

HONG LEONG CREDIT BERHAD (8024-W)

UNAUDITED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005

GROUP	As at 31/12/05 RM '000	As at 30/06/05 RM '000
<u>Assets</u>		
Cash and short term funds	9,452,540	11,580,037
Deposits and placements with financial institutions	7,122,783	3,647,037
Securities purchased under resale agreements	5,983,200	9,928,492
Securities held-for-trading	4,750,724	2,884,352
Securities available-for-sale	6,213,559	3,035,299
Securities held-to-maturity	1,800,524	1,389,611
Investment properties	190,057	190,057
Loans, advances and financing	27,345,149	25,941,803
Trade receivables	288,338	189,279
Other receivables	502,155	397,716
Statutory deposits with Bank Negara Malaysia	775,224	839,600
Tax recoverable	59,749	21,030
Deferred tax asset	116,637	116,646
Property, plant and equipment	349,377	341,559
Goodwill arising from consolidation	485,883	471,383
Total assets	65,435,899	60,973,901
<u>Liabilities</u>		
Deposits from customers	42,815,979	39,722,456
Deposits and placements of banks and other financial institutions	2,542,329	2,066,162
Obligations on securities sold under repurchase agreements	8,445,162	8,612,248
Floating rate certificates of deposits	415,662	417,916
Bills and acceptances payable	366,395	568,895
Payables and other liabilities	1,262,252	978,301
Provision for claims	176,591	161,339
Provision for taxation	68,589	44,406
Bank loans and overdrafts	177,000	201,000
Subordinated notes	755,900	-
Long term liabilities	270,000	269,098
Insurance funds	3,193,438	3,037,237
Total Liabilities	60,489,297	56,079,058
<u>Financed by:</u>		
Share capital	1,040,722	1,040,722
Reserves	2,231,713	2,168,955
Shareholders' funds	3,272,435	3,209,677
Minority interest	1,674,167	1,685,166
	4,946,602	4,894,843
Total liabilities and shareholders' funds	65,435,899	60,973,901
Commitment and contingencies	35,479,139	38,398,210
Net Assets per Share* (RM)	4.75	4.70

* The Net Assets per Share is based on the computation of Total Assets (including intangibles) minus Total Liabilities divided by total number of ordinary shares in circulation.

HONG LEONG CREDIT BERHAD (8024-W)**UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2005**

<u>COMPANY</u>	As at 31/12/05 RM '000	As at 30/06/05 RM '000
<u>Assets</u>		
Cash and short term funds	42,894	21,023
Other receivables	10,939	6,991
Tax recoverable	14,330	14,330
Investment in subsidiary companies	2,046,594	2,047,233
Property, plant and equipment	1,837	1,523
Total assets	2,116,594	2,091,100
<u>Liabilities</u>		
Payables and other liabilities	18,449	10,800
Bank loans and overdrafts	141,000	161,000
Long term liabilities	270,000	269,098
Total Liabilities	429,449	440,898
<u>Financed by:</u>		
Share capital	1,040,722	1,040,722
Reserves	646,423	609,480
Shareholders' funds	1,687,145	1,650,202
Total liabilities and shareholders' funds	2,116,594	2,091,100

HONG LEONG CREDIT BERHAD (8024-W)**UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005**

GROUP	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Interest income	568,213	531,122	1,136,472	1,055,342
Interest expense	(340,272)	(288,549)	(674,281)	(571,611)
Net interest income	227,941	242,573	462,191	483,731
Income from Islamic banking business	43,523	33,642	83,302	58,086
Other operating income	125,666	125,346	258,844	229,948
Net income	397,130	401,561	804,337	771,765
Other operating expenses	(176,619)	(166,967)	(348,278)	(318,642)
Operating profit before provision	220,511	234,594	456,059	453,123
Allowance for losses on loans, advances and financing	(72,627)	(48,337)	(102,635)	(73,958)
Impairment loss	(115)	326	(3,154)	242
	147,769	186,583	350,270	379,407
Share of results of associated companies	-	-	-	(61)
Profit before taxation and zakat	147,769	186,583	350,270	379,346
Taxation	(46,025)	(52,959)	(104,144)	(109,535)
Zakat	(15)	(15)	(30)	(15)
Profit after taxation and zakat	101,729	133,609	246,096	269,796
Minority interests	(37,380)	(50,855)	(91,444)	(107,161)
Net profit for the period	64,349	82,754	154,652	162,635
Basic earnings per ordinary share (sen)	6.2	8.0	14.9	15.6
Diluted earnings per ordinary share (sen)	6.2	7.9	14.9	15.6

HONG LEONG CREDIT BERHAD (8024-W)**UNAUDITED INCOME STATEMENTS****FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005**

COMPANY	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Interest income	184	742	301	1,230
Interest expense	(5,244)	(6,034)	(10,808)	(12,099)
Net interest income	(5,060)	(5,292)	(10,507)	(10,869)
Other operating income	147,631	147,205	153,511	147,368
Net income	142,571	141,913	143,004	136,499
Other operating expenses	(1,800)	(1,443)	(3,172)	(2,798)
Profit before taxation	140,771	140,470	139,832	133,701
Taxation	(42,943)	(38,007)	(42,943)	(38,007)
Net profit for the period	97,828	102,463	96,889	95,694

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005**

<u>GROUP</u>	31/12/05 RM '000	31/12/04 RM '000
Cash flows from operating activities		
Net profit before taxation	350,270	379,346
Adjustments for :		
Non-cash items	238,105	443,771
Operating profit before working capital changes	588,375	823,117
Increase in assets / receivables	(10,692,091)	(4,224,432)
Increase in liabilities / payables	7,443,247	2,482,238
	<u>(3,248,844)</u>	<u>(1,742,194)</u>
Cash used in operations	(2,660,469)	(919,077)
Income tax paid	(138,064)	(97,334)
Interest paid	(11,889)	(13,941)
Interest received	1,043	1,318
	<u>(148,910)</u>	<u>(109,957)</u>
Net cash used in operating activities	(2,809,379)	(1,029,034)
Cash flow from investing activities		
Interest received on dealing / investment security	160,740	63,521
Dividends received from investment	3,546	8,332
Proceeds from disposal of property, plant and equipment	1,260	15,572
Purchase of property, plant and equipment	(45,351)	(42,742)
Net cash generated from investing activities	120,195	44,683
Cash flow from financing activities		
Dividends paid to shareholder of the Company	(59,946)	(59,946)
Dividends paid to minority interest	(64,211)	(70,144)
Net proceeds from issuance of subordinated notes	755,900	-
Repayment of revolving credit	(24,000)	(16,800)
Purchase of treasury shares in subsidiary company	(33,776)	(25,656)
Net cash generated from financing activities	573,967	(172,546)
Net decrease in cash and cash equivalents	(2,115,217)	(1,156,897)
Cash and cash equivalents as at 1 July	11,556,472	14,944,024
Effect of change in foreign exchange rate	80	490
Cash and cash equivalents as at 31 December	9,441,335	13,787,617
Analysis of cash and cash equivalents as at 31 December		
Cash and short term funds	9,452,540	13,811,476
Overdraft	-	-
	<u>9,452,540</u>	<u>13,811,476</u>
Less: Remisiers' and clients' trust monies	(11,205)	(23,859)
	<u>9,441,335</u>	<u>13,787,617</u>

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005**

<u>COMPANY</u>	31/12/05 RM '000	31/12/04 RM '000
Cash flows from operating activities		
Net profit before taxation	139,832	133,701
<u>Adjustments for:</u>		
Non-cash items	(143,003)	(136,087)
Operating profit before working capital changes	(3,171)	(2,386)
Decrease / (increase) in assets / receivables	(3,047)	339
Increase in liabilities / payables	7,649	677
Cash used in operations	<u>1,431</u>	<u>(1,370)</u>
Income tax refund	-	12,433
Interest paid	(10,575)	(12,086)
Interest received	301	1,230
Net cash used in operating activities	<u>(8,843)</u>	<u>207</u>
Cash flow from investing activities		
Dividends received from investment	110,426	105,905
Proceeds from disposal of property, plant and equipment	1	5
Proceeds from liquidation of a subsidiary company	776	-
Purchase of property, plant and equipment	(545)	(18)
Net cash generated from investing activities	<u>110,658</u>	<u>105,892</u>
Cash flow from financing activities		
Dividends paid	(59,946)	(59,946)
Repayment of revolving credit	(20,000)	(6,800)
Net cash generated from financing activities	<u>(79,946)</u>	<u>(66,746)</u>
Net decrease in cash and cash equivalents	21,869	39,353
Cash and cash equivalents as at 1 July	21,023	4,833
Cash and cash equivalents as at 31 December	<u>42,892</u>	<u>44,186</u>

