

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED BALANCE SHEETS AS AT 31 MARCH 2008**

	Note	31 March 2008 RM'000	31 December 2007 RM'000
<b>ASSETS</b>			
Cash and short-term funds	8	<b>530,711</b>	587,326
Deposits and placements with banks and other financial institutions	9	<b>117,000</b>	71,000
Held-to-maturity securities	10	<b>39,994</b>	55,125
Loans and advances	11	<b>366,515</b>	376,712
Other assets	12	<b>5,624</b>	5,008
Deferred tax assets		<b>3,598</b>	3,598
Tax recoverable		-	-
Statutory deposits with Bank Negara Malaysia		-	-
Property and equipment		<b>1,350</b>	1,388
Intangible assets		<b>1,037</b>	1,140
<b>TOTAL ASSETS</b>		<b>1,065,829</b>	1,101,297
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	13	<b>438,794</b>	428,645
Deposits and placements of banks and other financial institutions	14	<b>202,611</b>	252,849
Other liabilities	15	<b>71,994</b>	71,397
Provision for taxation		<b>1,011</b>	1,011
<b>TOTAL LIABILITIES</b>		<b>714,410</b>	753,902
<b>Financed by:</b>			
Share capital		<b>304,000</b>	304,000
Reserves		<b>47,419</b>	43,395
<b>SHAREHOLDERS' EQUITY</b>		<b>351,419</b>	347,395
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,065,829</b>	1,101,297
<b>COMMITMENTS AND CONTINGENCIES</b>	23	<b>390,608</b>	289,025

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED INCOME STATEMENTS FOR THE THREE MONTHS**  
**ENDED 31 MARCH 2008**

		<b>Three Months Ended</b>	
		<b>31 March</b>	<b>31 March</b>
		<b>2008</b>	<b>2007</b>
		<b>RM'000</b>	<b>RM'000</b>
Interest income	16	11,478	12,145
Interest expense	17	(5,617)	(6,499)
Net interest income		<u>5,861</u>	<u>5,646</u>
Other operating income	18	3,496	2,607
Other operating expenses	19	(4,058)	(3,565)
Allowance for losses on loans and advances	20	-	38
Profit before taxation		<u>5,299</u>	<u>4,726</u>
Taxation	21	(1,275)	(1,275)
Net profit for the financial period		<u>4,024</u>	<u>3,451</u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

	Note	31 March 2008 RM'000	31 December 2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		<b>5,299</b>	18,606
<i>Adjustment for:</i>			
Depreciation of property and equipment		<b>88</b>	338
Amortisation of intangible assets		<b>118</b>	91
Amortisation of premium less accretion of discount		<b>131</b>	645
Allowance for losses on loans and advances		-	2,754
Write back of allowance for losses on loans and advances		-	(38)
Interest income from held-to-maturity securities		<b>(2,085)</b>	(2,703)
Unrealised foreign exchange gain		<b>(76)</b>	(91)
Operating profit before changes in operating assets and liabilities		<b>3,475</b>	19,602
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>			
Deposits and placements with banks and other financial institutions		<b>(46,000)</b>	214,200
Loans and advances		<b>10,197</b>	(44,320)
Other assets		<b>192</b>	274
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES</b>			
Deposits from customers		<b>10,149</b>	(99,551)
Deposits and placements of banks and other financial institutions		<b>(50,238)</b>	63,418
Bills and acceptances payable		-	-
Other liabilities		<b>597</b>	48,870
Cash generated from / (used in) operating activities		<b>(71,628)</b>	202,493
Taxation paid		<b>(1,275)</b>	(4,649)
Net cash generated from / (used in) operating activities		<b>(72,903)</b>	197,844
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		<b>(65)</b>	(1,033)
Purchase of intangible assets		-	(1,203)
Net sale / (net purchases) of held-to-maturity securities		<b>15,000</b>	-
Interest received on held-to-maturity securities		<b>1,353</b>	2,707
Net cash generated from investing activities		<b>16,288</b>	471
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		-	(8,721)
Net cash used in financing activities		-	(8,721)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>			
		<b>(56,615)</b>	189,594
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>			
		<b>587,326</b>	397,732
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>			
8		<b>530,711</b>	587,326

