<u><u>2,910,728</u></u>	<u><u>2,703,462</u></u>
(iii) Gross loans and advances by geographical distribution:		
Malaysia	2,863,332	2,656,410
China	47,396	47,052
	<u><u>2,910,728</u></u>	<u><u>2,703,462</u></u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025****A13. Loans and Advances (cont'd)**

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
(iv) Gross loans and advances by interest rate sensitivity:		
Fixed rate	25,430	14,963
Variable rate (cost-plus)	2,885,298	2,688,499
	<u>2,910,728</u>	<u>2,703,462</u>
(v) Gross loans and advances by economic purpose:		
Working capital	2,096,988	1,887,589
Purchase of land	76,350	75,784
Construction	296,741	298,586
Lending to related entities	55,980	119,818
Purchase of machinery and equipments	178,239	174,768
Other purposes	206,430	146,917
	<u>2,910,728</u>	<u>2,703,462</u>
(vi) Gross loans and advances by remaining contractual maturity:		
Maturity within one year	2,089,462	1,816,537
One year to three years	205,594	265,190
Three years to five years	201,774	204,412
Over five years	413,898	417,323
	<u>2,910,728</u>	<u>2,703,462</u>
(vii) Gross loans and advances by industry:		
Agriculture, hunting, forestry and fishing	45,132	45,132
Mining and quarrying	14,647	-
Manufacturing	600,642	436,748
Electricity, gas and water	179,765	179,392
Construction	300,877	300,898
Wholesale, retail trade, restaurants and hotels	214,184	213,918
Transport, storage and communication	1,158,029	1,143,393
Real estate	101,250	40,641
Finance, insurance and business services	136,386	200,229
Information and Communication	159,816	143,111
	<u>2,910,728</u>	<u>2,703,462</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025****A13. Loans and Advances (cont'd)****(viii) Movements in the gross carrying amount of loans and advances that contributed to changes in the ECL allowances:**

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	2,642,932	60,530	-	2,703,462
Financial assets derecognised during the financial period	(3,878,541)	(60,530)	-	(3,939,071)
New financial assets originated	4,146,337	-	-	4,146,337
At 31 March 2025	<u>2,910,728</u>	<u>-</u>	<u>-</u>	<u>2,910,728</u>
At 1 January 2024	3,053,315	63,971	-	3,117,286
Financial assets derecognised during the financial year	(16,873,646)	(3,441)	-	(16,877,087)
New financial assets originated	16,463,263	-	-	16,463,263
At 31 December 2024	<u>2,642,932</u>	<u>60,530</u>	<u>-</u>	<u>2,703,462</u>

(ix) Movements in ECL allowances for loans and advances:

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	17,942	3,265	-	21,207
Financial assets derecognised during the financial period	(4,464)	(3,265)	-	(7,729)
New financial assets originated	5,776	-	-	5,776
Net total	1,312	(3,265)	-	(1,953)
At 31 March 2025	<u>19,254</u>	<u>-</u>	<u>-</u>	<u>19,254</u>
At 1 January 2024	15,554	4,767	-	20,321
Financial assets derecognised during the financial year	(13,786)	(1,846)	-	(15,632)
New financial assets originated	16,174	344	-	16,518
Net total	2,388	(1,502)	-	886
At 31 December 2024	<u>17,942</u>	<u>3,265</u>	<u>-</u>	<u>21,207</u>

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	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
A14. Deposits from Customers		
(i) By type of deposits:		
Demand deposits	1,715,267	1,149,340
Saving deposits	28,270	23,276
Fixed deposits	1,170,364	1,322,679
	<u>2,913,901</u>	<u>2,495,295</u>
(ii) By type of customer:		
Business enterprises	2,102,160	2,091,713
Domestic non-banking financial institutions	425,102	376,372
Local government and statutory authorities	360,624	-
Individuals	26,015	27,210
	<u>2,913,901</u>	<u>2,495,295</u>
(iii) By maturity structure of fixed deposits:		
Due within six months	1,048,653	1,173,093
Six months to one year	120,647	148,512
One year to three years	1,064	1,074
	<u>1,170,364</u>	<u>1,322,679</u>
A15. Deposits and Placements of Banks and Other Financial Institutions		
Licensed banks in Malaysia	569,776	2,235,590
Ultimate holding company	1,860,249	611,821
Other financial institutions	479	18,435
	<u>2,430,504</u>	<u>2,865,846</u>

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	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
Other payables and accruals	28,331	30,115
Deferred Income	8,638	9,302
Cash collateral received for derivative transactions	26,180	112,320
Cash collateral from corporate customers	24,951	27,607
ECL allowances for loan commitments and financial guarantees	3,902	3,017
	<u>92,002</u>	<u>182,361</u>