HONG LEONG CREDIT BERHAD (8024-W)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005

GROUP	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	-	-	(2,693)	(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	-	-	-	-	-	81	-	81
Transfer to statutory reserves	-	-	40,834	-	-	-	(40,834)	-
1st interim dividend	-	-	-	-	-	-	(59,946)	(59,946)
Unrealised loss arising from the change in fair value of available-of-sales securities	-	-	-	(29,080)	-	-	-	(29,080)
Fair value reserve realised on disposal of available-of-sales securities	-	-	-	(1,873)	-	-	-	(1,873)
Deferred tax	-	-	-	(1,075)	-	-	-	(1,075)
Net profit for financial period ended 31 December 2005	-	-	-	-	-	-	154,652	154,652
Closing balance as at 31 December 2005	1,040,722	71,216	911,647	(31,518)	133,258	26,307	1,120,803	3,272,435

GROUP	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	-	-	-	-	-	678	-	678
Transfer to statutory reserves	-	-	(184,135)	-	-	-	184,135	-
1st interim dividend	-	-	-	-	-	-	(59,946)	(59,946)
Fair value reserve realised on disposal of available-of-sales securities	-	-	-	(639)	-	-	-	(639)
Deferred tax	-	-	-	179	-	-	-	179
Net profit for financial period ended 30 December 2004	-	-	-	-	-	-	162,635	162,635
Closing balance as at 30 December 2004	1,040,722	71,216	834,648	(1,911)	87,317	25,751	1,044,382	3,102,125

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005**

<u>COMPANY</u>	Share Capital RM '000	Share Premium RM '000	Other Capital Reserves RM '000	Retained Profits RM '000	Total RM '000
Opening balance as at 1 July 2005	1,040,722	71,216	18,484	519,780	1,650,202
1st interim dividend	-	-	-	(59,946)	(59,946)
Net profit for financial period ended 31 December 2005	-	-	-	96,889	96,889
Closing balance as at 31 December 2005	1,040,722	71,216	18,484	556,723	1,687,145

	Share Capital RM '000	Share Premium RM '000	Other Capital Reserves RM '000	Retained Profits RM '000	Total RM '000
Opening balance as at 1 July 2004	1,040,722	71,216	18,484	484,186	1,614,608
1st interim dividend	-	-	-	(59,946)	(59,946)
Net profit for financial period ended 30 December 2004	-	-	-	95,694	95,694
Closing balance as at 30 December 2004	1,040,722	71,216	18,484	519,934	1,650,356

HONG LEONG CREDIT BERHAD ("HLC")

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005

1. Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting (previously known as Malaysian Accounting Standards Board ("MASB") 26, Interim Financial Reporting) issued by MASB and Chapter 9, Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with audited financial statements of the Group for the financial year ended 30 June 2005.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements except for the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia which became effective for the current financial year. The adoption of the revised BNM/GP8 have resulted in changes in the accounting policies of the Group, except for the Insurance and Stockbroking subsidiaries, which have been applied retrospectively in this condensed interim financial statements and the details are disclosed in Note 30. The Insurance and Stockbroking subsidiaries are not required to adopt the revised BNM/GP8 and the financial impact of the non-adoption is disclosed in Note 31.

However, the Group has been given indulgence by BNM from complying with the requirements on impairment of loans under the revised BNM/GP8 until 1 July 2006. Therefore, the allowance for losses on loans and financing are computed based on the requirements of BNM/GP3 which is consistent with the adoption made in the previous audited annual financial statements.

The adoption of the revised BNM/GP8 has resulted in changes in the accounting policies of the group, except for the Insurance and Stockbroking subsidiaries, which have been applied retrospectively in this unaudited interim financial statements.

2. Status of matters giving rise to the auditor's qualified report in the annual financial statement for the financial year ended 30 June 2005 of HLC

There was no qualified report issued by the auditors in the annual financial statements for the financial year ended 30 June 2005.

3. Seasonality or cyclicity of operations

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

4. Exceptional items / unusual events affecting financial statements

There were no exceptional items or unusual events affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

5. Variation from financial estimates reported in preceding financial period/year

There were no material changes in estimates of amounts reported in the preceding financial period/year that have a material effect in the current financial period.

6. Issuance and repayment of debt and equity securities

There was no repayment of debt or equity share, share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares during the financial period ended 31 December 2005.

7. Dividends paid

An interim dividend of 8 sen per share less income tax at 28% amounted to RM59,945,601 was paid on 30 December 2005.

8. Segmental reporting

Segmental information is presented in respect of the Group's business segments. The primary format by business segments is based on the Group's management and internal reporting structure.

No analysis by geographical segments is presented as the Group's operations are substantially carried out in Malaysia.

Inter-segment pricing is determined based on arms length basis. These transactions are eliminated on consolidation. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Unallocated item mainly comprise tax recoverable, tax payable and other corporate assets and other corporate liabilities. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period.

Business segments

The Group comprises the following main business segments:

Banking	Licensed commercial banking business
Securities	Stocks and securities broking, and fund and unit trust management
Insurance	Life and general insurance business
Other operations	Investment holding, provision of management services, information technology and Internet related business

Group	Banking	Securities	Insurance	Others	Eliminations	Consolidated
31 December 2005	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue						
External sales	1,131,659	30,860	139,911	5,233	-	1,307,663
Intersegment sales	2,341	1,074	5,157	798	(9,370)	-
	<u>1,134,000</u>	<u>31,934</u>	<u>145,068</u>	<u>6,031</u>	<u>(9,370)</u>	<u>1,307,663</u>
Results						
Segment results	333,555	10,208	21,442	150,451	(153,497)	362,159
Interest expense						(11,889)
Profit before taxation						<u>350,270</u>
Taxation						(104,174)
Profit after taxation						<u>246,096</u>
Minority interest						(91,444)
Net profit for the period						<u><u>154,652</u></u>
Other information						
Segment assets	60,906,677	374,852	4,044,089	85,505	(106,336)	65,304,787
Other corporate assets						<u>131,112</u>
Total consolidated assets						<u><u>65,435,899</u></u>
Segment liabilities	56,237,615	160,734	3,637,974	25,290	(87,905)	59,973,708
Other corporate liabilities	61,982	37,798	4,708	411,101	-	515,589
Total consolidated liabilities						<u><u>60,489,297</u></u>
Capital expenditure	39,332	268	5,179	572	-	-
Depreciation	27,769	853	6,857	281	-	-
Net interest income suspended	9,310	-	-	-	-	-
Loan loss and other provision	102,635	-	-	-	-	-

Group
31 December 2004

	Banking RM '000	Securities RM '000	Insurance RM '000	Others RM '000	Eliminations RM '000	Consolidated RM '000
Revenue						
External sales	1,042,605	36,090	112,963	700	-	1,192,358
Intersegment sales	5,452	1,030	3,526	1,414	(11,422)	-
	<u>1,048,057</u>	<u>37,120</u>	<u>116,489</u>	<u>2,114</u>	<u>(11,422)</u>	<u>1,192,358</u>
Results						
Segment results	372,411	11,428	10,848	146,240	(148,230)	392,697
Share of profits from associates	-	(61)	-	-	-	(61)
Interest expense						(13,290)
Profit before taxation						<u>379,346</u>
Taxation						<u>(109,550)</u>
Profit after taxation						<u>269,796</u>
Minority interest						<u>(107,161)</u>
Net profit for the year						<u>162,635</u>
Other information						
Segment assets	51,527,518	322,790	3,555,848	82,984	(119,282)	55,369,858
Investment in associate	-	1,896	-	-	-	1,896
Other corporate assets						<u>166,513</u>
Total consolidated assets						<u>55,538,267</u>
Segment liabilities	46,851,752	115,769	3,183,745	18,290	(119,282)	50,050,274
Other corporate liabilities						<u>586,989</u>
Total consolidated liabilities						<u>50,637,263</u>
Capital expenditure	32,254	210	10,119	159	-	-
Depreciation	24,045	1,056	5,239	175	-	-
Net interest income suspended	71,502	-	-	-	-	-
Loan loss and other provision	73,958	-	15	-	-	-