**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 2008**

	Issued and fully paid ordinary shares of RM1 each	Non- distributable	Distributable	
	Nominal value RM'000	Statutory reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2008	<b>304,000</b>	<b>35,805</b>	<b>7,590</b>	<b>347,395</b>
Net profit for the three months	-	-	4,024	4,024
Total recognised income for the three months	-	-	4,024	4,024
Transfer to statutory reserve	-	-	-	-
Dividends paid	-	-	-	-
At 31 March 2008	<b>304,000</b>	<b>35,805</b>	<b>11,614</b>	<b>351,419</b>
At 1 January 2007	304,000	29,333	9,839	343,172
Net profit for the financial year	-	-	12,944	12,944
Total recognised income for the year	-	-	12,944	12,944
Transfer to statutory reserve	-	6,472	(6,472)	-
Dividends paid	-	-	(8,721)	(8,721)
At 31 December 2007	<b>304,000</b>	<b>35,805</b>	<b>7,590</b>	<b>347,395</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2008**

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

The bank recorded a higher profit before tax for the first quarter ended 31 March 2008 compared with the corresponding period in 2007 as a result of higher other operating income. In year 2008, the bank will focus on increasing its fee based income by emphasising in promoting remittance and securing international settlement and trade finance business.

**2 Group Accounting Policies**

The interim financial statements for the three months ended 31 March 2008 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 2007.

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 2007.

The Bank's allowance for non-performing loans is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the 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 2007 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 2008.

**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 2008.

**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.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2008**

**8 Cash and short-term funds**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	44,711	58,526
Money at call and deposit placements maturing within 1 month	486,000	528,800
	<b>530,711</b>	<b>587,326</b>

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

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	117,000	71,000
	<b>117,000</b>	<b>71,000</b>

**10 Held-to-maturity securities**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Money market instrument:		
Malaysian Government Securities	39,940	58,029
Amortisation of premium less accretion of discounts	54	(2,904)
	<b>39,994</b>	<b>55,125</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2008**

**11 Loans and advances**

**(i) By type**

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
Overdrafts	41,938	47,578
Terms loans		
- Housing loans	6,078	6,453
- Syndicated term loan	112,308	118,124
- Other term loans	97,070	98,735
Bills receivable	4	-
Trust receipts	8,945	8,424
Claims on customers under acceptance credits	55,881	51,444
Staff loans	2,911	2,884
of which: RMnil (2007: RMnil were to Directors)		
Loans to banks and other financial institutions	55,017	56,685
	<u>380,152</u>	<u>390,327</u>
Less: Unearned interest and income	(352)	(330)
Total gross loans and advances	<u>379,800</u>	<u>389,997</u>
Less: Allowance for bad and doubtful debts:		
- General	(12,710)	(12,710)
- Specific	(575)	(575)
Total net loans and advances	<u>366,515</u>	<u>376,712</u>

**(ii) By type of customer**

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
Domestic banking institutions	47,914	49,582
Domestic non-bank financial institutions	7,103	7,103
Domestic business enterprises		
- Small medium enterprises ("SME")	130,767	131,910
- Non-SME	68,774	70,508
Government and statutory bodies	47,914	50,263
Individuals	12,934	12,770
Foreign entities	64,394	67,861
	<u>379,800</u>	<u>389,997</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
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**11 Loans and advances (continued)**  
**(iii) By interest rate sensitivity**

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
Fixed rate		
- Housing loans	2,911	2,884
- Other fixed rate loan		
Variable rate		
- BLR plus	161,134	168,293
- Cost plus	55,533	51,114
- Other variable rates	160,222	167,706
	<b>379,800</b>	<b>389,997</b>