Movements in ECL allowances for loan commitments and financial guarantees are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit- impaired RM'000	Stage 3 Lifetime ECL credit- impaired RM'000	Total Total ECL RM'000
At 1 January 2025	3,017	-	-	3,017
Credit exposures relinquished	-	-	-	-
Credit exposures assumed	885	-	-	885
Net total	885	-	-	885
At 31 March 2025	<u>3,902</u>	<u>-</u>	<u>-</u>	<u>3,902</u>
At 1 January 2024	2,426	-	-	2,426
Credit exposures relinquished	(2,927)	-	-	(2,927)
Credit exposures assumed	3,518	-	-	3,518
Net total	591	-	-	591
At 31 December 2024	<u>3,017</u>	<u>-</u>	<u>-</u>	<u>3,017</u>

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	As at 31 March 2025 <u>RM'000</u>	As at 31 December 2024 <u>RM'000</u>
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A17. Borrowings

Unsecured borrowings	1,279,750	1,284,843
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The term loans are denominated in Chinese Yuan bearing a fixed interest rate with remaining maturity of less than 1 year to 2 years.

A18. Subordinated Loan

At amortised cost

RMB 1.425 billion subordinated loan 2024/2034, at par	870,936	878,657
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On 29 August 2024, the Bank has issued a new RMB 1.425 billion Tier II subordinated loan equivalent to USD200 million and redeemed the existing USD200 million Tier II subordinated loan.

The RMB 1.425 billion Tier II subordinated loan has a 10 years maturity, non-callable 5 years, which bears interest rate at 1-year LPR minus 0.55% payable every 6 months throughout the tenure.

The issuance of the subordinated loan was approved by BNM as Basel III compliant Tier II subordinated loan, and to be classified as Tier II capital of the Bank pursuant to BNM's Capital Adequacy Framework (Capital Components).

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	Current quarter ended		Year-to-date ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	RM'000	RM'000	RM'000	RM'000
A19. Interest Income				
Loans and advances	30,298	38,265	30,298	38,265
Deposits and placements with banks and other financial institutions	21,907	20,904	21,907	20,904
Debt instruments at FVOCI	28,348	15,980	28,348	15,980
	<u>80,553</u>	<u>75,149</u>	<u>80,553</u>	<u>75,149</u>
A20. Interest Expense				
Deposits and placements of banks and other financial institutions	35,294	21,355	35,294	21,355
Deposits from customers	19,881	27,766	19,881	27,766
Obligations on securities sold under repurchase agreements ("Repo")	490	-	490	-
Subordinated loan	6,091	17,010	6,091	17,010
Lease liabilities	267	302	267	302
Derivative financial instruments	3,559	603	3,559	603
	<u>65,582</u>	<u>67,036</u>	<u>65,582</u>	<u>67,036</u>
A21. Other Operating Income				
Fee income:				
Service charges and fees	67	45	67	45
Guarantee fees	946	539	946	539
Commitment fees	19	77	19	77
Syndication fees	-	35	-	35
Management fees	7,500	6,300	7,500	6,300
	<u>8,532</u>	<u>6,996</u>	<u>8,532</u>	<u>6,996</u>
Less: Fees expense	<u>(113)</u>	<u>(83)</u>	<u>(113)</u>	<u>(83)</u>
Net fee income	<u>8,419</u>	<u>6,913</u>	<u>8,419</u>	<u>6,913</u>
Trading and investment income:				
Net realised (loss)/gain on derivatives	37,006	89,596	37,006	89,596
Net unrealised fair value (loss)/gain on derivatives	(60,748)	(6,363)	(60,748)	(6,363)
Net foreign exchange gain/(loss)	36,437	(80,589)	36,437	(80,589)
	<u>12,695</u>	<u>2,644</u>	<u>12,695</u>	<u>2,644</u>
Less: Brokerage charges	<u>(141)</u>	<u>(80)</u>	<u>(141)</u>	<u>(80)</u>
	<u>12,554</u>	<u>2,564</u>	<u>12,554</u>	<u>2,564</u>
Other income:				
Rental income	212	212	212	212
Other non-operating income	253	47	253	47
	<u>465</u>	<u>259</u>	<u>465</u>	<u>259</u>
	<u>21,438</u>	<u>9,736</u>	<u>21,438</u>	<u>9,736</u>

