

HONG LEONG CREDIT BERHAD (8024-W)

UNAUDITED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2006

GROUP	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Assets		
Cash and short term funds	10,700,918	11,580,037
Deposits and placements with financial institutions	8,542,614	3,647,037
Securities purchased under resale agreements	6,452,634	9,928,492
Securities held-for-trading	3,839,863	2,884,352
Securities available-for-sale	6,127,766	3,035,299
Securities held-to-maturity	1,747,349	1,389,611
Investment properties	190,057	190,057
Loans, advances and financing	27,628,697	25,941,803
Trade receivables	248,490	189,279
Other receivables	628,060	397,716
Statutory deposits with Bank Negara Malaysia	838,174	839,600
Tax recoverable	55,390	21,030
Deferred tax asset	116,109	116,646
Property, plant and equipment	349,205	341,559
Goodwill arising from consolidation	487,518	471,383
Total assets	67,952,844	60,973,901
Liabilities		
Deposits from customers	43,623,487	39,722,456
Deposits and placements of banks and other financial institutions	2,452,366	2,066,162
Obligations on securities sold under repurchase agreements	10,336,381	8,612,248
Floating rate certificates of deposits	-	417,916
Bills and acceptances payable	388,421	568,895
Payables and other liabilities	1,421,104	978,301
Provision for claims	184,119	161,339
Provision for taxation	54,857	44,406
Bank loans and overdrafts	156,300	201,000
Subordinated notes	736,650	-
Long term liabilities	270,000	269,098
Insurance funds	3,285,910	3,037,237
Total Liabilities	62,909,595	56,079,058
Financed by:		
Share capital	1,040,722	1,040,722
Reserves	2,330,735	2,168,955
Shareholders' funds	3,371,457	3,209,677
Minority interest	1,671,792	1,685,166
	5,043,249	4,894,843
Total liabilities and shareholders' funds	67,952,844	60,973,901
Commitment and contingencies	47,185,144	38,398,210
Net assets per share attributable to ordinary equity holders of the parent (RM)*	3.24	3.08

* Net assets per share attributable to ordinary equity holders of the parent (RM) is computed as Total Shareholders' Funds (excluding Minority Interest) divided by total number of ordinary shares in circulation

HONG LEONG CREDIT BERHAD (8024-W)**UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2006**

<u>COMPANY</u>	As at 31/03/06 RM '000	As at 30/06/05 RM '000
<u>Assets</u>		
Cash and short term funds	68,251	21,023
Other receivables	15,415	6,991
Tax recoverable	13,745	14,330
Investment in subsidiary companies	2,047,594	2,047,233
Property, plant and equipment	1,779	1,523
Total assets	2,146,784	2,091,100
<u>Liabilities</u>		
Payables and other liabilities	14,804	10,800
Bank loans and overdrafts	120,300	161,000
Long term liabilities	270,000	269,098
Total Liabilities	405,104	440,898
<u>Financed by:</u>		
Share capital	1,040,722	1,040,722
Reserves	700,958	609,480
Shareholders' funds	1,741,680	1,650,202
Total liabilities and shareholders' funds	2,146,784	2,091,100

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

GROUP	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Interest income	618,645	529,552	1,755,118	1,584,894
Interest expense	(353,746)	(293,149)	(1,028,027)	(864,760)
Net interest income	264,899	236,403	727,091	720,134
Income from Islamic banking business	41,040	39,838	124,342	97,924
Other operating income	169,287	124,538	428,131	354,486
Net income	475,226	400,779	1,279,564	1,172,544
Other operating expenses	(186,798)	(163,648)	(535,077)	(482,289)
Operating profit before provision	288,428	237,131	744,487	690,255
Allowance for losses on loans, advances and financing	(52,451)	(41,827)	(155,086)	(115,785)
Impairment loss	(24)	(690)	(3,178)	(448)
	235,953	194,614	586,223	574,022
Share of results of associated companies	-	-	-	(61)
Profit before taxation and zakat	235,953	194,614	586,223	573,961
Taxation	(68,538)	(53,434)	(172,682)	(162,970)
Zakat	(10)	(15)	(40)	(30)
Profit after taxation and zakat	167,405	141,165	413,501	410,961
Minority interests	(62,385)	(54,402)	(153,829)	(161,563)
Net profit for the period	105,020	86,763	259,672	249,398
Basic earnings per ordinary share (sen)	10.1	8.3	25.0	24.0
Diluted earnings per ordinary share (sen)	10.1	8.3	25.0	24.0

HONG LEONG CREDIT BERHAD (8024-W)**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