9. Securities held-for-trading

	Group	
	As at	As at
	31/12/05	30/06/05
	RM '000	RM '000
<u>At Fair Value</u>		
Malaysian Government Treasury Bills	103,152	107,763
Malaysian Government Securities	19,333	15,692
Bank Negara Malaysia bills	636,467	1,427
Cagamas bonds	413,399	206,652
Bankers' acceptances and Islamic accepted bills	408,711	538,530
Negotiable instruments of deposit	2,440,004	1,670,101
Foreign currency bonds	58,540	1,894
	4,079,606	2,542,059
Quoted securities :		
Shares in Malaysia	491,574	257,597
Unquoted securities :		
Private debt securities	179,544	84,696
Total securities held-for-trading	4,750,724	2,884,352

10. Securities available-for-sale

	Group	
	As at	As at
	31/12/05	30/06/05
	RM '000	RM '000
<u>At Fair Value</u>		
HK Government Exchange Fund	24,149	23,917
Government Treasury Bills	206,420	205,515
Malaysian Government Securities	2,604,155	25,293
Cagamas bonds	1,267,170	1,181,961
Foreign currency bonds	1,043,296	826,974
	5,145,190	2,263,660
Quoted securities :		
Shares and convertible loan stocks	142,460	64,108
Shares outside Malaysia	-	314
Unquoted securities :		
Private debt securities	925,909	707,217
Total securities available-for-sale	6,213,559	3,035,299

11. Securities held-to-maturity

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
<u>At Amortised Cost</u>		
Money market instruments :		
Malaysian Government securities	243,492	247,191
Malaysian Government investment certificates	153,237	253,797
Cagamas bonds	440,657	165,323
Foreign currency bonds	11,364	11,486
Foreign currency NCD	-	6,094
Khazanah bonds	9,027	9,027
	<hr/>	<hr/>
	857,777	692,918
Unquoted securities :		
Shares	27,160	27,161
Private debt securities	884,641	622,000
Loan stocks	30,946	47,532
	<hr/>	<hr/>
Total securities held-to-maturity	1,800,524	1,389,611

12. Loans, advances and financing

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Overdrafts	3,036,906	3,107,337
Term loans :		
- Housing loans/financing	12,384,541	11,047,892
- Syndicated term loan/financing	1,616,315	1,743,830
- Hire purchase receivables	6,635,973	6,423,928
- Lease receivables	21,969	8,015
- Other term loans/financing	1,119,019	1,133,780
Credit/charge card receivables	997,643	943,832
Bills receivables	312,451	354,378
Trust receipts	159,183	192,550
Claims on customers under acceptance credits	2,105,741	2,002,016
Block discounting	33,829	37,137
Revolving credits	618,389	580,792
Policy and premium loans	397,499	358,943
Staff loans	122,630	129,145
Other loans/financing	71,350	80,348
	<hr/>	<hr/>
	29,633,438	28,143,923
Unearned interest and income	(1,308,269)	(1,323,989)
	<hr/>	<hr/>
	28,325,169	26,819,934
Allowance for bad and doubtful debts and financing :		
- general	(569,373)	(412,877)
- specific	(410,647)	(465,254)
	<hr/>	<hr/>
Net loans, advances and financing	27,345,149	25,941,803

12. Loans, advances and financing (continued)

12a By type of customer

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Domestic banking institutions	151	153
Domestic non-bank financial institutions	62,536	65,748
Domestic business enterprises		
- Small and medium enterprises	4,045,660	4,577,643
- Others	5,027,369	4,429,596
Government and statutory bodies	119,757	116,132
Individuals	18,086,120	16,617,003
Other domestic entities	32,130	49,385
Foreign entities	951,446	964,274
Gross loans, advances and financing	<u>28,325,169</u>	<u>26,819,934</u>

12b By interest/profit rate sensitivity

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Fixed rate		
- Housing loans/financing	2,752,069	2,641,038
- Hire purchase receivables	5,879,611	5,722,477
- Other fixed rate loan/financing	3,694,663	3,532,290
Variable rate		
- Base lending rate plus	12,542,156	11,615,037
- Cost plus	748,221	685,760
- Other variables rates	2,708,449	2,623,332
Gross loans, advances and financing	<u>28,325,169</u>	<u>26,819,934</u>

12. Loans, advances and financing (continued)

12c By economic sector

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Agriculture	225,149	245,910
Mining and quarrying	34,797	36,513
Manufacturing	2,277,451	2,326,718
Electricity, gas and water	39,186	33,408
Construction	612,980	826,888
Real Estate	361,522	298,259
Purchase of landed properties		
(of which : - residential	9,409,587	8,445,304
- non-residential)	2,835,229	2,460,381
General commerce	1,893,131	1,862,706
Transport, storage and communication	274,556	273,484
Finance, insurance and business services	491,693	559,196
Purchase of securities	743,336	838,974
Purchase of transport vehicles	5,020,888	4,861,113
Consumption credit	2,240,534	2,119,050
Others	1,865,130	1,632,030
Gross loans, advances and financing	<u>28,325,169</u>	<u>26,819,934</u>

12. Loans, advances and financing (continued)**12d Non-performing loans by sector**

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Agriculture	3,310	4,253
Mining and quarrying	3,211	2,965
Manufacturing	287,955	279,311
Electricity, gas and water	664	685
Construction	133,856	265,392
Real estate	92,077	34,291
Purchase of landed properties		
(of which : - residential	353,961	352,820
- non-residential)	181,229	126,539
General commerce	111,685	121,484
Transport, storage and communication	46,184	48,071
Finance, insurance and business services	138,220	140,662
Purchase of securities	39,914	29,163
Purchase of transport vehicles	139,732	132,400
Consumption credit	85,489	77,785
Others	46,101	41,862
Gross loans, advances and financing	1,663,588	1,657,683

12. Loans, advances and financing (continued)

12e Movements in non-performing loans, advances and financing ("NPL") are as follows:

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
At beginning	1,657,683	2,148,297
Non-performing during the period/year	1,572,245	2,634,676
Reclassified as performing	(1,302,093)	(1,971,777)
Amount written back in respect of recoveries	(229,358)	(549,807)
Amount written off	(35,328)	(605,478)
Exchange differences	439	1,772
	<hr/>	<hr/>
Closing balance	1,663,588	1,657,683
Specific allowance	(569,373)	(465,254)
Net non-performing loans, advances and financing	<hr/> <hr/>	<hr/> <hr/>
	1,094,215	1,192,429
Net NPL as a % of gross loans, advances and financing less specific allowance	<hr/> <hr/>	<hr/> <hr/>
	4.0%	4.6%

12. Loans, advances and financing (continued)

12f Movements in allowance for bad and doubtful debts (and financing) accounts are as follows:

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
<u>General Allowance</u>		
At beginning	412,877	366,955
Net provisions made during the period/year	(2,314)	45,697
Exchange differences	84	225
Closing balance	410,647	412,877
As % of gross loans, advances and financing less specific allowance	1.4%	1.5%
<u>Specific Allowance</u>		
At beginning	465,254	868,043
Allowance made during the period/year	180,091	304,207
Amount written back in respect of recoveries	(41,033)	(101,309)
Amount written off	(35,262)	(605,675)
Amount transferred to provision for diminution in value	-	(904)
Exchange differences	323	892
Closing balance	569,373	465,254

13. Other receivables

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Interest/Income receivable	234,038	162,327
Other debtors, deposits and prepayments	265,108	232,230
Foreclosed properties	3,009	3,159
	<hr/> 502,155 <hr/>	<hr/> 397,716 <hr/>

	Company	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Amount due from subsidiary companies	6,240	6,217
Amount due from related companies	335	503
Other debtors, deposits and prepayments	4,364	271
	<hr/> 10,939 <hr/>	<hr/> 6,991 <hr/>

14. Property, plant and equipment

The valuations of property, plant and equipment had been brought forward without amendment from the previous annual financial statements.