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	Current quarter ended		Year-to-date ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	RM'000	RM'000	RM'000	RM'000
A22. Other Operating Expenses				
Personnel costs				
Salaries, bonuses, wages and allowances	12,255	10,436	12,255	10,436
Defined contribution plan	1,210	940	1,210	940
Other staff related costs	424	795	424	795
	<u>13,889</u>	<u>12,171</u>	<u>13,889</u>	<u>12,171</u>
Establishment costs				
Depreciation of property and equipment	420	351	420	351
Depreciation of right-of-use assets	1,124	1,124	1,124	1,124
Amortisation of intangible assets	461	448	461	448
Repair and maintenance	1,419	1,282	1,419	1,282
Short-term leases expenses	64	74	64	74
Others	76	34	76	34
	<u>3,564</u>	<u>3,313</u>	<u>3,564</u>	<u>3,313</u>
Promotion and marketing expenses				
Advertisement and publicity	<u>153</u>	<u>124</u>	<u>153</u>	<u>124</u>
Administration and general expenses				
Communication expenses	198	372	198	372
Auditors' remuneration	95	95	95	95
Legal and professional fees	88	111	88	111
Travelling and accommodation expenses	108	161	108	161
Subscription fees	262	163	262	163
Directors' fees and allowances	150	150	150	150
Insurance premium	1	30	1	30
Printing, stationery and postage	29	31	29	31
Others	562	1,220	562	1,220
	<u>1,493</u>	<u>2,333</u>	<u>1,493</u>	<u>2,333</u>
	<u>19,099</u>	<u>17,941</u>	<u>19,099</u>	<u>17,941</u>
A23. (Writeback of)/Allowance for Expected Credit Losses ("ECL")				
Stage 1:				
- Cash and short-term funds	(234)	215	(234)	215
- Debt instruments at FVOCI	(11)	369	(11)	369
- Loans and advances	1,312	275	1,312	275
- Loan commitments and financial guarantees	885	918	885	918
	<u>1,952</u>	<u>1,777</u>	<u>1,952</u>	<u>1,777</u>
Stage 2:				
- Loans and advances	<u>(3,265)</u>	<u>-</u>	<u>(3,265)</u>	<u>-</u>
	<u>(1,313)</u>	<u>1,777</u>	<u>(1,313)</u>	<u>1,777</u>

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	As at 31 March 2025 <u>RM'000</u>	As at 31 December 2024 <u>RM'000</u>
The notional amounts of the commitments and contingencies are as follows:		
Short-term self-liquidating trade-related contingencies	281,296	166,814
Transaction-related contingent items	350,626	353,948
Irrevocable commitments to extend credit:		
- Less than one year	4,782	8,811
- More than one year	1,561,201	1,544,965
Foreign exchange related contracts:		
- Less than one year	10,689,007	9,356,002
- More than one year	771,852	772,852
Interest rate related contracts:		
- More than one year	535,000	375,000
	<u>14,193,764</u>	<u>12,578,392</u>

A25. Capital Adequacy Ratio

The total capital and capital adequacy ratios of the Bank is computed in accordance with BNM's Capital Adequacy Framework (Capital Components). The Bank is currently adopting the Standardised Approach for Credit Risk and Market Risk (Basel II) and Operational Risk (Basel III). The minimum capital adequacy and capital buffer requirement for Common Equity Tier I Capital Ratio ("CET I"), Tier I Capital Ratio and Total Capital Ratio are 7.000%, 8.500% and 10.500% respectively.

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	As at 31 March 2025 <u>RM'000</u>	As at 31 December 2024 <u>RM'000</u>
CET I/Tier I Capital		
Paid-up ordinary share capital	822,600	822,600
Retained profits	170,074	170,074
Other reserves	(3,810)	(9,806)
Regulatory adjustments applied in the calculation of CET I Capital	(29,101)	(29,802)
Total CET I/Tier I Capital	<u>959,763</u>	<u>953,066</u>
Tier II Capital		
Tier II capital instruments meeting all relevant criteria	868,857	870,282
Loss provisions	24,079	25,392
Total Tier II Capital	<u>892,936</u>	<u>895,674</u>
Total Capital	<u><u>1,852,699</u></u>	<u><u>1,848,740</u></u>
Analysis of risk-weighted assets		
Credit risk	2,986,595	2,982,865
Market risk	533,114	487,917
Operational risk	211,928	399,338
Total risk-weighted assets	<u><u>3,731,637</u></u>	<u><u>3,870,120</u></u>
Capital adequacy ratio (before proposed dividends)		
CET I Capital Ratio	25.720%	24.626%
Tier I Capital Ratio	25.720%	24.626%
Total Capital Ratio	49.648%	47.770%
Capital adequacy ratio (after proposed dividends)		
CET I Capital Ratio	25.720%	24.626%
Tier I Capital Ratio	25.720%	24.626%
Total Capital Ratio	49.648%	47.770%

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B1. Performance Review

For the first quarter ended 31 March 2025, China Construction Bank (Malaysia) Berhad's ("CCBM or the Bank") registered a profit before tax ("PBT") of RM18.6 million. The PBT was mainly attributable to higher operating income of RM21.4 million driven by higher net foreign exchange gain and higher net interest income of RM15.0 million.

