

CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

30 JUNE 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 30 June 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

Deputy General Manager

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 30 JUNE 2025**

	Note	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
Assets			
Cash and short-term funds	A8	1,614,153	541,400
Deposits and placements with banks and other financial institutions	A9	651,319	1,689,877
Debt instruments at fair value through other comprehensive income ("FVOCI")	A10	3,541,625	3,640,891
Other assets	A11	216,742	68,371
Derivative financial assets	A12	57,528	138,592
Loans and advances	A13	3,347,670	2,682,255
Tax recoverable		19,177	24,899
Statutory deposits with Bank Negara Malaysia		8,000	500
Right-of-use assets		28,351	30,598
Property and equipment		4,832	5,567
Intangible assets		6,323	6,735
Deferred tax assets		7,361	13,545
Total assets		9,503,081	8,843,230
Liabilities			
Deposits from customers	A14	4,087,350	2,495,295
Deposits and placements of banks and other financial institutions	A15	1,962,651	2,865,846
Other liabilities	A16	75,578	182,361
Derivative financial liabilities	A12	223,379	121,720
Lease liabilities		29,561	31,640
Borrowings	A17	1,238,527	1,284,843
Subordinated loan	A18	846,586	878,657
Total liabilities		8,463,632	7,860,362
Equity attributable to equity holder of the Bank			
Share capital		822,600	822,600
Reserves		216,849	160,268
Total equity		1,039,449	982,868
Total liabilities and equity		9,503,081	8,843,230
Commitments and contingencies	A24	14,220,194	12,578,392

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

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

		Current quarter ended		Year-to-date ended	
	Note	30 June 2025	30 June 2024	30 June 2025	30 June 2024
		RM'000	RM'000	RM'000	RM'000
Interest income	A19	81,953	83,559	162,901	159,448
Interest expense	A20	(63,067)	(79,369)	(128,397)	(146,380)
Net interest income		18,886	4,190	34,504	13,068
Other operating income	A21	29,329	24,595	50,001	33,568
Net income		48,215	28,785	84,505	46,636
Other operating expenses	A22	(19,298)	(15,209)	(38,278)	(33,147)
Operating profit/(loss) before allowances		28,917	13,576	46,227	13,489
Writeback of/(Allowances for)					
expected credit losses ("ECL")	A23	(3,492)	(567)	(2,178)	(2,344)
Profit/(Loss) before taxation		25,425	13,009	44,049	11,145
Taxation		(7,822)	243	(13,580)	(3,425)
Net profit/(Loss) for the financial period		17,603	13,252	30,469	7,720
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		26,159	1,122	33,998	4,397
Net gain/(loss) on debt instruments measured					
at FVOCI reclassified to profit or loss on disposal		-	-	-	(270)
Income tax effect		(6,043)	(268)	(7,886)	(998)
		20,116	854	26,112	3,129
<u>Cash flow hedge</u>					
Net change in cash flow hedge		-	208	-	55
Net change in cost of hedging		-	(512)	-	(1,921)
Income tax effect		-	73	-	467
		-	(231)	-	(1,399)
Total other comprehensive income, net of tax,					
for the financial period		-	623	26,112	1,730
Total comprehensive income		17,603	13,875	56,581	9,450
for the financial period					

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 30 JUNE 2025**

Note	Non-Distributable					Distributable	Total Equity RM'000
	Share Capital RM'000	Regulatory Reserve RM'000	FVOCI Reserve RM'000	Cash flow hedge Reserve RM'000	Cost of hedging Reserve RM'000	Retained Profits RM'000	
Balance as at 1 January 2025	822,600	-	(9,806)	-	-	170,074	982,868
Net profit for the financial period	-	-	-	-	-	30,469	30,469
Other comprehensive income/(loss), net of tax, for the financial period	-	-	26,112	-	-	-	26,112
Total comprehensive income/(loss) for the financial period	-	-	26,112	-	-	30,469	56,581
Balance as at 30 June 2025	822,600	-	16,306	-	-	200,543	1,039,449
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 30 JUNE 2025**

