

**BANK OF CHINA (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED BALANCE SHEETS AS AT 31 MARCH 2007**

	Note	31 March <u>2007</u> RM'000	31 December <u>2006</u> RM'000
<b>ASSETS</b>			
Cash and short-term funds	8	361,134	397,732
Deposits and placements with banks and other financial institutions	9	292,200	285,200
Securities portfolio			
Held-to-maturity investments	10	55,612	55,770
Loans and advances	11	377,705	335,108
Other assets	12	6,057	5,195
Deferred taxation assets		3,226	3,226
Tax recoverable		374	374
Statutory deposits with Bank Negara Malaysia		-	-
Property, plant and equipment		840	721
<b>TOTAL ASSETS</b>		<u>1,097,148</u>	<u>1,083,326</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	13	504,750	528,196
Deposits and placements of banks and other financial institutions	14	230,758	189,431
Bills and acceptances payable		-	-
Other liabilities	15	15,017	22,527
<b>TOTAL LIABILITIES</b>		<u>750,525</u>	<u>740,154</u>
<b>Financed by:</b>			
Share Capital		304,000	304,000
Reserves		42,623	39,172
<b>SHAREHOLDERS' EQUITY</b>		<u>346,623</u>	<u>343,172</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,097,148</u>	<u>1,083,326</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	23	<u>292,356</u>	<u>323,592</u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED INCOME STATEMENTS FOR THE THREE MONTHS**  
**ENDED 31 MARCH 2007**

		<b>Three Months Ended</b>	
		<b>31 March</b>	<b>31 March</b>
		<b>2007</b>	<b>2006</b>
		<b>RM'000</b>	<b>RM'000</b>
Interest income	16	<b>12,145</b>	9,361
Interest expense	17	<b>(6,499)</b>	(4,553)
Net interest income		<b>5,646</b>	4,808
Other operating income	18	<b>2,607</b>	2,661
Other operating expenses	19	<b>(3,565)</b>	(3,600)
Allowance for losses on loans and advances	20	<b>38</b>	-
Profit before taxation		<b>4,726</b>	3,869
Taxation	21	<b>(1,275)</b>	(1,150)
Net profit for the financial year		<b>3,451</b>	2,719

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Issued and fully paid ordinary shares of RM1 each Nominal value RM'000	Non- distributable Statutory reserve RM'000	Distributable		Total RM'000
			Retained profit RM'000	Proposed dividend RM'000	
At 1 January 2007	<b>304,000</b>	<b>29,333</b>	<b>1,118</b>	<b>8,721</b>	<b>343,172</b>
Net profit for the three months	-	-	<b>3,451</b>	-	<b>3,451</b>
Total recognised income for the three months	-	-	<b>3,451</b>	-	<b>3,451</b>
Transfer to statutory reserve	-	-	-	-	-
Proposed dividend	-	-	-	-	-
Dividend paid	-	-	-	-	-
At 31 March 2007	<b>304,000</b>	<b>29,333</b>	<b>4,569</b>	<b>8,721</b>	<b>346,623</b>
At 1 January 2006	304,000	19,868	375	5,034	329,277
Net profit for the financial year	-	-	<b>18,929</b>	-	<b>18,929</b>
Total recognised income for the year	-	-	<b>18,929</b>	-	<b>18,929</b>
Transfer to statutory reserve	-	9,465	(9,465)	-	-
Proposed dividend	-	-	(8,721)	8,721	-
Dividend paid	-	-	-	(5,034)	(5,034)
At 31 December 2006	<b>304,000</b>	<b>29,333</b>	<b>1,118</b>	<b>8,721</b>	<b>343,172</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Note	31 March <u>2007</u> RM'000	31 December <u>2006</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		4,726	26,425
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment		85	376
Amortisation of premium less accretion of discount		158	626
Allowance for losses on loans and advances		(38)	468
Interest income from held-to-maturity investments		(670)	(2,705)
Unrealised foreign exchange gain		(10)	(1,141)
		<hr/>	<hr/>
Cash flow from operating profit before changes in operating assets and liabilities		4,251	24,049
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>			
Loans and advances		(42,559)	(49,276)
Deposits and placements with banks and other financial institutions		(7,000)	(156,800)
Other assets		(752)	390
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES</b>			
Deposits from customers		(23,446)	207,586
Deposits and placements of banks and other financial institutions		41,327	10,509
Bills and acceptances payable		-	(26,746)
Other liabilities		(7,510)	(357)
		<hr/>	<hr/>
Cash generated from / (used in) operating activities		(35,689)	9,355
Taxation paid		(1,275)	(5,778)
		<hr/>	<hr/>
Net cash generated from / (used in) operating activities		(36,964)	3,577
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(204)	(212)
Net sale of held-to-maturity investments		-	-
Interest received on held-to-maturity investments		570	2,707
		<hr/>	<hr/>
Net cash generated from investing activities		366	2,495
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(5,034)
		<hr/>	<hr/>
Net cash used in financing activities		-	(5,034)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>			
		(36,598)	1,038
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>			
		397,732	396,694
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>			
	8	<hr/> <hr/>	<hr/> <hr/>
		361,134	397,732