15. Deposits from customers

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Fixed deposits	29,405,985	28,661,901
Negotiable instruments of deposit	2,948,776	1,095,999
Demand deposits	3,948,814	3,717,928
Savings deposits	6,266,609	6,100,599
Other	245,795	146,029
	42,815,979	39,722,456

15a The maturity structure of fixed deposits and negotiable instruments :

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
One year or less (short term)	32,214,732	29,684,046
More than one year (medium/long term)	140,029	73,854
	32,354,761	29,757,900

15b The deposits from customer are sourced from the following types of customers:

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Government and statutory bodies	937,634	318,002
Business enterprises	14,480,390	12,940,007
Individuals	24,784,885	25,241,952
Others	2,613,070	1,222,495
	42,815,979	39,722,456

16. Deposits and placements of banks and other financial institutions

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Licensed banks	<u>2,542,329</u>	<u>2,066,162</u>
The maturity structure of fixed deposits and negotiable instruments :		
One year or less (short term)	2,542,329	2,066,162
More than one year (medium/long term)	-	-
	<u>2,542,329</u>	<u>2,066,162</u>

17. Floating Rate Certificate of Deposits

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Floating rate certificate of deposits - USD110 million	415,662	417,916
	<u>415,662</u>	<u>417,916</u>

The floating rate certificate of deposits carries a floating interest rate at a spread above London Interbank Offered Rate ("LIBOR") and it will mature on 20 March 2006.

18. Subordinated Bonds

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Subordinated Bonds		
- USD200 million	755,900	-
	<hr/> <hr/>	<hr/> <hr/>
	755,900	-

On 3 August 2005, the Bank issued USD200 million in aggregate principal amount of Subordinated Bonds ("the Bonds") due 2015 callable with step-up in 2010. The Bonds bear interest at the rate of 5.25% per annum from, and including 3 August 2005 to, but excluding 3 August 2010 and, thereafter, at a rate per annum equal to the 5 Year US Treasury Rate plus 2.717%. The interest is payable semi-annually in arrears on 3 February and 3 August in each year, commencing on 3 February 2006. The Bonds were issued at a price of 99.848 per cent of the principal amount of the Bonds. The Bonds will, subject to the prior written approval of Bank Negara Malaysia, if required, be redeemable in whole but not in part, at the option of the Bank on 3 August 2010 or in the event of certain changes affecting taxation in Malaysia or any other jurisdiction where the Bank has to pay tax in relation to the Bonds, at their principal amount plus accrued interest.

The Bonds constitute unsecured liabilities of the Bank, and are subordinated in right of payment to the deposit liabilities and all other liabilities of the Bank in accordance with the terms and conditions of the issue and qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Group and the Bank.

19. Payables and other liabilities

	Group	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Trade payables	342,187	190,794
Amount due to related companies	1,163	1,593
Other payables and accrued liabilities	593,396	472,702
Interest payable	319,392	307,072
Post employment benefits obligations - defined contribution plan	6,114	6,140
	1,262,252	978,301

	Company	
	As at 31/12/05 RM '000	As at 30/06/05 RM '000
Amount due to subsidiary companies	9,685	783
Amount due to related companies	2	-
Other payables and accrued liabilities	1,583	3,945
Interest payable	7,117	6,012
Post employment benefits obligations - defined contribution plan	62	60
	18,449	10,800

20. Interest income

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Loan, advances and financing				
- Interest income other than recoveries from NPLs	296,492	381,417	584,482	691,326
- recoveries from NPLs	39,578	33,495	83,858	71,502
Money at call and deposit placements with financial institutions	94,433	94,686	190,992	200,972
Securities purchased under resale agreement	54,833	-	126,966	-
Securities held-for-trading	32,700	35,644	56,601	63,521
Securities available-for-sale	58,021	55,315	93,638	97,464
Securities held-to-maturity	6,786	(8,519)	14,752	789
Others	(701)	12,304	6,172	13,887
	<u>582,142</u>	<u>604,342</u>	<u>1,157,461</u>	<u>1,139,461</u>
Amortisation of premium less accretion of discount	(8,627)	(3,245)	(11,679)	(12,617)
Interest suspended	(5,302)	(69,975)	(9,310)	(71,502)
	<u>568,213</u>	<u>531,122</u>	<u>1,136,472</u>	<u>1,055,342</u>
	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Money at call and deposit placements with financial institutions	184	418	301	582
Others	-	324	-	648
	<u>184</u>	<u>742</u>	<u>301</u>	<u>1,230</u>

21. Interest expense

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Deposits and placements of banks and other financial institutions	70,371	50,972	146,655	93,423
Deposits from customers	253,956	231,118	498,834	464,462
Borrowings	5,737	6,123	11,520	13,243
Subordinated bonds	9,854	-	16,401	-
Others	354	336	871	483
	<u>340,272</u>	<u>288,549</u>	<u>674,281</u>	<u>571,611</u>

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Borrowings	5,244	6,034	10,575	12,086
Others	-	-	233	13
	<u>5,244</u>	<u>6,034</u>	<u>10,808</u>	<u>12,099</u>

22. Other operating income

	Group		Group	
	Current quarter ended 31/12/05 RM '000	31/12/04 RM '000	Cumulative quarter ended 31/12/05 RM '000	31/12/04 RM '000
(a) Net income from Insurance Business:	26,811	20,114	42,837	30,007
(b) Net brokerage and commissions from Stockbroking Business:	3,823	5,481	9,159	11,820
(c) Net unit trust and asset management income:	7,361	5,502	10,460	10,836
(d) Fee income:				
Management fees	129	226	544	460
Commissions	18,520	19,550	36,657	36,277
Service charges and fees	7,291	9,087	13,986	14,854
Guarantee fees	1,372	1,456	3,086	3,201
Other fee income	33,119	33,599	72,474	69,978
	60,431	63,918	126,747	124,770
(e) Gain/(loss) arising from sale of securities:				
Net gain from sale of securities held-for-trading	6,471	7,822	11,371	10,396
Net gain from sale of securities available-for-sale	1,671	15,258	8,718	31,099
Net gain from sale of securities held-to-maturity	-	774	4,042	774
	8,142	23,854	24,131	42,269
(f) Gross dividend income from:				
Securities held-for-trading	-	138	290	491
Securities available-for-sale	445	188	3,220	1,714
Securities held-to-maturity	41	325	741	325
	486	651	4,251	2,530
(g) Unrealised gain/(losses) on revaluation of securities held-for-trading and derivatives	4,058	(1,953)	2,044	(9,563)
(h) Other income:				
Foreign exchange gain/(loss)	10,683	6,333	31,763	13,763
Rental income	151	21	255	72
Gain/(loss) on disposal of property and equipment	111	1,070	281	1,666
Others	3,609	355	6,917	1,777
	14,554	7,779	39,216	17,277
Total other operating income	125,666	125,346	258,844	229,947

22. Other operating income (continued)

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
(a) Fee income:				
Management fees	-	9	-	18
(b) Gross dividend income from:				
Subsidiary companies	147,495	147,091	153,370	147,091
(c) Other income:				
Others	136	105	141	259
Total other operating income	147,631	147,205	153,511	147,368

23. Other operating expenses

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	81,089	77,012	160,873	153,526
- Others	6,462	9,753	13,113	17,812
<u>Establishment costs</u>				
- Depreciation	17,972	13,125	35,695	27,122
- Rental	9,689	9,118	18,688	17,428
- Information technology expenses	7,650	6,254	15,187	11,251
- Others	8,177	11,671	18,405	21,068
<u>Marketing expenses</u>				
- Advertisement and publicity	9,701	8,425	18,312	13,432
- Handling fees	4,797	1,025	10,315	4,732
- Others	7,154	7,425	13,101	12,377
<u>Administration and general expenses</u>				
- Teletransmission expenses	1,813	1,194	3,903	2,662
- Stationery & printing	4,523	4,225	7,864	8,905
- Others	17,592	17,740	32,822	28,327
	176,619	166,967	348,278	318,642

23. Other operating expenses (continued)

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	934	844	1,764	1,664
- Others	98	22	248	76
<u>Establishment costs</u>				
- Depreciation	33	67	140	140
- Rental	70	72	149	149
- Others	102	47	115	96
<u>Administration and general expenses</u>				
- Teletransmission expenses	4	4	12	11
- Stationery & printing	13	25	27	39
- Others	546	362	717	623
	<u>1,800</u>	<u>1,443</u>	<u>3,172</u>	<u>2,798</u>

24. Allowance for losses on loans, advances and financing

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	14,080	15,097	(2,314)	23,424
- specific allowance	94,289	71,591	180,091	137,788
- specific allowance written back	(19,475)	(22,810)	(41,033)	(32,950)
Bad debts and financing written off	1,998	(58,245)	4,195	(56,746)
Bad debts and financing recovered	(18,265)	42,704	(38,304)	2,442
	<u>72,627</u>	<u>48,337</u>	<u>102,635</u>	<u>73,958</u>

25. Capital adequacy

BNM guidelines require the Banking and Finance subsidiary companies to maintain a certain minimum level of capital funds against the "risk-weighted" value of assets and certain commitments and contingencies. The capital funds of the subsidiary company as at 31 December 2005 and 30 June 2005 met the minimum requirement.

