## HONG LEONG CREDIT BERHAD (8024-W) CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2005

	As at 30/09/05 RM '000	As at 30/06/05 RM '000
<u>Assets</u>		
Cash and short term funds	10,282,150	11,580,037
Deposits and placements with financial institutions	6,464,255	3,647,037
Securities purchased under resale agreements	10,021,448	9,928,492
Securities held-for-trading	2,135,001	2,884,352
Securities available-for-sale	5,851,389	3,035,299
Securities held-to-maturity	1,461,157	1,389,611
Investment properties	190,057	190,057
Loans, advances and financing	26,406,033	25,941,803
Trade receivables	188,669	189,279
Other receivables	504,172	397,716
Statutory deposits with Bank Negara Malaysia	732,948	839,600
Tax recoverable	16,250	21,030
Deferred tax asset	110,443	116,646
Property, plant and equipment	350,500	341,559
Goodwill arising from consolidation	472,206	471,383
Total assets	65,186,678	60,973,901
<u>Liabilities</u>		
Deposits from customers	43,096,959	39,722,456
Deposits and placements of banks and other financial institutions	2,020,038	2,066,162
Obligations on securities sold under repurchase	2,020,036	2,000,102
agreements	8,223,606	8,612,248
Floating rate certificates of deposits	414,562	417,916
Bills and acceptances payable	703,750	568,895
Payables and other liabilities	1,152,529	978,301
Provision for claims		•
Provision for taxation	167,390	161,339
Bank loans and overdrafts	48,821	44,406
	177,000	201,000
Subordinated notes	753,900	-
Long term liabilities	270,000	269,098
Insurance funds	3,118,612	3,037,237
Total Liabilities	60,147,167	56,079,058
Financed by:		
Share capital	1,040,722	1,040,722
Reserves	2,262,569	2,168,955
Shareholders' funds	3,303,291	3,209,677
Minority interest	1,736,220	1,685,166
	5,039,511	4,894,843
	:	
Total liabilities and shareholders' funds	65,186,678	60,973,901
Commitment and contingencies	38,253,655	38,398,210
Net tangible asset per share (RM)	2.72	2.63

## HONG LEONG CREDIT BERHAD (8024-W) CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2005

	Current qua	rter ended	Cumulative qu	arter ended
	30/09/05	30/09/04	30/09/05	30/09/04
	RM '000	RM '000	RM '000	RM '000
Interest income	568,259	524,220	568,259	524,220
Interest expense	(334,009)	(283,062)	(334,009)	(283,062)
Net interest income	234,250	241,158	234,250	241,158
Income from Islamic banking business	39,779	24,444	39,779	24,444
Other operating income	133,178	104,602	133,178	104,602
Net income	407,207	370,204	407,207	370,204
Other operating expenses	(171,659)	(151,675)	(171,659)	(151,675)
Operating profit before provision Allowance for losses on loans, advances	235,548	218,529	235,548	218,529
and financing	(30,008)	(25,621)	(30,008)	(25,621)
Impairment loss - securities	(3,039)	(84)	(3,039)	(84)
	202,501	192,824	202,501	192,824
Share of results of associated companies _	-	(61)	-	(61)
Profit before taxation and zakat	202,501	192,763	202,501	192,763
Taxation	(58,119)	(56,576)	(58,119)	(56,576)
Zakat	(15)	-	(15)	-
Profit after taxation and zakat	144,367	136,187	144,367	136,187
Minority interests	(54,064)	(56,306)	(54,064)	(56,306)
Net profit for the period	90,303	79,881	90,303	79,881
Basic earnings per ordinary share (sen)	8.7	7.7	8.7	7.7
Diluted earnings per ordinary share (sen)	8.7	7.7	8.7	7.7

## HONG LEONG CREDIT BERHAD (8024-W) CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2005

Net profit before taxation   202,501   192,7		30/09/05	30/09/04
Net profit before taxation   202,501   192,7	Cook flows from anausting activities	RM '000	RM '000
Non-cash items   (42,216)   223,8     Operating profit before working capital changes   160,285   416,6     Increase in assets / receivables   (5,209,158)   (3,730,8     Increase in liabilities / payables   (2,109,695)   (1,567,3     Cash used in operations   (1,949,410)   (1,150,7     Income tax paid   (75,533)   (54,7     Interest paid   (6,038)   (7,1     Interest received   (6,038)   (7,1     Interest received   (81,048)   (6,138)     Net cash used in operating activities   (81,048)   (6,138     Net cash used in operating activities   (81,048)   (1,212,1     Cash flow from investing activities   (81,048)   (1,212,1     Interest received on dealing / investment security   (41,799   28,2     Dividends received from investment   (3,546   3,9     Proceeds from disposal of property, plant and equipment   (28,560)   (24,9     Net cash generated from investing activities   (28,560)   (24,9     Net cash generated from investing activities   (28,560)   (24,9     Net cash generated from investing activities   (24,000)   (24,9     Drawdown of term loans   (24,000)   (24,9     Purchase of treasury shares in subsidiary company   (3,180)   (24,000)   (24,0	,	202 501	100 770