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS**  
**ENDED 31 MARCH 2007**

**1 Review of Performance and Commentary of Prospects**

The bank recorded a higher profit before tax for the first quarter ended 31 March 2007 compared with the corresponding period in 2006. In year 2007, the bank will focus on increasing its fee based income by emphasising in securing international settlement and trade finance business.

The bank will continue to source quality credit lending, enhancing its competitive edge in market place while maintaining its superior asset quality.

**2 Group Accounting Policies**

The interim financial statements for the three months ended 31 March 2007 have been prepared in accordance with FRS134 (formerly known as MASB 26) issued by the Malaysian Accounting Standard Board (MASB). The interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2006.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2006.

The Bank has been given approval by Bank Negara Malaysia to compute impairment losses of loans and advances based on "Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts, BNM/GP3".

**3 Audit Report**

The audit report for the financial period ended 31 December 2006 was not subject to any qualification.

**4 Seasonal or Cyclical Factors**

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

**5 Exceptional or Extraordinary Items**

There were no exceptional or extraordinary items in the three months ended 31 March 2006.

**6 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the three months ended 31 March 2007.

**7 Changes in Debt and Equity Securities**

There were no issuance and repayment 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.

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2007**

**8 Cash and short-term funds**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Cash and balances with banks and other financial institutions	53,334	49,832
Money at call and deposit placements maturing within 1 month	<b>307,800</b>	347,900
	<b><u>361,134</u></b>	<u>397,732</u>

**9 Deposits and placements with banks and other financial institutions**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Bank Negara Malaysia	<b>292,200</b>	285,200
	<b><u>292,200</u></b>	<u>285,200</u>

**10 Securities portfolio**

**Held-to-maturity investments**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Malaysian Government Securities	58,029	58,029
Amortisation of premium less accretion of discounts	<b>(2,417)</b>	(2,259)
	<b><u>55,612</u></b>	<u>55,770</u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**11 Loans and advances**

**(i) By type**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Overdrafts	42,677	45,567
Terms loans		
- Housing loans	7,519	6,704
- Syndicated term loan	138,792	92,997
- Other term loans	96,045	95,849
Bills receivable	3	7
Trust receipts	5,896	6,809
Claims on customers under acceptance credits	37,190	36,362
Staff loans	1,070	1,314
Of which: RMnil are to Directors		
Loans to banks and other financial institutions	59,198	60,294
	<u>388,390</u>	<u>345,903</u>
Unearned interest and income	(275)	(226)
Total gross loans and advances	<u>388,115</u>	<u>345,677</u>
Less: Allowance for bad and doubtful debts:		
- General	(10,410)	(10,410)
- Specific	-	(159)
Total net loans and advances	<u><u>377,705</u></u>	<u><u>335,108</u></u>

**(ii) By type of customer**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Domestic banking institutions	51,895	52,991
Domestic non-bank financial institutions	7,303	7,303
Domestic business enterprises		
- Small medium enterprises ("SME")	145,216	147,585
- Non-SME	33,537	55,543
Government and statutory bodies	121,496	53,724
Individuals	11,372	10,872
Foreign entities	17,296	17,659
	<u>388,115</u>	<u>345,677</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**11 Loans and advances (continued)**  
**(iii) By interest rate sensitivity**