	30 June 2025	30 June 2024
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	44,049	11,145
Adjustments for:		
(Writeback of)/Allowance for expected credit losses	2,178	2,344
Net unrealised fair value gain/(loss) on derivatives	182,723	26,397
Depreciation of property and equipment	847	698
Depreciation of right-of-use assets	2,248	2,248
Amortisation of intangible assets	959	892
Interest income from debt instruments at FVOCI	(59,224)	(46,923)
Interest expense from subordinated loan	12,052	34,000
Net foreign exchange gain/(loss) on subordinated loan	(23,837)	28,101
Interest expense from lease liabilities	525	596
Operating profit before working capital changes	162,520	59,498
Change in derivative financial assets and financial liabilities	-	(32,187)
Change in loans and advances	(665,465)	(102,862)
Change in statutory deposits with Bank Negara Malaysia	(7,500)	(5,000)
Change in other assets	(148,371)	(13,623)
Change in deposits from customers	1,592,055	588,320
Change in deposits and placements of banks and other financial institutions	(903,195)	188,340
Change in other liabilities	(109,020)	(74,998)
Change in borrowing	(46,316)	-
	(287,812)	547,990
Cash generated/(used in) from operations	(125,292)	607,488
Net tax paid	(9,561)	(3,439)
Net cash generated/(used in) from operating activities	(134,853)	604,049
Cash flows from investing activities		
Change in deposits and placements with banks and other financial institutions		
with original maturity of more than 3 months	1,600,754	(87,416)
Purchase of debt investments at FVOCI	(1,097,663)	(3,577,472)
Proceeds from redemption and disposal of debt investments at FVOCI	1,227,471	1,642,357
Interest received from debt investments at FVOCI	62,667	78,708
Purchase of property and equipment	(112)	(654)
Purchase of intangible assets	(547)	(52)
Net cash (used in)/generated from investing activities	1,792,570	(1,944,529)

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 30 JUNE 2025**

	30 June 2025	30 June 2024
	RM'000	RM'000
Cash flows from financing activities		
Interest payment of subordinated loan	(20,286)	(33,824)
Proceeds from borrowings	-	911,149
Lease payments	(2,605)	(2,606)
Net cash generated/(used in) financing activities	(22,891)	874,719
Net decrease in cash and cash equivalents	1,634,826	(465,761)
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	2,115,594	833,492
Cash and cash equivalents comprise:		
Cash and short-term funds	1,614,289	503,243
Deposits and placements with banks and other financial institutions	651,319	1,553,798
	2,265,608	2,057,041
Less: Deposits and placements with banks and other financial institutions with original maturity of more than 3 months	(150,014)	(1,223,549)
	2,115,594	833,492

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 30 JUNE 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 30 June 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 30 JUNE 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 30 June 2025.

A8. Cash and Short-Term Funds

	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
Cash and balances with banks and other financial institutions	222,856	21,341
Money at call and deposit placements maturing within one month	1,391,433	520,317
	1,614,289	541,658
Less: ECL allowances	(136)	(258)
	<u>1,614,153</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	(363)	-	-	(363)
New financial assets acquired	241	-	-	241
Net total	(122)	-	-	(122)
At 30 June 2025	<u>136</u>	<u>-</u>	<u>-</u>	<u>136</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 30 JUNE 2025

	As at 30 June 2025	As at 31 December 2024
	RM'000	RM'000

A9. Deposits and Placements with Banks and Other Financial Institutions

Licensed banks	651,319	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	632,104	563,888
Malaysian Government Investment Issues	1,646,421	1,331,178
Negotiable Instruments of Deposits	320,162	801,636
	<u>2,598,687</u>	<u>2,696,702</u>

Unquoted securities

Corporate bonds within Malaysia	597,848	589,256
Cagamas debt securities	345,090	354,933
	<u>942,938</u>	<u>944,189</u>
	<u>3,541,625</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	36	-	-	36
Net total	<u>14</u>	<u>-</u>	<u>-</u>	<u>14</u>
At 30 June 2025	<u>924</u>	<u>-</u>	<u>-</u>	<u>924</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 30 JUNE 2025****A11. Other Assets**

	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
Deposits	2,171	2,171
Prepayments	4,989	1,306
Cash collateral pledged for derivative transactions	163,383	25,186
Amount due from ultimate holding company	18,500	17,602
Other receivables	27,699	22,106
	<u>216,742</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.