Non-cash items         (42,216)         223,8           Operating profit before working capital changes         160,285         416,6           Increase in assets / receivables         (5,269,158)         (3,730,8           Increase in liabilities / payables         3,159,463         2,163,4           Cash used in operations         (1,949,410)         (1,567,3           Cash used in operations         (6,038)         (7,1           Increase paid         (6,038)         (7,1           Interest received         523         4           (81,048)         (61,3           Net cash used in operating activities         (2,030,458)         (1,212,1           Cash flow from investing activities         41,799         28,2           Interest received on dealing / investment security         41,799         28,2           Dividends received from investment         3,546         3,9           Proceeds from disposal of property, plant and equipment         1,896         11,9           Purchase of property, plant and equipment         28,260         (24,90           Net cash generated from investing activities         753,900         -           Purchase of property, plant and equipment         18,681         19,31           Purchase of treasury shares in subsidiary of the purcha	Net profit before taxation	202,501	192,763
Deprating profit before working capital changes   160,285   416,6     Increase in assets / receivables   (5,269,158)   (3,730,8     Increase in liabilities / payables   (2,109,695)   (1,567,3     Cash used in operations   (1,949,410)   (1,150,7     Income tax paid   (75,533)   (54,7     Interest paid   (6,038)   (7,1     Interest paid   (6,038)   (7,1     Interest received   523   4     Interest received   (81,048)   (61,3     Net cash used in operating activities   (2,030,458)   (1,212,1     Cash flow from investing activities   (2,030,458)   (1,212,1     Cash flow from investing activities   (2,030,458)   (1,212,1     Dividends received from investment security   41,799   28,2     Dividends received from investment   (3,546   3,9     Proceeds from disposal of property, plant and equipment   (28,560)   (24,9     Net cash generated from investing activities   18,681   19,1     Cash flow from financing activities   18,681   19,1     Cash flow from financing activities   (24,000)   -	•		
Increase in assets / receivables   (5,269,158)   (3,730,8     Increase in liabilities / payables   (2,109,695)   (1,567,3     Cash used in operations   (1,949,410)   (1,150,7     Income tax paid   (75,533)   (54,7     Interest paid   (6,038)   (7,1     Interest paid   (6,038)   (7,1     Interest received   523   4     Retails used in operating activities   (2,030,458)   (1,212,1     Cash flow from investing activities   (3,030,458)   (1,212,1     Cash flow from investing activities   (41,799   28,2     Dividends received from investment   (41,799   28,2     Dividends received from investment   (3,546   3,9     Proceeds from disposal of property, plant and equipment   (28,560)   (24,9     Net cash generated from investing activities   (24,000)   (24,9     Net cash generated from investing activities   (24,000)   (24,9     Purchase of treasury shares in subsidiary company   (3,180)   (2,190,100)   (		(42,216)	223,855
Increase in liabilities / payables   3,159,463   2,163,48     (2,109,695)   (1,567,38     (1,949,410)   (1,150,7     Income tax paid   (75,533)   (54,7     Interest paid   (6,038)   (7,1     Interest received   523   4     (81,048)   (61,38     (81,048)   (1,98     (81,048)   (1,98		160,285	416,618
Cash used in operations         (2,109,695)         (1,547,310)           Income tax paid         (75,533)         (54,71)           Interest paid         (6,038)         (7,11)           Interest received         52.3         4           (81,048)         (61,33)         (1,212,1)           Cash low from investing activities           Interest received on dealing / investment security         41,799         28,22           Dividends received from investment         3,546         3,9           Proceeds from disposal of property, plant and equipment         (28,560)         (24,90)           Purchase of property, plant and equipment         (28,560)         (24,90)           Net cash generated from investing activities         18,681         19,10           Cash flow from financing activities           Net proceeds from issuance of subordinated notes         753,900         -           Drawdown of term loans         7         -         12,20           Repayment of revolving credit         (24,000)         -           Purchase of treasury shares in subsidiary company         (3,180)         -           Net decrease in cash and cash equivalents         (1,285,057)         (1,807,726,720)           Cash and cash equivalents as at 1 July         <	Increase in assets / receivables	(5,269,158)	(3,730,806)