	<b>31 March</b>	31 December
	<b><u>2007</u></b>	<u>2006</u>
	<b>RM'000</b>	RM'000
Fixed rate		
- Housing loans	737	914
- Other fixed rate loan	1,070	1,314
Variable rate		
- BLR plus	158,703	161,318
- Cost plus	36,918	36,143
- Other variable rates	190,687	145,988
	<b><u>388,115</u></b>	<u>345,677</u>

**(iv) By purpose**

	<b>31 March</b>	31 December
	<b><u>2007</u></b>	<u>2006</u>
	<b>RM'000</b>	RM'000
Purchase of transport vehicles	125	135
Purchase of landed property:	46,547	46,761
- Residential	8,568	8,062
- Non-residential	37,979	38,699
Personal use	2,227	2,164
Construction	11,025	11,259
Working capital	231,546	256,204
Other purpose	96,645	29,154
	<b><u>388,115</u></b>	<u>345,677</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**(v) Non-performing Loans (NPL)**

**(i) Movement in non-performing loans and advances**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
At beginning of year	7,616	403
Classified as non-performing during the period	-	7,303
Amount recovered	(192)	(132)
Amount written off	(121)	-
Other adjustments (referring to payment made for legal fees, insurance premium, deposit to Land Office, quit rent & assessment and valuation fees)	-	42
At end of period	<u>7,303</u>	<u>7,616</u>
Specific allowance	-	(159)
Net non-performing loans and advances	<u><u>7,303</u></u>	<u><u>7,457</u></u>
Ratio of net non-performing loans and advances to net loans and advances	1.88%	2.16%

**(ii) Movement in allowance for bad and doubtful debts**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
<b>General allowance</b>		
At beginning of year	10,410	9,810
Allowance made during the year	-	600
At end of period	<u>10,410</u>	<u>10,410</u>
As % of gross loans and advances less specific allowance	2.7%	3.0%
<b>Specific allowance</b>		
At beginning of year	159	291
Amount recovered	(38)	(132)
Amount written off	(121)	-
At end of period	<u>-</u>	<u>159</u>

**(iii) NPL by purpose**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Working capital	<u>7,303</u>	<u>7,616</u>
	<u><u>7,303</u></u>	<u><u>7,616</u></u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**12 Other Assets**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Interest receivable	3,457	2,741
Other debtors, deposits and prepayments	<b>2,600</b>	2,454
	<b>6,057</b>	5,195

**13 Deposits from Customers**

**(i) By type of deposits**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Demand deposits	62,729	86,103
Savings deposits	16,774	16,894
Fixed deposits	175,238	189,186
Negotiable instruments of deposits	250,000	236,000
Others	9	13
	<b>504,750</b>	528,196

**(ii) By type of customer**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Government and statutory bodies	35,859	40,606
Business enterprises	392,867	408,419
Individuals	75,911	79,000
Others	113	171
	<b>504,750</b>	528,196

**14 Deposits and placements of banks and other financial institutions**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Licensed banks	<b>230,758</b>	189,431
	<b>230,758</b>	189,431

**15 Other Liabilities**

	<b>31 March 2007</b>	31 December 2006
	RM'000	RM'000
Interest payable	2,512	2,981
Accrued expenses	2,226	2,463
Margin deposits	5,861	7,961
Other liabilities	4,418	9,122
	<b>15,017</b>	22,527

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**16 Interest income**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from NPL	5,432	4,081
- Recoveries from NPLs	7	-
Money at call and deposit placement with financial institutions	6,194	4,934
Securities		
- Held-to-maturity investments	670	672
	<u>12,303</u>	<u>9,687</u>
Amortisation of premium less accretion of discount	(158)	(153)
Interest suspended	-	(173)
Total interest income	<u>12,145</u>	<u>9,361</u>

**17 Interest Expense**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	2,718	1,989
Deposits from customers	3,781	2,564
	<u>6,499</u>	<u>4,553</u>