	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
<u>Components of Tier - 1 and Tier - 2 Capital</u>		
Tier -1 capital		
Paid up share capital	1,580,107	1,580,107
Share premium	539,664	539,664
Retained profit, as restated	1,040,632	1,035,953
As previously stated	-	1,040,133
Prior year adjustments	-	(4,180)
Other Reserves	1,580,813	1,515,369
Less :Treasury Shares	(308,150)	(274,375)
Less : Deferred Tax	(114,263)	(114,886)
As previously stated	-	(115,204)
Prior year adjustments	-	318
Total tier 1 capital	4,318,803	4,281,832
Tier - 2 capital		
General provision	410,647	412,817
Subordinated bonds	755,900	-
Total tier 2 capital	1,166,547	412,817
Total capital	5,485,350	4,694,649
Less: Investment in subsidiary companies	-	-
Total capital base	5,485,350	4,694,649
<u>Before deducting proposed dividends</u>		
Core Capital Ratio	14.96	15.84%
Risk-weighted Capital Ratio	19.01	17.37%
<u>After deducting proposed dividends</u>		
Core Capital Ratio	14.62	15.21%
Risk-weighted Capital Ratio	18.66	16.74%

26. Events after Balance Sheet date

There were no material events subsequent to the end of the financial period ended 31 December 2005.

27. Changes in composition of the Group

There were no changes in the composition of the Group for the current financial period and up to the date of this report except for the following:

- On 17 June 2005, the Company had placed Hong Leong Equities (Hong Kong) Limited ("HLE(HK)"), a wholly-owned subsidiary of the Company, under member's voluntary liquidation. HLE(HK) was dissolved on 3 December 2005.
- The Bank had, on 28 June 2005, announced that Minister of Finance had granted an Islamic banking licence to Hong Leong Islamic Bank Berhad ("HLIB") and a Vesting Order had also been obtained from the High Court of Malaya for the transfer and vesting of the Islamic banking business of HLB to HLIB. Effective 1 July 2005, the Bank has conducted its Islamic Banking business through HLIB.
- On 16 June 2005, the Bank announced that it had entered into a Sale and Purchase Agreement with HLCM Capital Sdn Bhd ("HLCM Capital") to dispose of its 100% equity interest in Credit Corporation (Malaysia) Sdn Bhd comprising two (2) ordinary shares of RM1.00 each to HLCM Capital for cash consideration of RM5,000.00 ("Proposed Disposal"). The approval of the Foreign Investment Committee for the Proposed Disposal has been obtained and the Proposed Disposal was completed on 25 August 2005.
- On 16 November 2005, the Company had acquired the entire equity interest of Natcap Portfolio Sdn Bhd comprising 2 ordinary shares of RM1.00 each for cash at par.

28. Commitments and contingencies

- (a) In the normal course of business, the banking subsidiary company make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are not secured against the assets of the Group.

The commitments and contingencies constitute the following:

	As at 31/12/2005			As at 30/06/2005		
	Principal Amount RM'000	Credit Equivalent RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent RM'000	Risk Weighted Amount RM'000
<u>The Banking Group</u>						
Direct credit substitutes	183,280	183,280	183,280	161,538	161,538	161,538
Transaction-related contingent items	246,749	123,375	123,375	308,963	154,482	154,481
Short-term self liquidating trade-related contingencies	538,600	107,720	107,720	469,936	93,987	93,188
Irrevocable commitments to extend credit :						
-maturity more than 1 year	4,277,674	2,138,838	2,138,838	4,122,753	2,061,377	2,061,377
-maturity less than 1 year	9,551,015	-	-	9,181,257	-	-
Foreign exchange related contracts	4,370,242	98,491	49,245	7,639,221	158,934	80,269
Interest rate related contracts	16,698,737	111,583	55,791	16,389,047	74,294	37,147
Equity related contracts	69,988	1,049	525	106,922	1,604	-
Miscellaneous	412	-	-	694	-	-
Total	35,936,697	2,764,336	2,658,774	38,380,331	2,706,216	2,588,000

(b) Other commitments and contingencies – unsecured

HLG Unit Trust Bhd, a wholly-owned subsidiary company of the stockbroking division, HLG Capital Berhad, is the Manager of HLG Sectoral Fund (“Funds”), which comprises five sector funds. HLG Capital Berhad has provided a guarantee to Universal Trustee (Malaysia) Berhad, the trustee of the Funds, that if any of the five sector funds fall below the minimum fund size of RM1 million, HLG Capital Berhad would invest cash, equivalent to the shortfall, into the relevant fund.

The size of each of the five funds was above the minimum of RM1 million as at 31 December 2005.

29. Related party transactions

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

30. Interest/Profit rate risk

The Banking Group As at 31 December 2005	Non-trading Book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Assets									
Cash and short term funds	7,960,416	-	-	-	-	537,457	-	8,497,873	2.9
Deposits & placement with banks & other financial institutions	935,000	5,209,791	802,919	-	-	-	-	6,947,710	2.9
Securities purchased resale agreements	1,814,288	3,609,117	559,795	-	-	-	-	5,983,200	2.8
Securities held-for-trading	-	-	-	-	-	-	4,298,447	4,298,447	3.1
Securities available-for-sale	18,269	188,711	91,701	4,109,400	926,810	60,736	-	5,395,627	4.2
Securities held-to-maturity	22,603	35,594	310,220	743,397	12,586	6,253	-	1,130,653	5.0
Loans, advances and financing									
- performing	13,295,790	1,770,628	2,226,332	4,899,611	4,230,364	-	-	26,422,725	6.4
- non-performing	-	-	-	-	-	524,842	-	524,842	-
Other assets	-	-	-	-	-	336,602	-	336,602	-
Statutory deposits with Bank Negara	-	-	-	-	-	775,224	-	775,224	-
Investment in subsidiary companies	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	255,092	-	255,092	-
Deferred tax assets	-	-	-	-	-	114,263	-	114,263	-
Total assets	24,046,366	10,813,841	3,990,967	9,752,408	5,169,760	2,610,469	4,298,447	60,682,258	
Liabilities									
Deposits from customers	17,072,766	9,074,725	12,196,680	281,894	-	4,259,042	-	42,885,107	2.6
Deposits & placement of banks & other financial institutions	2,043,437	460,876	37,795	-	-	221	-	2,542,329	2.8
Obligations on securities sold under repurchase agreements	8,116,752	328,410	-	-	-	-	-	8,445,162	2.7
Bills and acceptance payable	26,627	13,608	6,290	-	-	319,870	-	366,395	3.1
Floating rate certificate of deposits	-	-	415,662	-	-	-	-	415,662	3.5
Other liabilities	-	-	-	-	-	827,060	-	827,060	-
Subordinated Bonds	-	-	-	-	755,900	-	-	755,900	5.2
Provision for tax	-	-	-	-	-	61,982	-	61,982	-
Total liabilities	27,259,582	9,877,619	12,656,427	281,894	755,900	5,468,175	-	56,299,597	
Shareholders' funds	-	-	-	-	-	4,382,661	-	4,382,661	-
Total liabilities and shareholders' funds	27,259,582	9,877,619	12,656,427	281,894	755,900	9,850,836	-	60,682,258	
On-balance sheet profit sensitivity gap	(3,213,216)	936,222	(8,665,460)	9,470,514	4,413,860	(7,240,367)	4,298,447	-	
Off-balance sheet profit sensitivity gap	(10,000)	(753,900)	(20,000)	783,900	-	-	-	-	
Total profit sensitivity gap	(3,223,216)	182,322	(8,685,460)	10,254,414	4,413,860	(7,240,367)	4,298,447	-	