Cash used in operations	Increase in liabilities / payables	3,159,463	2,163,452
Income tax paid		(2,109,695)	(1,567,354)
Interest paid	Cash used in operations	(1,949,410)	(1,150,736)
Interest paid   (6,038)   (7,1]     Interest received   523   34     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (61,38)     (81,048)   (1,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)     (2,030,458)   (2,212,12)	Income tax paid	(75,533)	(54,742)
Interest received   523   4   (81,048)   (61,32)     Net cash used in operating activities   (2,030,458)   (1,212,12)     Cash flow from investing activities	Interest paid		(7,129)
Net cash used in operating activities         (81,048)         (61,37)           Cash flow from investing activities         (2,030,458)         (1,212,17)           Interest received on dealing / investment security         41,799         28,27           Dividends received from investment         3,546         3,9           Proceeds from disposal of property, plant and equipment         1,896         11,9           Purchase of property, plant and equipment         (28,560)         (24,90)           Net cash generated from investing activities         18,681         19,10           Cash flow from financing activities         753,900         -           Net proceeds from issuance of subordinated notes         753,900         -           Drawdown of term loans         -         12,20           Repayment of revolving credit         (24,000)         -           Purchase of treasury shares in subsidiary company         (3,180)         -           Net cash generated from financing activities         726,720         12,20           Net decrease in cash and cash equivalents         (1,285,057)         (1,180,72           Cash and cash equivalents as at 1 July         11,556,472         14,944,00           Effect of change in forcign exchange rate         (1,904)         7           Cash and cash equivalent	Interest received	· · · · · · · · · · · · · · · · · · ·	497
Net cash used in operating activities   (2,030,458) (1,212,11]			(61,374)
Interest received on dealing / investment security   31,799   28,22	Net cash used in operating activities	<del></del>	(1,212,110)
Interest received on dealing / investment security   31,799   28,22	Cash flow from investing activities		
Dividends received from investment   3,546   3,9     Proceeds from disposal of property, plant and equipment   1,896   11,90     Purchase of property, plant and equipment   (28,560)   (24,90     Net cash generated from investing activities   18,681   19,10     Cash flow from financing activities	<u> </u>	41.799	28,277
Proceeds from disposal of property, plant and equipment         1,896         11,996         11,996         11,996         11,996         11,996         11,996         12,900<	· · · · · · · · · · · · · · · · · · ·		3,958
Purchase of property, plant and equipment         (28,560)         (24,96)           Net cash generated from investing activities         18,681         19,18           Cash flow from financing activities         753,900         -           Net proceeds from issuance of subordinated notes         753,900         -           Drawdown of term loans         -         12,20           Repayment of revolving credit         (24,000)         -           Purchase of treasury shares in subsidiary company         (3,180)         -           Net cash generated from financing activities         726,720         12,20           Net decrease in cash and cash equivalents         (1,285,057)         (1,180,72           Cash and cash equivalents as at 1 July         11,556,472         14,944,02           Effect of change in forcign exchange rate         (1,904)         7           Cash and cash equivalents as at 30 September         10,269,511         13,764,01           Analysis of cash and cash equivalents as at 30 September         10,282,150         13,795,19           Cash and short term funds         10,282,150         13,795,19           Overdraft         -         -         -           Less: Remisiers' and clients' trust monies         (12,639)         (31,17			11,937