**(iv) By purpose**

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
Purchase of transport vehicles	95	104
Purchase of landed property:		
- Residential	49,432	50,189
- Non-residential	10,186	10,447
Personal use	39,246	39,742
Construction	3,440	3,002
Working capital	6,565	7,200
Other purpose	255,874	261,640
	<b>64,394</b>	<b>67,862</b>
	<b>379,800</b>	<b>389,997</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2008**

**11 Loans and advances (continued)**

(v) Non-performing Loans (NPL)  
 (a) Movement in non-performing loans and advances

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
At beginning of financial year	7,103	7,616
Classified as non-performing during the period	-	-
Amount recovered	-	(392)
Amount written off	-	(121)
At end of financial period	<b>7,103</b>	7,103
Specific allowance	<b>(575)</b>	(575)
<b>Net non-performing loans and advances</b>	<b>6,528</b>	6,528

Ratio of net non-performing loans and advances to gross loans and advances less specific allowance 1.72% 1.68%

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

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
<b>General allowance</b>		
At beginning of the financial year	12,710	10,410
Allowance made during the financial year	-	2,300
At end of the financial year	<b>12,710</b>	12,710
As % of gross loans and advances less specific allowance	3.35%	3.26%
<b>Specific allowance</b>		
At beginning of the financial year	575	159
Allowance made during the financial period	-	575
Amount recovered	-	(38)
Amount written off	-	(121)
At end of the financial year	<b>575</b>	575

**(c) NPL by purpose**

	<b>31 March 2008</b> <b>RM'000</b>	<b>31 December 2007</b> <b>RM'000</b>
Working capital	7,103	7,103
	<b>7,103</b>	7,103

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2008**

**12 Other Assets**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest receivable	1,401	1,716
Other debtors, deposits and prepayments	4,223	3,292
	<b>5,624</b>	<b>5,008</b>

**13 Deposits from Customers**

**(i) By type of deposits**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	81,119	85,922
Savings deposits	18,113	20,735
Fixed deposits	239,557	221,977
Negotiable instruments of deposits	100,000	100,000
Others	5	11
	<b>438,794</b>	<b>428,645</b>

**(ii) By type of customer**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	62,880	45,011
Business enterprises	268,184	275,878
Individuals	107,381	107,485
Others	349	271
	<b>438,794</b>	<b>428,645</b>

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

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	202,611	252,849
	<b>202,611</b>	<b>252,849</b>

**15 Other Liabilities**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest payable	2,486	4,193
Accrued expenses	3,125	2,739
Margin deposits	62,503	54,653
Other liabilities	3,880	9,812
	<b>71,994</b>	<b>71,397</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
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**16 Interest income**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from NPL	5,172	5,432
- Recoveries from NPLs	-	7
Money at call and deposit placement with financial institutions	5,816	6,194
Securities		
- Held-to-maturity investments	621	670
	<u>11,609</u>	<u>12,303</u>
Amortisation of premium less accretion of discount	(131)	(158)
Interest suspended	-	-
Total interest income	<u>11,478</u>	<u>12,145</u>

**17 Interest Expense**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions		
Deposits from customers	2,188	2,718
Others	2,943	3,781
	<u>486</u>	-
	<u>5,617</u>	<u>6,499</u>

**18 Other operating income**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Fees income:		
- Fee on loans and advances	366	311
- Service charges and fees	1,223	1,076
- Guarantee fees	280	296
- Other fee income	-	-
	<u>1,869</u>	<u>1,683</u>
Foreign exchange income:		
- Realised	1,554	914
- Unrealised	73	10
	<u>3,496</u>	<u>2,607</u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2008**

**19 Other operating expenses**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel expenses</b>		
Salaries & wages (includes CEO / EDs)	2,619	2,033
Bonuses	1,505	1,044
Defined contribution plan ("EPF")	601	525
Staff welfare expenses	310	212
Other personnel costs	92	162
	111	90
<b>Marketing expenses</b>		
Entertainment	123	139
Other marketing	108	97
	15	42
<b>Establishment costs</b>		
Rental of premises	773	953
Depreciation	349	357
Amortisation	102	71
Repairs and maintenance	104	14
Other establishment costs	92	347
	126	164
<b>Administration and general expenses</b>		
Insurance premium	543	440
Other administration and general expenses	16	24
	527	416
	<b>4,058</b>	<b>3,565</b>