	30 June 2025		
	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Liabilities RM'000
Trading derivatives			
Foreign exchange related contracts:			
- Currency forwards/spot	539,567	5,650	5,409
- Currency swaps	10,736,745	51,878	207,335
Interest rate related contracts:			
- Interest rate swaps	735,000	-	10,635
	<u>12,011,312</u>	<u>57,528</u>	<u>223,379</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025****A12. Derivative Financial Assets/(Liabilities) (cont'd)**

31 December 2024			
Contract/ Notional Amount RM'000	Fair Value		
	Assets	Liabilities	
	RM'000	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
	<u>10,503,854</u>	<u>138,592</u>	<u>121,720</u>

30 June 2025			
Contract/ Notional Amount RM'000	Fair Value		
	Assets	Liabilities	
	RM'000	RM'000	RM'000
By remaining period to maturity/next re-pricing date			
<u>Trading derivatives</u>			
Foreign exchange related contracts			
- Less than one year	10,248,868	14,953	154,469
- More than one year	1,027,444	42,575	58,275
Interest rate related contracts:			
- More than one year	735,000	-	10,635
	<u>12,011,312</u>	<u>57,528</u>	<u>223,379</u>

31 December 2024			
Contract/ Notional Amount RM'000	Fair Value		
	Assets	Liabilities	
	RM'000	RM'000	RM'000
By remaining period to maturity/next re-pricing date			
<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
	<u>10,503,854</u>	<u>138,592</u>	<u>121,720</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025****A13. Loans and Advances**

	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
(i) By type:		
At amortised cost		
Overdrafts	5,164	5,173
Term loans:		
- Syndicated term loans	195,667	278,508
- Other term loans	654,973	625,414
- Factoring receivables	557,251	381,684
Bill receivables	727	-
Trust receipts	385,139	179,418
Revolving credits	1,570,006	1,233,265
Gross loans and advances	3,368,927	2,703,462
Less: ECL allowances		
- Stage 1	(21,257)	(17,942)
- Stage 2	-	(3,265)
Net loans and advances	3,347,670	2,682,255
(ii) Gross loans and advances by type of customers:		
Business enterprises	3,368,927	2,703,462
	3,368,927	2,703,462
(iii) Gross loans and advances by geographical distribution:		
Malaysia	3,338,539	2,656,410
China	30,388	47,052
	3,368,927	2,703,462

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025****A13. Loans and Advances (cont'd)**

	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
(iv) Gross loans and advances by interest rate sensitivity:		
Fixed rate	18,493	14,963
Variable rate (cost-plus)	3,350,434	2,688,499
	<u>3,368,927</u>	<u>2,703,462</u>
(v) Gross loans and advances by economic purpose:		
Working capital	2,604,659	1,887,589
Purchase of land	92,054	75,784
Construction	284,478	298,586
Lending to related entities	52,694	119,818
Purchase of machinery and equipments	148,642	174,768
Other purposes	186,400	146,917
	<u>3,368,927</u>	<u>2,703,462</u>
(vi) Gross loans and advances by remaining contractual maturity:		
Maturity within one year	2,634,507	1,816,537
One year to three years	129,923	265,190
Three years to five years	218,790	204,412
Over five years	385,707	417,323
	<u>3,368,927</u>	<u>2,703,462</u>
(vii) Gross loans and advances by industry:		
Agriculture, hunting, forestry and fishing	45,126	45,132
Mining and quarrying	14,190	-
Manufacturing	588,555	436,748
Electricity, gas and water	151,434	179,392
Construction	602,583	300,898
Wholesale, retail trade, restaurants and hotels	270,274	213,918
Transport, storage and communication	1,243,702	1,143,393
Real estate	116,928	40,641
Finance, insurance and business services	233,966	200,229
Information and Communication	102,169	143,111
	<u>3,368,927</u>	<u>2,703,462</u>

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	(8,353,024)	(60,530)	-	(8,413,554)
New financial assets originated	9,079,019	-	-	9,079,019
At 30 June 2025	<u>3,368,927</u>	<u>-</u>	<u>-</u>	<u>3,368,927</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	(10,510)	(3,265)	-	(13,775)
New financial assets originated	13,825	-	-	13,825
Net total	3,315	(3,265)	-	50
At 30 June 2025	<u>21,257</u>	<u>-</u>	<u>-</u>	<u>21,257</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 30 June 2025 RM'000	As at 31 December 2024 RM'000
A14. Deposits from Customers		
(i) By type of deposits:		
Demand deposits	2,342,719	1,149,340
Saving deposits	24,438	23,276
Fixed deposits	1,720,193	1,322,679
	<u>4,087,350</u>	<u>2,495,295</u>
(ii) By type of customer:		
Business enterprises	2,860,631	2,091,713
Domestic non-banking financial institutions	940,496	376,372
Local government and statutory authorities	261,429	-
Individuals	24,794	27,210
	<u>4,087,350</u>	<u>2,495,295</u>
(iii) By maturity structure of fixed deposits:		
Due within six months	1,550,745	1,173,093
Six months to one year	168,436	148,512
One year to three years	1,012	1,074
	<u>1,720,193</u>	<u>1,322,679</u>
A15. Deposits and Placements of Banks and Other Financial Institutions		
Licensed banks in Malaysia	636,302	2,235,590
Ultimate holding company	1,205,558	611,821
Other financial institutions	120,791	18,435
	<u>1,962,651</u>	<u>2,865,846</u>