As at 31 March 2025, the Bank's total assets increased to RM9.1 billion, consist of loans and advances RM2.9 billion, debt instruments at FVOCI RM3.4 billion and deposit and placement with banks and other financial institutions of RM1.1 billion. Gross impaired loan ratio remained at 0% as at 31 March 2025. The Bank's deposits from customers grew to RM2.9 billion an increased of RM0.4 billion or 16.8% as compared to previous financial year end.

The Bank maintained healthy capital position and ample liquidity buffer. The Bank's Common Equity Tier I capital ratio/Tier I capital ratio and Total capital ratio stood at 25.720% and 49.648% respectively as at 31 March 2025, which remained above the minimum regulatory requirements.

B2. Prospects for 2025

Global growth has been largely supported by consumption via real wages growth, massive investment in AI related sectors and the global tech upcycle which strengthen international trades. Will the same repeat in 2025 with the emerging competition of DeepSeek and the likes, deteriorating consumer confidence as reflected in U.S. Jan/February data, investors' concern due to tariff uncertainty. While Federal Reserve Bank Officials showed optimistic stance their growth story and vibrant job market, the ambiguity of forward looking guidance has complicated their monetary policy stance or even pushed back their monetary policy timeline amid more emerging red flags in their economy, e.g. GDPNow survey that indicated potential negative growth in Q1 of 2025 and the potential spike of inflation to 4.9 % over the next 12 months due to tariff impact.

While other central bankers around the world are cutting rates, e.g. ECB, BOE, BOC, SNB, amid concerns on tariff impact which will drag their already weak economy position. Market has expected a slashed of 1.20 % to U.S. GDP and Private consumer expenditure index, which is a preferred inflationary indicator monitored by FOMC, to climb 0.7 % due to tariff impact.

China is expected to continue maintaining easy monetary policy with more targeted stimulus packages to spur the much needed consumer and investor confidence to achieve the government 5.0 % growth target with a recent announcement of creating 12 million new job opportunities.

Malaysia GDP is expected to grow between 4.5%- 5.5% in 2025 supported by consumption, FDI, DDI and multi-years projects value realisation and structural reform benefits. OPR to remain unchanged while MYR expect to appreciate in 2H of the year on stronger financial position and better sovereign rating prospect.

CCBM will continue to leverage on our Group's global network capability to support Belt Road Initiatives and RCEP related financing and at the same time to promote Renminbi against MYR FX flows which we saw a year on year volume growth of circa 40 %.

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Malaysian Rating Corporation Berhad ("MARC") has affirmed the Bank's long-term and short-term financial institution ratings of AA+ and MARC-1, respectively with stable outlook.

B4. Fair Value of Financial Instruments

The Bank analyses its financial instruments measured at fair value into three categories as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2025				
Financial assets				
Debt instruments at FVOCI	-	3,397,134	-	3,397,134
Derivative financial assets	-	50,098	-	50,098
	<u>-</u>	<u>3,447,232</u>	<u>-</u>	<u>3,447,232</u>
Financial liabilities				
Derivative financial liabilities	<u>-</u>	<u>93,973</u>	<u>-</u>	<u>93,973</u>
31 December 2024				
Financial assets				
Debt instruments at FVOCI	-	3,640,891	-	3,640,891
Derivative financial assets	-	138,592	-	138,592
	<u>-</u>	<u>3,779,483</u>	<u>-</u>	<u>3,779,483</u>
Financial liabilities				
Derivative financial liabilities	<u>-</u>	<u>121,720</u>	<u>-</u>	<u>121,720</u>

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B4. Fair Value of Financial Instruments (cont'd)

(i) Valuation techniques

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Bank then determines fair value based upon valuation techniques that use market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. The majority of valuation techniques employ only observable market data.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

B5. Valuation of Property and Equipment

The property and equipment are stated at cost less accumulated depreciation on straight line method.

B6. Significant Events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

B7. Changes in the Composition

There were no significant change in the composition of the Bank in the current financial period.

B8. Dividends

No dividend has been proposed for the quarter under review.