30. Interest/Profit rate risk (continued)

The Banking Group As at 30 June 2005	Non-trading Book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Assets									
Cash and short term funds	10,627,664	-	-	-	-	496,914	-	11,124,578	2.8
Deposits & placement with banks & other financial institutions	-	3,510,327	27,287	-	-	-	-	3,537,614	2.8
Securities purchased resale agreements	3,015,891	4,381,237	2,531,364	-	-	-	-	9,928,492	2.8
Securities held-for-trading	-	-	-	-	-	-	2,633,939	2,633,939	3.1
Securities available-for-sale	70,182	212,181	171,798	1,888,376	2,804	4,777	-	2,350,118	4.3
Securities held-to-maturity	7,302	40,944	91,142	868,261	11,890	2,292	-	1,021,831	6.1
Loans, advances and financing									
- performing	13,315,639	1,474,976	2,225,146	4,820,504	2,981,738	-	-	24,818,003	6.5
- non-performing	-	-	-	-	-	764,732	-	764,732	-
Other assets	-	-	-	-	-	242,109	-	242,109	-
Statutory deposits with Bank Negara	-	-	-	-	-	839,600	-	839,600	-
Property, plant and equipment	-	-	-	-	-	244,392	-	244,392	-
Deferred tax assets	-	-	-	-	-	114,886	-	114,886	-
Total assets	27,036,678	9,619,665	5,046,737	7,577,141	2,996,432	2,709,702	2,633,939	57,620,294	
Liabilities									
Deposits from customers	17,494,050	6,478,737	11,628,514	73,853	-	4,241,336	-	39,916,490	2.7
Deposits & placement of banks & other financial institutions	1,788,789	100,000	177,000	-	-	373	-	2,066,162	2.6
Obligations on securities sold under repurchase agreements	8,961,131	560,465	-	-	-	-	-	9,521,596	2.6
Bills and acceptance payable	68,133	87,127	88,399	-	-	325,236	-	568,895	3.1
Floating rate certificate of deposits	-	-	417,916	-	-	-	-	417,916	3.5
Other liabilities	-	-	-	-	-	695,178	-	695,178	-
Provision for tax	-	-	-	-	-	36,520	-	36,520	-
Total liabilities	28,312,103	7,226,329	12,311,829	73,853	-	5,298,643	-	53,222,757	
Shareholders' funds	-	-	-	-	-	4,397,537	-	4,397,537	-
Total liabilities and shareholders' funds	28,312,103	7,226,329	12,311,829	73,853	-	9,696,180	-	57,620,294	
On-balance sheet profit sensitivity gap	(1,275,425)	2,393,336	(7,265,092)	7,503,288	2,996,432	(6,986,478)	2,633,939	-	
Off-balance sheet profit sensitivity gap	240,000	(1,920,645)	(3,476,507)	(7,551,250)	17,402	-	-	-	
Total profit sensitivity gap	(1,035,425)	472,691	(10,741,599)	(47,962)	3,013,834	(6,986,478)	2,633,939	-	

31. Operations of Islamic Banking

31a Unaudited Balance Sheets as at 31 December 2005

	Group	
	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
<u>ASSETS</u>		
Cash and short-term funds	434,000	1,461,250
Deposits and placements with banks and other financial institutions	937,215	191,396
Securities - Held for trading	716,931	300,339
Securities - Available for sale	108,450	373,406
Securities - Held to maturity	636,397	-
Financing, advances and other financing	3,742,363	3,402,467
Other assets	23,099	17,563
Statutory deposits with Bank Negara Malaysia	124,924	51,150
Property, plant and equipment	2,183	105
Deferred tax assets	19,288	18,723
Total Assets	<u>6,744,850</u>	<u>5,816,399</u>
<u>LIABILITIES AND SHAREHOLDERS' FUNDS</u>		
Deposits from customers	5,277,540	4,889,360
Deposits and placements of banks and other financial institutions	198,126	91,750
Obligations on securities sold under repurchase agreements	606,443	246,600
Bills and acceptance payable	857	562
Other liabilities	133,126	125,472
Provision for taxation	6,821	38,373
Total Liabilities	<u>6,222,913</u>	<u>5,392,117</u>
Islamic banking capital fund	500,000	310,127
Reserves	21,937	114,155
Islamic Banking Funds	<u>521,937</u>	<u>424,282</u>
Total Liabilities and Islamic Banking Funds	<u>6,744,850</u>	<u>5,816,399</u>
<u>COMMITMENTS AND CONTINGENCIES</u>		
	<u>476,097</u>	<u>344,662</u>

31. Operations of Islamic Banking (continued)

31b Unaudited Income Statements for the 1st Quarter and Three Months Ended 31 December 2005

	Current quarter ended		Cumulative quarter ended	
	31/12/2005 RM'000	31/12/2004 RM'000	31/12/2005 RM'000	31/12/2004 RM'000
Group				
Income derived from investment of deposits' funds and others	72,523	63,339	140,490	110,133
Income derived from investment of shareholders' funds	6,735	5,418	13,393	9,122
Allowance for losses on financing	(6,901)	(4,457)	(9,154)	(8,971)
Provision for commitments and contingencies				
Impairment loss	-	-	-	-
Profit equalisation reserve	3,975	(1,419)	3,975	(5,573)
Other expenses directly attributable to the investment of the deposits and shareholders' funds	-	-	-	-
Total distributable income	76,332	62,881	148,704	104,711
Income attributable to deposits	(39,711)	(31,852)	(74,312)	(55,596)
Total net income	36,621	31,029	74,392	49,115
Other operating expenses	(21,379)	(2,180)	(42,037)	(4,367)
Profit before taxation and zakat	15,242	28,849	32,355	44,748
Zakat	(15)	(15)	(30)	(15)
Taxation	(4,309)	(5,210)	(9,131)	(5,737)
Profit after taxation and zakat	10,918	23,624	23,194	38,996
Profit attributable to shareholders	10,918	23,624	23,194	38,996
Earnings per share - basic (sen)	2.18	7.62	4.64	12.57
Earnings per share - fully diluted (sen)	2.18	7.62	4.64	12.57

31. Operations of Islamic Banking (continued)

31c Financing, advances and other financing

(i) By type

	Group	
	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
Cash line	9,128	10,056
Term financing		
- House financing	896,421	1,487,953
- Hire purchase receivable	3,304,892	2,898,065
- Lease receivable	14,918	-
- Other term financing	523,388	-
Claims on customers under acceptance credits	28,069	17,347
Staff financing	141	126
Revolving credit	3,340	3,050
Others	1,582	55
	<u>4,781,879</u>	<u>4,416,652</u>
Less: Unearned income	<u>(961,299)</u>	<u>(946,113)</u>
	3,820,580	3,470,539
Less: Allowance for bad and doubtful financing		
- General	(57,026)	(55,009)
- Specific	<u>(21,191)</u>	<u>(13,063)</u>
Total net financing, advances and other financing	<u><u>3,742,363</u></u>	<u><u>3,402,467</u></u>

(ii) By contract

	Group	
	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
Bai' Bithaman Ajil (deferred payment sale)	907,817	930,530
Ijarah (lease)	13,458	-
Ijarah Muntahia Bittamlik/AITAB (lease ended with ownership)	2,890,588	2,518,694
Murabahah (cost-plus)	8,717	21,314
	<u><u>3,820,580</u></u>	<u><u>3,470,538</u></u>

31. Operations of Islamic Banking (continued)

31c. Financing, advances and other financing (continued)

