

**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
<b><u>Assets</u></b>		
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
<b>Total assets</b>	<b>65,186,678</b>	<b>60,973,901</b>
<b><u>Liabilities</u></b>		
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 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	167,390	161,339
Provision for taxation	48,821	44,406
Bank loans and overdrafts	177,000	201,000
Subordinated notes	753,900	-
Long term liabilities	270,000	269,098
Insurance funds	3,118,612	3,037,237
<b>Total Liabilities</b>	<b>60,147,167</b>	<b>56,079,058</b>
<b><u>Financed by:</u></b>		
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
<b>Total liabilities and shareholders' funds</b>	<b>65,186,678</b>	<b>60,973,901</b>
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 quarter ended		Cumulative quarter 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	235,548	218,529	235,548	218,529
Allowance for losses on loans, advances 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**

**30/09/05**  
**RM '000**

**30/09/04**  
**RM '000**

**Cash flows from operating activities**

Net profit before taxation	202,501	192,763
<u>Adjustments for :</u>		
Non-cash items	(42,216)	223,855
Operating profit before working capital changes	160,285	416,618
Increase in assets / receivables	(5,269,158)	(3,730,806)
Increase in liabilities / payables	3,159,463	2,163,452
	<u>(2,109,695)</u>	<u>(1,567,354)</u>
<b>Cash used in operations</b>	<b>(1,949,410)</b>	<b>(1,150,736)</b>
Income tax paid	(75,533)	(54,742)
Interest paid	(6,038)	(7,129)
Interest received	523	497
	<u>(81,048)</u>	<u>(61,374)</u>
<b>Net cash used in operating activities</b>	<b>(2,030,458)</b>	<b>(1,212,110)</b>

**Cash flow from investing activities**

Interest received on dealing / investment security	41,799	28,277
Dividends received from investment	3,546	3,958
Proceeds from disposal of property, plant and equipment	1,896	11,937
Purchase of property, plant and equipment	(28,560)	(24,983)
<b>Net cash generated from investing activities</b>	<b>18,681</b>	<b>19,189</b>

**Cash flow from financing activities**

Net proceeds from issuance of subordinated notes	753,900	-
Drawdown of term loans	-	12,200
Repayment of revolving credit	(24,000)	-
Purchase of treasury shares in subsidiary company	(3,180)	-
<b>Net cash generated from financing activities</b>	<b>726,720</b>	<b>12,200</b>

**Net decrease in cash and cash equivalents**

	(1,285,057)	(1,180,721)
<b>Cash and cash equivalents as at 1 July</b>	<b>11,556,472</b>	<b>14,944,024</b>
<b>Effect of change in foreign exchange rate</b>	<b>(1,904)</b>	<b>715</b>
<b>Cash and cash equivalents as at 30 September</b>	<b>10,269,511</b>	<b>13,764,018</b>

**Analysis of cash and cash equivalents as at 30 September**

Cash and short term funds	10,282,150	13,795,197
Overdraft	-	-
	<u>10,282,150</u>	<u>13,795,197</u>
Less: Remisiers' and clients' trust monies	(12,639)	(31,179)
	<u>10,269,511</u>	<u>13,764,018</u>

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	1,040,722	71,216	870,813	-	133,258	26,226	1,069,534	3,211,769
Prior year adjustment	-	-	-	510	-	-	(2,603)	(2,093)
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	-	-	-	-	-	(1,186)	-	(1,186)
Transfer to statutory reserves	-	-	23,864	-	-	-	(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	-	-	-	(2,825)	-	-	-	(2,825)
Deferred tax	-	-	-	(1,720)	-	-	-	(1,720)
Net profit for financial period ended 30 September 2005	-	-	-	-	-	-	90,303	90,303
<b>Closing balance as at 30 September 2005</b>	<b>1,040,722</b>	<b>71,216</b>	<b>894,677</b>	<b>5,008</b>	<b>133,258</b>	<b>25,040</b>	<b>1,133,370</b>	<b>3,303,291</b>

	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	1,040,722	71,216	1,018,783	-	87,317	25,073	756,286	2,999,397
Prior year adjustment	-	-	-	(1,451)	-	-	1,272	(179)
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	-	-	-	-	-	675	-	675
Transfer to statutory reserves	-	-	(290,933)	-	-	-	290,933	-
Fair value reserve realised on disposal of available-of-sales securities	-	-	-	(531)	-	-	-	(531)
Deferred tax	-	-	-	149	-	-	-	149
Net profit for financial period ended 30 September 2004	-	-	-	-	-	-	79,881	79,881
<b>Closing balance as at 30 September 2004</b>	<b>1,040,722</b>	<b>71,216</b>	<b>727,850</b>	<b>(1,833)</b>	<b>87,317</b>	<b>25,748</b>	<b>1,128,372</b>	<b>3,079,392</b>