**18 Other operating income**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Fees and commission income:		
- Processing fees	6	5
- Syndication fees	38	20
- Commitment fees	69	75
- Other fees relating to loan & finance	89	126
- Guarantee fees	296	260
- Acceptance commission	116	105
- Other fee income	1,069	1,014
	<u>1,683</u>	<u>1,605</u>
Held-to-maturity investments income:		
Gains from sale of held-to-maturity investments	-	-
Foreign exchange gain/(loss):		
- Realised gain/(loss)	914	1,015
- Unrealised gain/(loss)	10	41
	<u>2,607</u>	<u>2,661</u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**19 Other operating expenses**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel expenses</u>	<b>2,033</b>	1,982
Salaries & wages (includes CEO / EDs)	<b>1,044</b>	892
Bonuses	<b>525</b>	540
Employee provident fund	<b>212</b>	174
Staff welfare expenses	<b>162</b>	252
Other personnel costs	<b>90</b>	124
<u>Marketing expenses</u>	<b>139</b>	217
Entertainment expenses	<b>97</b>	163
Other marketing expenses	<b>42</b>	54
<u>Establishment costs</u>	<b>953</b>	888
Lease rental of premises	<b>357</b>	349
Depreciation of property, plant and equipment	<b>85</b>	110
Repairs and maintenance	<b>347</b>	257
Other establishment costs	<b>164</b>	172
<u>Administration and general expenses</u>	<b>440</b>	513
Insurance premium	<b>24</b>	26
Auditors' remuneration	<b>-</b>	-
Other administration and general expenses	<b>416</b>	487
	<b><u>3,565</u></b>	<b><u>3,600</u></b>

**20 Allowance for losses on loans and advances**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Allowance for bad and doubtful debts on loans and advances		
(a) Specific allowance		
- Made in the financial period	-	-
- Written back in the financial period	<b>(38)</b>	-
(b) General allowance		
- Made in the financial period	-	-
	<b><u>(38)</u></b>	<b><u>-</u></b>

**21 Taxation**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax - Malaysian income tax	<b>1,275</b>	1,150
	<b><u>1,275</u></b>	<b><u>1,150</u></b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**22 Capital adequacy**

	<b>31 March 2007 RM'000</b>	31 December 2006 RM'000
<b><u>Tier I capital</u></b>		
Paid-up ordinary share capital	<b>304,000</b>	304,000
Retained profit	<b>1,118</b>	1,118
Proposed dividend	<b>8,721</b>	8,721
Other reserves	<b>29,333</b>	29,333
	<b>343,172</b>	343,172
Less: Deferred tax assets	<b>(3,226)</b>	(3,226)
Total Tier I Capital	<b>339,946</b>	339,946
<b><u>Tier II capital</u></b>		
General allowance for bad and doubtful debts	<b>10,410</b>	10,410
Total Tier II Capital	<b>10,410</b>	10,410
Total capital base	<b>350,356</b>	350,356
<b><u>Capital ratios</u></b>		
Core capital ratio (inclusive of market risk)	<b>88%</b>	97%
Risk-weighted capital ratio (inclusive of market risk)	<b>91%</b>	100%
Core capital ratio (inclusive of market risk and net of proposed dividends)	<b>86%</b>	95%
Risk-weighted capital ratio (inclusive of market risk and net of proposed dividends)	<b>88%</b>	97%
Risk-weighted assets for credit and market risks (RM'000)	<b>386,263</b>	350,461

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**23 Commitments and contingencies**

	31 March 2007			31 December 2006		
	<u>Principal</u> RM'000	<u>Credit</u> <u>equivalent</u> RM'000	<u>Risk</u> <u>weighted</u> RM'000	<u>Principal</u> RM'000	<u>Credit</u> <u>equivalent</u> RM'000	<u>Risk</u> <u>weighted</u> RM'000
Direct credit substitutes	-	-	-	-	-	-
Transaction-related contingent items	115,901	57,951	11,176	132,621	66,311	13,009
Short-term self-liquidation trade related contingencies	25,471	5,094	2,048	22,983	4,597	265
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	120,068	-	-	98,183	-	-
- Maturity exceeding one year	21,140	10,570	10,367	25,878	12,939	12,652
Foreign exchange related contracts:						
- Less than one year	1,511	-	-	17,012	-	-
Others	8,265	-	-	26,915	-	-
<b>Total</b>	<b>292,356</b>	<b>73,615</b>	<b>23,591</b>	<b>323,592</b>	<b>83,847</b>	<b>25,926</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**24 Interest rate risk**