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

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</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	-	(38)
(b) General allowance		
- Made in the financial period	-	-
	<b>-</b>	<b>(38)</b>

**21 Taxation**

	<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax - Malaysian income tax	1,275	1,275
	<b>1,275</b>	<b>1,275</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2008**

**22 Capital adequacy**

	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Tier-1 capital</u></b>		
Paid-up ordinary share capital	304,000	304,000
Retained profits	7,590	7,590
Other reserves	35,805	35,805
	<b>347,395</b>	347,395
Less: Deferred tax assets	(3,598)	(3,598)
Total Tier-1 Capital	<b>343,797</b>	343,797
<b><u>Tier-2 capital</u></b>		
General allowance for bad and doubtful debts	12,710	12,710
Total Tier-2 Capital	<b>12,710</b>	12,710
Total capital base	<b>356,507</b>	356,507
<b><u>Capital ratios</u></b>		
Core capital ratio	84%	133%
Risk-weighted capital ratio	87%	138%
Core capital ratio (net of proposed dividends)	82%	131%
Risk-weighted capital ratio (net of proposed dividends)	85%	136%
Risk-weighted assets for credit, market and operational risks (RM'000)	<b>410,410</b>	258,122

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

**23 Commitments and contingencies**

	31 March 2008			31 December 2007		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
Transaction-related contingent items	<b>158,647</b>	<b>79,324</b>	<b>13,476</b>	95,719	47,860	10,690
Short-term self-liquidation trade related contingencies	<b>28,911</b>	<b>5,782</b>	<b>700</b>	63,490	12,698	532
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	<b>114,743</b>	<b>22,949</b>	<b>22,949</b>	105,899	-	-
- Maturity exceeding one year	<b>62,470</b>	<b>31,235</b>	<b>31,187</b>	13,489	6,745	6,700
Foreign exchange related contracts:						
- Less than one year	<b>25,552</b>	-	-	9,915	-	-
Others	<b>285</b>	-	-	513	-	-
<b>Total</b>	<b>390,608</b>	<b>139,290</b>	<b>68,312</b>	<b>289,025</b>	<b>67,303</b>	<b>17,922</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

**24 Interest rate risk**

<b><u>31 March 2008</u></b>	<b>Non Trading Book</b>							<b>Effective interest rate %</b>
	<b>Up to 1 month</b> <b>RM'000</b>	<b>&gt; 1-3 month</b> <b>RM'000</b>	<b>&gt; 3-12 month</b> <b>RM'000</b>	<b>1-5 years</b> <b>RM'000</b>	<b>Over 5 years</b> <b>RM'000</b>	<b>Non-interest sensitive</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>	
<b>Assets</b>								
Cash and short term funds	529,545	-	-	-	-	1,166	530,711	3.56%
Deposits & placement with banks & other financial institutions	-	117,000	-	-	-	-	117,000	3.56%
Held-to-maturity securities	-	-	39,994	-	-	-	39,994	3.92%
Loans and advances								
- performing	213,252	29,577	126,957	95	2,816	(12,710)	359,987	5.10%
- non-performing	-	-	-	-	-	6,528	6,528	
Other assets	-	-	-	-	-	5,624	5,624	
Deferred tax assets	-	-	-	-	-	3,598	3,598	
Property and equipment	-	-	-	-	-	1,350	1,350	
Intangible assets	-	-	-	-	-	1,037	1,037	
<b>Total assets</b>	<b>742,797</b>	<b>146,577</b>	<b>166,951</b>	<b>95</b>	<b>2,816</b>	<b>6,593</b>	<b>1,065,829</b>	
<b>Liabilities</b>								
Deposits from customers	321,538	20,271	27,376	131	-	69,478	438,794	3.28%
Deposits & placements of banks & other financial institutions	90,821	-	111,790	-	-	-	202,611	2.77%
Other liabilities	-	-	-	-	-	71,994	71,994	-
Provision of taxation	-	-	-	-	-	1,011	1,011	
<b>Total liabilities</b>	<b>412,359</b>	<b>20,271</b>	<b>139,166</b>	<b>131</b>	<b>-</b>	<b>142,483</b>	<b>714,410</b>	
Shareholders' equity	-	-	-	-	-	351,419	351,419	
<b>Total liabilities and shareholders' equity</b>	<b>412,359</b>	<b>20,271</b>	<b>139,166</b>	<b>131</b>	<b>-</b>	<b>493,902</b>	<b>1,065,829</b>	
On balance sheet - interest rate gap	330,438	126,306	27,785	(36)	2,816	(487,309)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
<b>Total interest rate gap</b>	<b>330,438</b>	<b>126,306</b>	<b>27,785</b>	<b>(36)</b>	<b>2,816</b>	<b>(487,309)</b>	<b>-</b>	