Net cash generated from investing activities         18,681         19,13           Cash flow from financing activities         753,900         -           Net proceeds from issuance of subordinated notes         753,900         -           Drawdown of term loans         -         12,20           Repayment of revolving credit         (24,000)         -           Purchase of treasury shares in subsidiary company         (3,180)         -           Net cash generated from financing activities         726,720         12,20           Net decrease in cash and cash equivalents         (1,285,057)         (1,180,72           Cash and cash equivalents as at 1 July         11,556,472         14,944,02           Effect of change in foreign exchange rate         (1,904)         7           Cash and cash equivalents as at 30 September         10,269,511         13,764,02           Analysis of cash and cash equivalents as at 30 September         10,282,150         13,795,19           Cash and short term funds         10,282,150         13,795,19           Overdraft         -         -           Less: Remisiers' and clients' trust monies         (12,639)         (31,17			(24,983)
Net proceeds from issuance of subordinated notes  Drawdown of term loans  Repayment of revolving credit  Purchase of treasury shares in subsidiary company  Net cash generated from financing activities  Net decrease in cash and cash equivalents  Cash and cash equivalents as at 1 July  Effect of change in foreign exchange rate  Cash and cash equivalents as at 30 September  Cash and cash equivalents as at 30 September  Cash and short term funds  Overdraft  Less: Remisiers' and clients' trust monies  753,900  - 12,20  (24,000)  - 26,720  12,20  (1,180,72  (1,180,72  14,944,02  11,556,472  14,944,02  10,269,511  13,764,01  10,282,150  13,795,19  10,282,150  10,282,15	· - · · · ·		19,189
Net proceeds from issuance of subordinated notes  Drawdown of term loans Repayment of revolving credit Purchase of treasury shares in subsidiary company  Net cash generated from financing activities  Net decrease in cash and cash equivalents Cash and cash equivalents as at 1 July  Effect of change in foreign exchange rate Cash and cash equivalents as at 30 September  Cash and cash equivalents as at 30 September  Cash and short term funds Overdraft  Less: Remisiers' and clients' trust monies  753,900  - 12,20  (24,000) - 23,180  (1,285,057) (1,180,72  (1,180,72  14,944,02  11,556,472 14,944,02  11,556,472 14,944,02  10,269,511 13,764,01  10,282,150 13,795,19	Cash flow from financing activities		
Drawdown of term loans		753 900	
Repayment of revolving credit       (24,000)       -         Purchase of treasury shares in subsidiary company       (3,180)       -         Net cash generated from financing activities       726,720       12,20         Net decrease in cash and cash equivalents       (1,285,057)       (1,180,72         Cash and cash equivalents as at 1 July       11,556,472       14,944,02         Effect of change in foreign exchange rate       (1,904)       77         Cash and cash equivalents as at 30 September       10,269,511       13,764,01         Analysis of cash and cash equivalents as at 30 September       10,282,150       13,795,19         Cash and short term funds       10,282,150       13,795,19         Overdraft       -       -         Less: Remisiers' and clients' trust monies       (12,639)       (31,17		755,500	12 200
Purchase of treasury shares in subsidiary company         (3,180)         -           Net cash generated from financing activities         726,720         12,20           Net decrease in cash and cash equivalents         (1,285,057)         (1,180,72           Cash and cash equivalents as at 1 July         11,556,472         14,944,02           Effect of change in foreign exchange rate         (1,904)         77           Cash and cash equivalents as at 30 September         10,269,511         13,764,01           Analysis of cash and cash equivalents as at 30 September         10,282,150         13,795,19           Cash and short term funds         10,282,150         13,795,19           Overdraft         -         -           Less: Remisiers' and clients' trust monies         (12,639)         (31,17		(24,000)	12,200
Net cash generated from financing activities       726,720       12,20         Net decrease in cash and cash equivalents       (1,285,057)       (1,180,72         Cash and cash equivalents as at 1 July       11,556,472       14,944,02         Effect of change in foreign exchange rate       (1,904)       7         Cash and cash equivalents as at 30 September       10,269,511       13,764,02         Analysis of cash and cash equivalents as at 30 September       10,282,150       13,795,19         Cash and short term funds       10,282,150       13,795,19         Overdraft       -       -         Less: Remisiers' and clients' trust monies       (12,639)       (31,12)	and the state of t	1 1	_
Net decrease in cash and cash equivalents       (1,285,057)       (1,180,72         Cash and cash equivalents as at 1 July       11,556,472       14,944,02         Effect of change in foreign exchange rate       (1,904)       7         Cash and cash equivalents as at 30 September       10,269,511       13,764,01         Analysis of cash and cash equivalents as at 30 September       10,282,150       13,795,19         Cash and short term funds       10,282,150       13,795,19         Overdraft       -       -         Less: Remisiers' and clients' trust monies       (12,639)       (31,17			12,200