Non-performing financing

(i) Movements in non-performing financing, advances and other financing

	Group	
	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
At beginning	70,437	97,701
Amount transferred from HLF	-	-
Amount transferred to HLIB	-	-
Classified as non-performing during the period	122,169	207,494
Reclassified as performing	(95,829)	(178,589)
Amount recovered	(14,596)	(31,759)
Amount written off	-	(24,410)
At end	<u>82,181</u>	<u>70,437</u>
Net non-performing financing, advances and other financing	<u>60,990</u>	<u>57,374</u>
Ratio of net non-performing financing, advances and other financing to total net financing, advances and other financing	<u>1.6%</u>	<u>1.7%</u>

31. Operations of Islamic Banking (continued)

31c Financing, advances and other financing (continued)

(ii) Movements in allowance for bad and doubtful financing

	Group	
	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
General allowance		
At beginning	55,009	38,801
Amount transferred from HLF	-	-
Amount transferred to HLIB	-	-
Allowance made / (written back)	2,017	16,208
At end	<u>57,026</u>	<u>55,009</u>
As % of gross financing, advances and other financing less specific allowance	<u>1.5%</u>	<u>1.6%</u>
Specific allowance		
At beginning	13,063	30,125
Amount transferred from HLF	-	-
Amount transferred to HLIB	-	-
Allowance made	10,826	15,805
Amount recovered	(2,631)	(6,160)
Amount written off	(67)	(26,707)
At end	<u>21,191</u>	<u>13,063</u>

31. Operations of Islamic Banking (continued)

31d Deposits from customer

By type of deposit

	Group	
	As at 31/12/2005 RM'000	As at 30/06/2005 RM'000
Non-Mudharabah		
Demand deposits	83,315	117,778
Savings deposits	389,049	529,808
Negotiable instruments of deposit	874,114	-
Others	1,758	233
	<u>1,348,236</u>	<u>647,819</u>
Mudharabah		
Demand deposits	27,242	-
Saving deposits	199,838	-
General investment deposits	3,702,224	4,241,541
	<u>3,929,304</u>	<u>4,241,541</u>
	<u><u>5,277,540</u></u>	<u><u>4,889,360</u></u>

32. Change in Accounting Policies and Prior Year Adjustments

a) Change in Accounting Policies

Effective 1st quarter ended 30 September 2005, the Group has adopted the revised BNM/GP8 which have resulted in the following new accounting policies:

- 1) The holdings of the securities portfolio of the Group are segregated based on the following categories and valuation methods :

- i) Securities held-for-trading

Securities are classified as held-for-trading if they are acquired principally for the purpose of benefiting from actual or expected short-term price movement or to lock in arbitrage profits. The securities held-for-trading will be stated at fair value and any gain or loss arising from a change in their fair values and the derecognition of securities held-for-trading are recognised in the income statements.

- ii) Securities held-to-maturity

Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. The securities held-to-maturity are measured at accreted/amortised cost based on effective yield method. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from derecognition of securities held-to-maturity are recognised in the income statements.

- iii) Securities available-for-sale

Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at amortised cost (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statements.

- 2) Derivatives financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

- 3) Where a loan becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing shall be reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, the interest accrued on the non-performing loans shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as prescribed previously.

b) Prior Year Adjustments

The following comparative figures have been restated for the effects of adopting the above change in accounting policies:

	Group	
	As restated	As previously
	RM '000	reported
		RM '000
(i) Balance sheet as at 30 June 2005		
Dealing securities	-	2,890,344
Investments	-	4,605,744
Securities held-for-trading	2,884,352	-
Securities available-for-sale	3,035,299	-
Securities held-to-maturity	1,389,611	-
Investment properties	190,057	-
Other receivables	397,716	403,990
Deferred tax asset	116,646	116,964
Reserves	2,168,955	2,171,047
Minority interest	1,685,166	1,686,435

b) Prior Year Adjustments (continued)

	Group	
	As restated RM '000	As previously reported RM '000
(ii) Income statement for the period ended 31 December 2004		
Other operating income	229,948	234,319
Net income	771,765	776,136
Operating profit	379,407	383,778
Profit before tax expense and zakat	379,346	383,717
Tax expense and zakat	(109,550)	(110,774)
Profit after taxation and zakat	269,796	272,943
Minority interest	(107,161)	(108,413)
Net profit for the period	<u>162,635</u>	<u>164,530</u>
Earnings per share		
Basic (sen)	15.6	15.8
Fully diluted (sen)	15.6	15.8

33. Financial impact on non-adoption of revised BNM/GP8 by the Insurance and Stockbroking subsidiaries

The Insurance and Stockbroking subsidiaries are not required to adopt the revised BNM/GP8 and the financial impact for not adopting are as follows:

	Group RM '000
(i) Balance sheet as at 31 December 2005	
Securities held-for-trading	5,095
Securities available-for-sale	293
Insurance funds	(1,121)
Deferred tax asset	(1,947)
Reserves	4,289
Minority interest	<u>467</u>
(ii) Income statement for the period ended 31 December 2005	
Other operating income	3,249
Net income	3,249
Operating profit	3,249
Profit before tax expense and zakat	3,249
Tax expense and zakat	(1,210)
Profit after tax expense	2,040
Minority interest	268
Net profit for the period	<u>2,307</u>

HONG LEONG CREDIT BERHAD ("HLC")

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Review of performance

Current quarter against previous corresponding quarter

The Group achieved a profit before tax of RM147.8 million for the quarter ended 31 December 2005 as compared to RM186.6 million in the previous corresponding quarter, a decrease of RM38.8 million or 20.8%. This was mainly due to lower profits from the Group's Banking division and Stockbroking and Asset Management division, but was partially offset by higher profit from the Insurance division.

The Banking division recorded a profit before tax of RM136.1 million for the current financial quarter ended 31 December 2005, a decrease of RM41.3 million as compared to previous corresponding quarter. Net Income was lower by RM10.1 million due narrower spreads earned while loan loss provisioning also increased by RM24.3 million.

The Insurance division registered a profit before tax of RM13.9 million for the current quarter compared to a profit before tax RM10.0 million in the previous corresponding quarter. The increase is mainly contributed by higher underwriting profits and investment income in the current financial quarter.

The Stockbroking and Asset Management division registered a profit before tax of RM4.9 million compared to a profit before taxation of RM5.9 million in the previous corresponding quarter. The profit before taxation was lower in the current financial quarter under review due to lower HLG Unit Trust service fee income compared to previous corresponding financial quarter. The lower service fee income is due to lower unit trust fund sales in the current quarter.

Financial year-to-date against previous corresponding period

The Hong Leong Credit ("HLC") Group achieved profit before tax of RM350.3 million for the half year ended 31 December 2005 as compared to RM379.3 million in the previous corresponding period, a decrease of RM29.0 million or 7.6%. This was mainly due to lower profit from the Banking division and Stockbroking and Asset Management division but this was offset by the higher profit earned from Insurance division.

The Banking division's profit before tax for the half year ended 31 December 2005 stood at RM333.6 million, a decrease of RM38.8 million as compared to RM372.4 million in the previous corresponding period mainly from higher loan loss provision and higher operating expenses. Net income increased by RM14.2, which was spurred by the growth in net income from Islamic banking as well as other fee income of RM13.5 million.

The Insurance division registered a profit before tax of RM21.3 million for the half year ended 31 December 2005 as compared to RM10.9 million for the previous corresponding period. The increase of RM10.4 million was mainly contributed by higher underwriting profits and higher investment income in the current financial period.

For the half year ended 31 December 2005, the Stockbroking and Asset Management division registered a profit before tax of RM9.3 million compared to RM9.5 million in the previous corresponding period. This was mainly due to lower service fee income received as a result of lower unit trust fund sales.

2. Review of performance of current quarter against preceding quarter

For the current financial quarter under review, the Group recorded a profit before tax of RM147.8 million as compared to RM202.5 million in the preceding financial quarter. This is mainly due to lower profit earned from Banking division.

The Bank division recorded a profit before tax of RM136.1 million as compared to RM197.5 million in the preceding quarter, a decrease of RM61.4 million. Loan loss provision increased by RM42.6 million, mainly from higher specific provision charged.

The Insurance division registered a profit before taxation of RM14.0 million for the current quarter as compared to RM7.4 million in the preceding financial quarter. This was contributed by higher underwriting profit and higher investment income in the current financial quarter.