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

**24 Interest rate risk (Continued)**

<b><u>31 December 2007</u></b>	<b>Non Trading Book</b>						<b>Total</b> RM'000	<b>Effective interest rate %</b>
	<b>Up to 1 month</b> RM'000	<b>&gt; 1-3 month</b> RM'000	<b>&gt; 3-12 month</b> RM'000	<b>1-5 years</b> RM'000	<b>Over 5 years</b> RM'000	<b>Non-interest sensitive</b> RM'000		
<b>Assets</b>								
Cash and short term funds	582,700	-	-	-	-	4,626	587,326	3.55%
Deposits & placement with banks & other financial institutions	-	71,000	-	-	-	-	71,000	3.56%
Held-to-maturity securities	-	15,135	39,990	-	-	-	55,125	4.92%
Loans and advances								
- performing	292,931	73,308	13,771	104	2,780	(12,710)	370,184	5.95%
- non-performing	-	-	-	-	-	6,528	6,528	
Other assets	-	-	-	-	-	5,008	5,008	
Deferred tax assets	-	-	-	-	-	3,598	3,598	
Property and equipment	-	-	-	-	-	1,388	1,388	
Intangible assets	-	-	-	-	-	1,140	1,140	
<b>Total assets</b>	<b>875,631</b>	<b>159,443</b>	<b>53,761</b>	<b>104</b>	<b>2,780</b>	<b>9,578</b>	<b>1,101,297</b>	
<b>Liabilities</b>								
Deposits from customers	302,911	17,910	28,487	116	-	79,221	428,645	3.29%
Deposits & placements of banks & other financial institutions	203,274	49,575	-	-	-	-	252,849	4.56%
Other liabilities	-	-	-	-	-	71,397	71,397	
Provision of taxation	-	-	-	-	-	1,011	1,011	
<b>Total liabilities</b>	<b>506,185</b>	<b>67,485</b>	<b>28,487</b>	<b>116</b>	<b>-</b>	<b>151,629</b>	<b>753,902</b>	
Shareholders' equity	-	-	-	-	-	347,395	347,395	
<b>Total liabilities and shareholders' equity</b>	<b>506,185</b>	<b>67,485</b>	<b>28,487</b>	<b>116</b>	<b>-</b>	<b>499,024</b>	<b>1,101,297</b>	
On balance sheet - interest rate gap	369,446	91,958	25,274	(12)	2,780	(489,446)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
<b>Total interest rate gap</b>	<b>369,446</b>	<b>91,958</b>	<b>25,274</b>	<b>(12)</b>	<b>2,780</b>	<b>(489,446)</b>	<b>-</b>	

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2008**

**25 Operations of Islamic Banking**

No Islamic banking activities was involved for the financial period ended 31 March 2008.

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

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. There was no change in the valuation of property 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.