**31 March 2007**

	Non Trading Book						Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 month RM'000	> 3-12 month RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
<b>Assets</b>								
Cash and short term funds	358,286	-	-	-	-	2,848	361,134	3.60%
Deposits & placement with banks & other financial institutions	-	292,200	-	-	-	-	292,200	3.60%
Securities	-	-	15,631	39,981	-	-	55,612	4.92%
Loans and advances								
- performing	223,668	71,868	84,210	191	875	(10,410)	370,402	6.16%
- non-performing	-	-	-	-	-	7,303	7,303	
Other assets	-	-	-	-	-	6,057	6,057	
Deferred taxation	-	-	-	-	-	3,226	3,226	
Tax recoverable	-	-	-	-	-	374	374	
Property, plant and equipment	-	-	-	-	-	840	840	
<b>Total assets</b>	<b>581,954</b>	<b>364,068</b>	<b>99,841</b>	<b>40,172</b>	<b>875</b>	<b>10,238</b>	<b>1,097,148</b>	
<b>Liabilities</b>								
Deposits from customers	209,242	213,300	22,378	-	-	59,830	504,750	3.24%
Deposits & placements of banks & other financial institutions	109,763	51,855	69,140	-	-	-	230,758	5.18%
Bills and acceptances payable	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	15,017	15,017	
<b>Total liabilities</b>	<b>319,005</b>	<b>265,155</b>	<b>91,518</b>	<b>-</b>	<b>-</b>	<b>74,847</b>	<b>750,525</b>	
Shareholders' equity	-	-	-	-	-	346,623	346,623	
<b>Total liabilities and shareholders' equity</b>	<b>319,005</b>	<b>265,155</b>	<b>91,518</b>	<b>-</b>	<b>-</b>	<b>421,470</b>	<b>1,097,148</b>	
On balance sheet - interest rate gap	262,949	98,913	8,323	40,172	875	(411,232)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
<b>Total interest rate gap</b>	<b>262,949</b>	<b>98,913</b>	<b>8,323</b>	<b>40,172</b>	<b>875</b>	<b>(411,232)</b>	<b>-</b>	

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**24 Interest rate risk (Continued)**

**31 December 2006**

	Non Trading Book						Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 month RM'000	> 3-12 month RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
<b>Assets</b>								
Cash and short term funds	395,894	-	-	-	-	1,838	397,732	3.58%
Deposits & placement with banks & other financial institutions	-	285,200	-	-	-	-	285,200	3.67%
Securities	-	-	-	55,770	-	-	55,770	4.92%
Loans and advances								
- performing	209,231	119,297	8,218	208	1,107	(10,410)	327,651	6.19%
- non-performing	-	-	-	-	-	7,457	7,457	
Other assets	-	-	-	-	-	5,195	5,195	
Deferred taxation	-	-	-	-	-	3,226	3,226	
Tax recoverable	-	-	-	-	-	374	374	
Property, plant and equipment	-	-	-	-	-	721	721	
<b>Total assets</b>	<b>605,125</b>	<b>404,497</b>	<b>8,218</b>	<b>55,978</b>	<b>1,107</b>	<b>8,401</b>	<b>1,083,326</b>	
<b>Liabilities</b>								
Deposits from customers	285,759	136,875	21,092	-	-	84,470	528,196	3.24%
Deposits & placements of banks & other financial institutions	83,531	105,900	-	-	-	-	189,431	5.08%
Bills and acceptances payable	-	-	-	-	-	-	-	0.00%
Other liabilities	-	-	-	-	-	22,527	22,527	
<b>Total liabilities</b>	<b>369,290</b>	<b>242,775</b>	<b>21,092</b>	<b>-</b>	<b>-</b>	<b>106,997</b>	<b>740,154</b>	
Shareholders' equity	-	-	-	-	-	343,172	343,172	
<b>Total liabilities and shareholders' equity</b>	<b>369,290</b>	<b>242,775</b>	<b>21,092</b>	<b>-</b>	<b>-</b>	<b>450,169</b>	<b>1,083,326</b>	
On balance sheet - interest rate gap	235,835	161,722	(12,874)	55,978	1,107	(441,768)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
<b>Total interest rate gap</b>	<b>235,835</b>	<b>161,722</b>	<b>(12,874)</b>	<b>55,978</b>	<b>1,107</b>	<b>(441,768)</b>	<b>-</b>	

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2007**

**25 Operations of Islamic Banking**

No Islamic banking activities was involved for the financial period ended 31 March 2007.

**26 Valuation of Property, Plant and Equipment**

The Bank's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the previous audited annual financial statements.

**27 Events subsequent to Balance Sheet Date**

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the interim statements.