COMPANY	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Interest income	137	460	439	1,691
Interest expense	(5,377)	(5,659)	(16,185)	(17,758)
Net interest income	(5,240)	(5,199)	(15,746)	(16,067)
Other operating income	85,869	83,127	239,380	230,493
Net income	80,629	77,928	223,634	214,426
Other operating expenses	(2,115)	(1,439)	(5,287)	(4,236)
Profit before taxation	78,514	76,489	218,347	210,190
Taxation	(23,980)	(21,289)	(66,923)	(59,296)
Net profit for the period	54,534	55,200	151,424	150,894

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

<u>GROUP</u>	31/03/06 RM '000	31/03/05 RM '000
Cash flows from operating activities		
Net profit before taxation	586,223	573,961
Adjustments for :		
Non-cash items	366,142	527,560
Operating profit before working capital changes	<u>952,365</u>	<u>1,101,521</u>
Increase in assets / receivables	(11,674,540)	(8,758,877)
Increase in liabilities / payables	9,355,321	6,358,381
Cash used in operations	<u>(2,319,219)</u>	<u>(2,400,496)</u>
	(1,366,854)	(1,298,975)
Income tax paid	(168,430)	(154,288)
Interest paid	(17,796)	(19,458)
Interest received	1,514	2,225
	<u>(184,712)</u>	<u>(171,521)</u>
Net cash used in operating activities	(1,551,566)	(1,470,496)
Cash flow from investing activities		
Interest received on dealing / investment security	262,374	130,117
Dividends received from investment	5,564	12,469
Proceeds from disposal of subsidiaries	-	10,026
Proceeds from disposal of property, plant and equipment	1,260	16,617
Purchase of property, plant and equipment	(64,375)	(59,555)
Net cash generated from investing activities	204,823	109,674
Cash flow from financing activities		
Dividends paid to shareholder of the Company	(59,946)	(59,946)
Dividends paid to minority interest	(99,858)	(107,376)
Net proceeds from issuance of subordinated notes	736,650	-
Repayment of revolving credit	(44,700)	(6,800)
Purchase of treasury shares in subsidiary company	(61,235)	(229,171)
Net cash generated from financing activities	470,911	(403,293)
Net decrease in cash and cash equivalents	<u>(875,832)</u>	<u>(1,764,115)</u>
Cash and cash equivalents as at 1 July	11,556,472	14,944,024
Effect of change in foreign exchange rate	162	1,030
Cash and cash equivalents as at 31 March	<u>10,680,802</u>	<u>13,180,939</u>
Analysis of cash and cash equivalents as at 31 March		
Cash and short term funds	10,700,918	13,206,492
Overdraft	-	-
	<u>10,700,918</u>	<u>13,206,492</u>
Less: Remisiers' and clients' trust monies	(20,116)	(25,553)
	<u>10,680,802</u>	<u>13,180,939</u>

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

COMPANY	31/03/06 RM '000	31/03/05 RM '000
Cash flows from operating activities		
Net profit before taxation	218,347	210,190
Adjustments for :		
Non-cash items	(223,042)	(213,850)
Operating profit before working capital changes	(4,695)	(3,660)
Decrease / (increase) in assets / receivables	(6,936)	25,152
Increase in liabilities / payables	4,004	(2,811)
Cash used in operations	(2,932)	22,341
	(7,627)	18,681
Income tax refund	-	12,433
Interest paid	(16,185)	(17,758)
Interest received	439	1,691
Net cash used in operating activities	(15,746)	(3,634)
	(23,373)	15,047
Cash flow from investing activities		
Dividends received from investment	172,088	166,116
Proceeds from disposal of property, plant and equipment	1	5
Purchase of additional shares in a subsidiary company	-	(13,794)
Proceeds from liquidation of a subsidiary company	(224)	-
Purchase of property, plant and equipment	(618)	(951)
Net cash generated from investing activities	171,247	151,376
Cash flow from financing activities		
Dividends paid	(59,946)	(59,946)
Repayment of revolving credit	(40,700)	(6,800)
Net cash generated from financing activities	(100,646)	(66,746)
Net decrease in cash and cash equivalents	47,228	99,677
Cash and cash equivalents as at 1 July	21,023	4,833
Cash and cash equivalents as at 31 March	68,251	104,510