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	As at 30 June 2025	As at 31 December 2024
	RM'000	RM'000
Other payables and accruals	36,410	30,115
Deferred Income	8,241	9,302
Cash collateral received for derivative transactions	716	112,320
Cash collateral from corporate customers	24,957	27,607
ECL allowances for loan commitments and financial guarantees	5,254	3,017
	<u>75,578</u>	<u>182,361</u>

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	Total ECL RM'000
At 1 January 2025	3,017	-	-	3,017
Credit exposures relinquished	(1,144)	-	-	(1,144)
Credit exposures assumed	3,381	-	-	3,381
Net total	<u>2,237</u>	<u>-</u>	<u>-</u>	<u>2,237</u>
At 30 June 2025	<u>5,254</u>	<u>-</u>	<u>-</u>	<u>5,254</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	<u>591</u>	<u>-</u>	<u>-</u>	<u>591</u>
At 31 December 2024	<u>3,017</u>	<u>-</u>	<u>-</u>	<u>3,017</u>

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	As at 30 June 2025 <u>RM'000</u>	As at 31 December 2024 <u>RM'000</u>
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A17. Borrowings

Unsecured borrowings	<u>1,238,527</u>	<u>1,284,843</u>
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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	<u>846,586</u>	<u>878,657</u>
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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	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
A19. Interest Income				
Loans and advances	33,673	36,232	64,366	75,236
Deposits and placements with banks and other financial institutions	17,404	16,384	39,311	37,289
Debt instruments at FVOCI	30,876	30,943	59,224	46,923
	<u>81,953</u>	<u>83,559</u>	<u>162,901</u>	<u>159,448</u>
A20. Interest Expense				
Deposits and placements of banks and other financial institutions	29,040	28,534	64,334	49,889
Deposits from customers	23,313	29,841	43,194	57,606
Obligations on securities sold under repurchase agreements ("Repo")	2,578	-	3,068	-
Subordinated loan	5,961	16,990	12,052	34,000
Lease liabilities	258	294	525	596
Derivative financial instruments	1,917	3,710	5,224	4,289
	<u>63,067</u>	<u>79,369</u>	<u>128,397</u>	<u>146,380</u>
A21. Other Operating Income				
Fee income:				
Service charges and fees	62	33	128	83
Guarantee fees	1,114	906	2,059	1,445
Commitment fees	20	36	38	113
Syndication fees	554	499	554	534
Management fees	11,855	6,300	19,355	12,600
	<u>13,605</u>	<u>7,774</u>	<u>22,134</u>	<u>14,775</u>
Less: Fees expense	(181)	(445)	(806)	(1,268)
Net fee income	<u>13,424</u>	<u>7,329</u>	<u>21,328</u>	<u>13,507</u>
Trading and investment income:				
Net realised (loss)/gain on derivatives	(60,971)	16,290	(23,966)	105,886
Net unrealised fair value (loss)/gain on derivatives	(121,975)	(20,035)	(182,723)	(26,397)
Net foreign exchange gain/(loss)	198,747	20,962	235,184	(59,627)
	<u>15,801</u>	<u>17,217</u>	<u>28,495</u>	<u>19,862</u>
Less: Brokerage charges	(124)	(164)	(264)	(244)
	<u>15,677</u>	<u>17,053</u>	<u>28,231</u>	<u>19,618</u>
Other income:				
Rental income	212	212	424	424
Other non-operating income	16	1	18	19
	<u>228</u>	<u>213</u>	<u>442</u>	<u>443</u>
	<u>29,329</u>	<u>24,595</u>	<u>50,001</u>	<u>33,568</u>