Cash and cash equivalents as at 1 July       11,556,472       14,944,02         Effect of change in foreign exchange rate       (1,904)       7         Cash and cash equivalents as at 30 September       10,269,511       13,764,02         Analysis of cash and cash equivalents as at 30 September       10,282,150       13,795,19         Cash and short term funds       0 10,282,150       13,795,19         Overdraft        -         Less: Remisiers' and clients' trust monies       (12,639)       (31,12)		, , , , , , , , , , , , , , , , , , ,	,
Effect of change in foreign exchange rate       (1,904)       77         Cash and cash equivalents as at 30 September       10,269,511       13,764,01         Analysis of cash and cash equivalents as at 30 September       20,282,150       13,795,19         Cash and short term funds       10,282,150       13,795,19         Overdraft       -       -         Less: Remisiers' and clients' trust monies       (12,639)       (31,17	Net decrease in cash and cash equivalents	(1,285,057)	(1,180,721)
Cash and cash equivalents as at 30 September       10,269,511       13,764,02         Analysis of cash and cash equivalents as at 30 September       2       10,282,150       13,795,19         Cash and short term funds       10,282,150       13,795,19         Overdraft       10,282,150       13,795,19         Less: Remisiers' and clients' trust monies       (12,639)       (31,17	Cash and cash equivalents as at 1 July	11,556,472	14,944,024
Analysis of cash and cash equivalents as at 30 September  Cash and short term funds Overdraft  Less: Remisiers' and clients' trust monies  10,282,150 13,795,19 10,282,150 13,795,19 11,282,150 12,639) 13,795,19 12,639)	Effect of change in foreign exchange rate	(1,904)	715
Cash and short term funds       10,282,150       13,795,19         Overdraft       -       -         Less: Remisiers' and clients' trust monies       10,282,150       13,795,19         (12,639)       (31,17	Cash and cash equivalents as at 30 September	10,269,511	13,764,018
Cash and short term funds       10,282,150       13,795,19         Overdraft       -       -         Less: Remisiers' and clients' trust monies       10,282,150       13,795,19         (12,639)       (31,17			
Overdraft       -			
Less: Remisiers' and clients' trust monies 10,282,150 13,795,19 (31,17)		10,282,150	13,795,197
Less: Remisiers' and clients' trust monies (12,639) (31,17)	Overdraft		_
		10,282,150	13,795,197
	Less: Remisiers' and clients' trust monies	(12,639)	(31,179)
10,269,511		10,269,511	13,764,018

HONG LEONG CREDIT BERHAD (8024-W) UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2005

	Share Capital RM '000	Share Premium RM '000	Statutory Reserve RM '000	Fair Value Reserve RM '000	Other Capital Reserves RM '000	Exchange Fluctuation Reserve RM '000	Retained Profits RM '000	Total RM '000
Opening balance as at 1 July 2005 Prior year adjustment	1,040,722	71,216	870,813	510	133,258	26,226	1,069,534	3,211,769
Restated opening balance as at 1 July 2005	1,040,722	71,216	870,813	510	133,258	26,226	1,066,931	3,209,676
Exchange fluctuation differences	,		ī	•	•	(1,186)	•	(1,186)
Transfer to statutory reserves	1		23,864	ı	•	ť	(23,864)	
Unrealised gain arising from the change in fair value of available-of-sales securities	•	•	•	9,043	•	•	•	9,043
Fair value reserve realised on disposal of available-of-sales securities	•	r	1	(2,825)		•	ı	(2,825)
Deferred tax	•	•	i	(1,720)	•	•		(1,720)
Net profit for financial period ended 30 September 2005	,	•		ı		1	90,303	90,303
Closing balance as at 30 September 2005	1,040,722	71,216	894,677	5,008	133,258	25,040	1,133,370	3,303,291
	Share Capital RM '000	Share Premium RM '000	Statutory Reserve RM '000	Fair Value Reserve RM '000	Other Capital Reserves RM '000	Exchange Fluctuation Reserve RM '000	Retained Profits RM '000	Total RM '000
Opening balance as at 1 July 2004 Prior year adjustment	1,040,722	71,216	1,018,783	- (1,451)	87,317	25,073	756,286	2,999,397
Restated opening balance as at 1 July 2004	1,040,722	71,216	1,018,783	(1,451)	87,317	25,073	757,558	2,999,218
Exchange fluctuation differences	•		•	•	ı	675	1	675
Transfer to statutory reserves	•		(290,933)		•	ı	290,933	
Fair value reserve realised on disposal of available-of-sales securities		•	1	(531)	•	•		(531)
Deferred tax	•	•	t	149	•	ı	•	149
Net profit for financial period ended 30 September 2004		•	ı	ì	1	•	79,881	79,881
Closing balance as at 30 September 2004	1,040,722	71,216	727,850	(1,833)	87,317	25,748	1,128,372	3,079,392