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006

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	-	-	(2,603)	(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	-	-	-	-	-	164	-	164
Transfer to statutory reserves	-	-	68,256	-	-	-	(68,256)	-
1st interim dividend	-	-	-	-	-	-	(59,946)	(59,946)
Unrealised loss arising from the change in fair value of available-of-sales securities	-	-	-	(35,150)	-	-	-	(35,150)
Fair value reserve realised on disposal of available-of-sales securities	-	-	-	(1,880)	-	-	-	(1,880)
Deferred tax	-	-	-	(1,079)	-	-	-	(1,079)
Net profit for financial period ended 31 March 2006	-	-	-	-	-	-	259,672	259,672
Closing balance as at 31 March 2006	1,040,722	71,216	939,069	(37,599)	133,258	26,390	1,198,401	3,371,457
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	-	-	-	-	-	677	-	677
Transfer to statutory reserves	-	-	(164,559)	-	-	-	164,559	-
1st interim dividend	-	-	-	-	-	-	(59,946)	(59,946)
Unrealised loss arising from the change in fair value of available-of-sales securities	-	-	-	(1,882)	-	-	-	(1,882)
Fair value reserve realised on disposal of available-of-sales securities	-	-	-	(639)	-	-	-	(639)
Deferred tax	-	-	-	179	-	-	-	179
Net profit for financial period ended 31 March 2005	-	-	-	-	-	-	249,398	249,398
Closing balance as at 31 March 2005	1,040,722	71,216	854,224	(3,793)	87,317	25,750	1,111,569	3,187,005

HONG LEONG CREDIT BERHAD (8024-W)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

	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 March 2006	-	-	-	151,424	151,424
Closing balance as at 31 March 2006	1,040,722	71,216	18,484	611,258	1,741,680
	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 31 March 2005	-	-	-	150,894	150,894
Closing balance as at 31 March 2005	1,040,722	71,216	18,484	575,134	1,705,556

HONG LEONG CREDIT BERHAD ("HLC")

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006

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.

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 materially affected by any 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 in HLC during the financial period ended 31 March 2006.

7. Dividends paid

An interim dividend of 8 sen per share less income tax at 28% amounted to RM59,945,601 was paid by HLC 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, property management, information technology and Internet related business

Group	Banking RM '000	Securities RM '000	Insurance RM '000	Others RM '000	Eliminations RM '000	Consolidated RM '000
31 March 2006						
Revenue						
External sales	1,746,902	47,716	206,771	7,882	-	2,009,270
Intersegment sales	3,524	1,491	6,763	1,165	(12,943)	-
	<u>1,750,426</u>	<u>49,207</u>	<u>213,534</u>	<u>9,046</u>	<u>(12,943)</u>	<u>2,009,270</u>
Results						
Segment results	562,978	16,052	28,712	235,417	(239,139)	604,020
Interest expense						(17,796)
Profit before taxation						586,223
Taxation						(172,722)
Profit after taxation						413,501
Minority interest						(153,829)
Net profit for the period						<u>259,672</u>
Other information						
Segment assets	63,136,802	467,452	4,179,415	126,472	(128,796)	67,781,344
Other corporate assets						171,499
Total consolidated assets						<u>67,952,844</u>
Segment liabilities	58,490,895	250,157	3,774,446	23,404	(110,463)	62,428,438
Other corporate liabilities						481,157
Total consolidated liabilities						<u>62,909,595</u>
Capital expenditure	56,025	892	6,548	910	-	-
Depreciation	41,571	1,192	6,768	444	-	-
Net interest income suspended	13,715	-	-	-	-	-
Loan loss and other provision	155,086	-	-	-	-	-

Group	Banking	Securities	Insurance	Others	Eliminations	Consolidated
31 March 2005	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue						
External sales	1,573,089	64,442	169,033	410	-	1,806,974
Intersegment sales	5,182	2,405	3,671	2,622	(13,880)	-
	<u>1,578,271</u>	<u>66,847</u>	<u>172,704</u>	<u>3,032</u>	<u>(13,880)</u>	<u>1,806,974</u>
Results						
Segment results	558,285	18,741	20,185	233,175	(236,906)	593,480
Share of profits from associates	-	(61)	-	-	-	(61)
Interest expense						(19,458)
Profit before taxation						573,961
Taxation						(163,000)
Profit after taxation						410,962
Minority interest						(161,563)
Net profit for the year						<u>249,398</u>
Other information						
Segment assets	55,184,435	355,876	3,657,374	186,231	(75,803)	59,308,113
Other corporate assets						179,736
Total consolidated assets						<u>59,487,849</u>
Segment liabilities	50,657,030	135,129	3,284,078	13,464	(78,419)	54,011,282
Other corporate liabilities						607,910
Total consolidated liabilities						<u>54,619,192</u>
Capital expenditure	43,741	711	13,855	1,518	-	-
Depreciation	37,525	1,596	8,039	292	-	-
Net interest income suspended	96,057	-	-	-	-	-
Loan loss and other provision	115,785	-	-	-	-	-