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	Current quarter ended		Year-to-date ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	RM'000	RM'000	RM'000	RM'000
A22. Other Operating Expenses				
Personnel costs				
Salaries, bonuses, wages and allowances	11,326	10,441	23,581	20,877
Defined contribution plan	1,028	941	2,237	1,880
Other staff related costs	1,920	879	2,344	1,674
	<u>14,274</u>	<u>12,261</u>	<u>28,162</u>	<u>24,431</u>
Establishment costs				
Depreciation of property and equipment	427	347	847	698
Depreciation of right-of-use assets	1,124	1,124	2,248	2,248
Amortisation of intangible assets	499	444	959	892
Repair and maintenance	1,134	509	2,553	1,791
Short-term leases expenses	79	60	142	134
Others	80	94	156	128
	<u>3,343</u>	<u>2,578</u>	<u>6,905</u>	<u>5,891</u>
Promotion and marketing expenses				
Advertisement and publicity	91	170	243	294
Administration and general expenses				
Communication expenses	253	293	451	665
Auditors' remuneration	95	76	189	170
Legal and professional fees	170	60	259	171
Travelling and accommodation expenses	160	283	267	444
Subscription fees	88	145	233	308
Directors' fees and allowances	158	158	308	308
Insurance premium	10	65	11	94
Printing, stationery and postage	17	27	46	58
Others	639	(907)	1,204	313
	<u>1,590</u>	<u>200</u>	<u>2,968</u>	<u>2,531</u>
	<u>19,298</u>	<u>15,209</u>	<u>38,278</u>	<u>33,147</u>
A23. (Writeback of)/Allowance for Expected Credit Losses ("ECL")				
Stage 1:				
- Cash and short-term funds	111	(485)	(123)	(270)
- Debt instruments at FVOCI	25	(77)	13	292
- Loans and advances	2,004	166	3,316	441
- Loan commitments and financial guarantees	1,352	963	2,237	1,881
	<u>3,492</u>	<u>567</u>	<u>5,443</u>	<u>2,344</u>
Stage 2:				
- Loans and advances	-	-	(3,265)	-
	<u>3,492</u>	<u>567</u>	<u>2,178</u>	<u>2,344</u>

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	As at 30 June 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	209,726	166,814
Transaction-related contingent items	315,645	353,948
Irrevocable commitments to extend credit:		
- Less than one year	32,130	8,811
- More than one year	1,651,381	1,544,965
Foreign exchange related contracts:		
- Less than one year	10,248,868	9,356,002
- More than one year	1,027,444	772,852
Interest rate related contracts:		
- More than one year	735,000	375,000
	<u>14,220,194</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 30 June 2025 RM'000	As at 31 December 2024 RM'000
CET I/Tier I Capital		
Paid-up ordinary share capital	822,600	822,600
Retained profits	170,074	170,074
Other reserves	16,306	(9,806)
Regulatory adjustments applied in the calculation of CET I Capital	(33,187)	(29,802)
Total CET I/Tier I Capital	<u>975,793</u>	<u>953,066</u>
Tier II Capital		
Tier II capital instruments meeting all relevant criteria	838,641	870,282
Loss provisions	<u>27,571</u>	<u>25,392</u>
Total Tier II Capital	<u>866,212</u>	<u>895,674</u>
Total Capital	<u><u>1,842,005</u></u>	<u><u>1,848,740</u></u>
Analysis of risk-weighted assets		
Credit risk	3,398,518	2,982,865
Market risk	588,253	487,917
Operational risk	<u>215,073</u>	<u>399,338</u>
Total risk-weighted assets	<u><u>4,201,844</u></u>	<u><u>3,870,120</u></u>
Capital adequacy ratio (before proposed dividends)		
CET I Capital Ratio	23.223%	24.626%
Tier I Capital Ratio	23.223%	24.626%
Total Capital Ratio	43.838%	47.770%
Capital adequacy ratio (after proposed dividends)		
CET I Capital Ratio	23.223%	24.626%
Tier I Capital Ratio	23.223%	24.626%
Total Capital Ratio	43.838%	47.770%

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Credit exposures with connected parties as per BNM's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" are as follows:

Bank	As at 30 June 2025	As at 31 December 2024
Outstanding credit exposures with connected parties (RM'000)	358,891	53,637
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	19.48	2.94
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	-	-

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B1. Performance Review

For the second quarter ended 30 June 2025, China Construction Bank (Malaysia) Berhad's ("CCBM or the Bank") registered a profit before tax ("PBT") of RM44.0 million. The PBT was mainly attributable to higher operating income of RM50.0 million driven by higher net foreign exchange gain and higher net interest income of RM34.5 million.