The Stockbroking and Asset Management division registered a profit before tax of RM4.9 million as compared to RM4.4 million in the preceding financial quarter. The higher profit before tax for the current financial quarter under review was mainly due to debt recoveries in the current financial quarter.

3. Current financial year prospects

Barring unforeseen circumstances, the Group is expected to perform satisfactorily for the remaining part of the financial year.

4. Variance of actual profit from forecasted profit

There was no profit forecast or profit guarantee issued by the Group.

5. Taxation

Provision based on profits for the financial period ended 31 December 2005:

	Group Current Quarter Ended		Group Cumulative Quarter Ended	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Malaysian – current	(49,947)	(57,815)	(103,349)	(118,326)
Overseas – current	(65)	-	(230)	-
Deferred tax expenses				
Malaysian – current	3,987	4,856	(565)	8,791
	(46,025)	(52,959)	(104,144)	(109,535)
Prior year over/(under) provision				
- Malaysian	-	-	-	-
	(46,025)	(52,959)	(104,144)	(109,535)

The effective tax rate for the Group for the current quarter and the financial period is higher than the statutory rate of taxation due to non-availability of full Group tax relief in respect of losses incurred by HLC Group and non-deductibility of certain expenses.

	Company Current Quarter Ended		Company Cumulative Quarter Ended	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Malaysian – current	(42,943)	(38,007)	(42,943)	(38,007)
Overseas – current	-	-	-	-
Deferred tax expenses				
Malaysian – current	-	-	-	-
	(42,943)	(38,007)	(42,943)	(38,007)
Prior year over/(under) provision				
- Malaysian	-	-	-	-
	(42,943)	(38,007)	(42,943)	(38,007)

The effective tax rate for the Company for the current quarter and the financial period is higher than the statutory rate of taxation due to non-deductibility of certain expenses.

6. Sale of properties/unquoted investments

There was no sale of properties and / or unquoted investments during the financial quarter / period under review.

7. Purchase / sale of quoted securities of the Group

There was no other purchase or disposal of quoted securities for the financial period under review other than those purchased or disposed in the ordinary course of business.

8. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report other than mentioned below:

The Company had, on 8 November 2005, announced that the shareholders of the Company had approved the establishment of a new Executive Share Option Scheme ("Scheme") of up to 15% of the issued and paid-up ordinary share capital of the Company.

Approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the new ordinary shares of the Company to be issued pursuant to the exercise of options under the Scheme was obtained on 17 January 2006. The Scheme was established on 23 January 2006.

9. Group borrowings

The Group borrowings include:

	As at 31/12/05 RM'000	As at 30/06/05 RM'000
Short Term – unsecured	177,000	201,000
Long Term – unsecured	270,000	269,098
Total	<u>447,000</u>	<u>470,098</u>

All borrowings are denominated in Ringgit Malaysia.

10. Off-Balance Sheet financial instruments

The Banking Group has incurred the following:

Items	Principal Amount	1 mth or less	>1 – 3 Mths	>3 – 6 Mths	>6 –12 Mths	>1 – 5 Yrs	>5 yrs
RM'000							
Foreign exchange related contracts							
- forwards	1,969,364	1,521,313	256,212	120,503	71,336	-	-
- swaps	1,457,251	1,114,145	183,723	122,024	37,359	-	-
- options	943,627	393,368	400,142	68,748	76,191	5,178	-
Interest rate related contracts							
- forwards							
- futures	11,738,365	41,574	1,286,000	1,174,000	2,462,655	6,774,136	-
- swaps	4,960,372	30,000	48,745	310,000	510,000	4,040,445	21,182
Total	21,068,979	3,100,400	2,174,822	1,795,275	3,157,541	10,819,759	21,182

Foreign exchange, interest rate, equity and commodity related contracts are subject to market risk and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the end of the financial period, the amount of contracts which were not hedged and hence, exposed to foreign exchange and interest rate market risk were RM308,514,000 (FYE June 2005: RM552,922,000) and RM16,699,737,000 (FYE June 2005: RM16,389,047,000) respectively.

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain position. As at the end of the financial period, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM49,686,000 (FYE June 2005: RM69,528,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Related accounting policies

The accounting policies applied for recognising the financial instruments concerned are the same as those applied for the audited annual financial statements.

11. Material litigation

The Company was served with a Writ of Summons dated 21 March 2002 filed by Borneo Securities Holdings Sdn Bhd ("BSH") in relation to the termination of the Sale and Purchase Agreement ("SPA") dated 31 October 2000 between HLG Securities Sdn Bhd ("HLG Sec") and BSH for the proposed acquisition of 100% equity interest in Borneo Securities Sdn Bhd ("BS") for a total purchase consideration of RM88 million comprising RM31 million cash and the balance RM57 million to be satisfied through the issue of new HLG shares to BSH ("Proposed Acquisition"). In conjunction with the Proposed Acquisition, BSH issued a letter to HLC undertaking to give HLC a first right of refusal to purchase any or all of the new HLG shares that BSH may, from time to time, wish to sell ("Undertaking").

In view of the Undertaking, HLC was deemed interested in the Proposed Acquisition and in compliance with the rules on related party transactions of the Bursa Malaysia Securities Berhad, HLC had to abstain from voting at the extraordinary general meeting ("EGM") of HLG convened to consider the Proposed Acquisition. BSH alleged that HLC ought not to have abstained from voting at the EGM and in so doing, had caused the SPA to be terminated. The Company is of the view that the claim is baseless and had appointed lawyers to defend the suit.

Other than the above, there is no pending material litigation.

12. HLC Dividends

The Directors do not recommend the payment of any interim dividend for the current quarter.

For the financial period ended 31 December 2005, total dividend of 8 sen per share less income tax of 28% has been declared (2004/2005: 8 sen per share less income tax of 28%).

13. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit after taxation and minority interest by the weighted average number of ordinary shares in issue during the financial period.

	Group		Group	
	Current Quarter Ended		Financial Period Ended	
	31/12/05	31/12/04	31/12/05	31/12/04
Weighted Average Number Of Ordinary Shares	RM'000	RM'000	RM'000	RM'000
Weighted average number of ordinary shares	1,040,722	1,040,722	1,040,722	1,040,722
Net profit attributable to shareholders of the company	64,349	82,754	154,652	162,635
Basic earnings per share (Sen)	6.2	8.0	14.9	15.6

13. Earnings per share (continued)

(a) Basic earnings per share (continued)

	Company		Company	
	Current Quarter Ended		Financial Period Ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM'000	RM'000	RM'000	RM'000
Weighted Average Number Of Ordinary Shares				
Weighted average number of ordinary shares	1,040,722	1,040,722	1,040,722	1,040,722
Net profit attributable to shareholders of the company	97,828	102,463	96,889	95,694
Basic earnings per share (Sen)	9.4	9.8	9.3	9.2

(b) Fully diluted earnings per share

Diluted earnings per share is calculated by dividing the profit after taxation and minority interest by the weighted average number of ordinary shares (diluted) during the financial period.

	Group		Group	
	Current Quarter Ended		Financial Period Ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM'000	RM'000	RM'000	RM'000
Fully Diluted Weighted Average Number Of Ordinary Shares				
Weighted average no. of shares as at end of financial period	1,040,722	1,040,722	1,040,722	1,040,722
Effect of share options	-	330	-	330
Weighted average number of ordinary shares (Diluted)	1,040,722	1,041,052	1,040,722	1,041,052
Net profit attributable to shareholders of the company	64,349	82,754	154,652	162,635
Fully diluted earnings per share (Sen)	6.2	7.9	14.9	15.6

	Company		Company	
	Current Quarter Ended		Financial Period Ended	
	31/12/05	31/12/04	31/12/05	31/12/04
	RM'000	RM'000	RM'000	RM'000
Fully Diluted Weighted Average Number Of Ordinary Shares				
Weighted average no. of shares as at end of financial period	1,040,722	1,040,722	1,040,722	1,040,722
Effect of share options	-	330	-	330
Weighted average number of ordinary shares (Diluted)	1,040,722	1,041,052	1,040,722	1,041,052
Net profit attributable to shareholders of the company	97,828	102,463	96,889	95,694
Fully diluted earnings per share (Sen)	9.4	9.8	9.3	9.2