As at 30 June 2025, the Bank's total assets increased to RM9.5 billion, consist of loans and advances RM3.3 billion, debt instruments at FVOCI RM3.5 billion and cash and short-term funds of RM1.6 billion. Gross impaired loan ratio remained at 0% as at 30 June 2025. The Bank's deposits from customers grew to RM4.1 billion an increased of RM1.6 billion or 64.0% 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 23.223% and 43.838% respectively as at 30 June 2025, which remained above the minimum regulatory requirements.

B2. Prospects for 2025

Malaysia economy expanded by 5.10 % in 2024 supported by strong household spending, a resilient employment market backdrop, strategic investment and structural reforms along with higher realization of domestic and foreign direct investments. During budget 2025, Malaysia government also aim to reduce the fiscal deficit from 4.30 % in 2024 to 3.80% in 2025 through subsidy rationalization and tax reform including broadening the sales and services tax, introduction of share dividend tax, global minimum tax (15%) and higher tax on sweetened beverages to boost the country's revenues. E-invoicing requirements will also extend to cover all tax payers to enhance tax compliance and reduce financial leakages. However, the official projection of GDP growth target range of 4.5 %-5.5 % for 2025 was dampened by external factors which among others include global trade tension due to retaliation tariff imposed by United States, heighten geopolitical tension and uncertainties in financial markets due to ambiguity in monetary policy, volatile commodity and forex rates fluctuation. This was reflected in lower than expected Q1 2025 GDP growth of 4.40 % where domestic demand and investment still resilient despite a challenging backdrop while external trade slowed to 4.10 %, the weakest level since Q4 2023. Based on the same outlook, IMF has downgraded Malaysia growth rate from 4.70 % to 4.10 % for 2025 and further decelerate to 3.80 % in 2026. Likewise, World Bank has also downgraded Malaysia GDP growth outlook for 2025 to 3.90 % from 4.50 % citing impact of increased trade tension and similar slowdown in Malaysia's major trading partners which will drag export-oriented manufacturing sectors.

Malaysia and China signed a total of 31 memorandum of understandings and various collaboration covering trade, transportation, tourism, agriculture, education, digital technology and security related matters during President Xi's recent official visit to Malaysia. Several key growth areas and new business prospects from above mentioned collaboration along with Belt and Road Initiatives within the RCEP region will continue to provide financing opportunities for CCBM to leverage on to build and diversify our lending portfolio for a more sustainable profitability. Environmental, Social and Governance (ESG) related businesses such as solar panels manufacturer, waste and sewerage treatment companies, green building financing etc will continue to be our key focus areas for financing as well as taking advantages of the few major domestic investment activities in transportation, renewable energy, infrastructure related projects and its related supporting industries where we can tap on to expand our customer base. While Malaysia government is likely to revise 2025 GDP outlook soon in tandem with current market development but we believe that CCBM has our niche market where we can leverage and capitalize on the strength and expertise of CCB Group of companies and networking to deliver the desired results.

China has been laying the groundwork and infrastructure to accelerate international use of Renminbi for trade settlement and for commodity trading as investors' confidence in U.S. dollar falters. Three major Chinese exchanges have allowed foreign institutional investors to trade more futures and option contracts listed in mainland China. The timing is favourable as dollar index has tumbled circa 10 % this year while the offshore Renminbi has appreciated by 2 % against the greenback. With these Renminbi initiatives, Renminbi settlement volume is expected to grow in tandem with higher trade volume and investment flows. CCBM Financial Market Division will continue to provide competitive FX pricing to our clients to promote Renminbi FX flows to grow our client base and profitability and at the same time to engage market in promoting the wider use of direct quotation of Renminbi vs Ringgit for trade settlements between China and Malaysia.

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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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2025				
Financial assets				
Debt instruments at FVOCI	-	3,541,625	-	3,541,625
Derivative financial assets	-	57,528	-	57,528
	<u>-</u>	<u>3,599,153</u>	<u>-</u>	<u>3,599,153</u>
Financial liabilities				
Derivative financial liabilities	-	223,379	-	223,379
	<u>-</u>	<u>223,379</u>	<u>-</u>	<u>223,379</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	-	121,720	-	121,720
	<u>-</u>	<u>121,720</u>	<u>-</u>	<u>121,720</u>

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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.