9. Securities held-for-trading

	Group	
	As at	As at
	31/03/06	30/06/05
	RM '000	RM '000
<u>At Fair Value</u>		
Malaysian Government Treasury Bills	17,590	107,763
Malaysian Government Securities	59,005	15,692
Bank Negara Malaysia bills	1,498	1,427
Cagamas bonds	165,449	206,652
Bankers' acceptances and Islamic accepted bills	297,985	538,530
Negotiable instruments of deposit	2,687,925	1,670,101
Foreign currency bonds	74,634	1,894
	3,304,086	2,542,059
Quoted securities :		
Shares in Malaysia	478,709	257,597
Unquoted securities :		
Private debt securities	57,068	84,696
Total securities held-for-trading	3,839,863	2,884,352

10. Securities available-for-sale

	Group	
	As at	As at
	31/03/06	30/06/05
	RM '000	RM '000
<u>At Fair Value</u>		
HK Government Exchange Fund	23,720	23,917
Government Treasury Bills	226,339	205,515
Malaysian Government Securities	2,179,282	25,293
Cagamas bonds	1,410,955	1,181,961
Foreign currency bonds	1,098,007	826,974
	4,938,303	2,263,660
Quoted securities :		
Shares and convertible loan stocks	131,080	64,108
Shares outside Malaysia	-	314
Unquoted securities :		
Private debt securities	1,058,383	707,217
Total securities available-for-sale	6,127,766	3,035,299

11. Securities held-to-maturity

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
<u>At Amortised Cost</u>		
Money market instruments :		
Malaysian Government securities	241,630	247,191
Malaysian Government investment certificates	154,486	253,797
Cagamas bonds	440,520	165,323
Foreign currency bonds	11,071	11,486
Foreign currency NCD	-	6,094
Khazanah bonds	4,417	9,027
	<hr/>	<hr/>
	852,124	692,918
Unquoted securities :		
Shares	27,160	27,161
Private debt securities	845,465	622,000
Loan stocks	22,600	47,532
	<hr/>	<hr/>
Total securities held-to-maturity	1,747,349	1,389,611

12. Loans, advances and financing

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Overdrafts	2,898,641	3,107,337
Term loans :		
- Housing loans/financing	12,977,047	11,047,892
- Syndicated term loan/financing	1,609,885	1,743,830
- Hire purchase receivables	6,536,557	6,423,928
- Lease receivables	22,491	8,015
- Other term loans/financing	1,125,817	1,133,780
Credit/charge card receivables	1,057,838	943,832
Bills receivables	303,428	354,378
Trust receipts	140,786	192,550
Claims on customers under acceptance credits	2,087,183	2,002,016
Block discounting	16,432	37,137
Revolving credits	603,075	580,792
Policy and premium loans	410,160	358,943
Staff loans	120,221	129,145
Other loans/financing	60,252	80,348
	29,969,813	28,143,923
Unearned interest and income	(1,312,368)	(1,323,989)
	28,657,445	26,819,934
Allowance for bad and doubtful debts and financing :		
- general	(414,646)	(412,877)
- specific	(614,102)	(465,254)
Net loans, advances and financing	27,628,697	25,941,803

12. Loans, advances and financing (continued)

12a By type of customer

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Domestic banking institutions	149	153
Domestic non-bank financial institutions	101,446	65,748
Domestic business enterprises		
- Small and medium enterprises	3,867,195	4,577,643
- Others	5,036,159	4,429,596
Government and statutory bodies	116,986	116,132
Individuals	18,584,786	16,617,003
Other domestic entities	39,476	49,385
Foreign entities	911,248	964,274
Gross loans, advances and financing	<u>28,657,445</u>	<u>26,819,934</u>

12b By interest/profit rate sensitivity

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Fixed rate		
- Housing loans/financing	2,682,692	2,641,038
- Hire purchase receivables	5,799,845	5,722,477
- Other fixed rate loan/financing	3,914,272	3,532,290
Variable rate		
- Base lending rate plus	13,140,723	11,615,037
- Cost plus	722,376	685,760
- Other variables rates	2,397,537	2,623,332
Gross loans, advances and financing	<u>28,657,445</u>	<u>26,819,934</u>

12. Loans, advances and financing (continued)

12c By economic sector

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Agriculture	260,155	245,910
Mining and quarrying	35,951	36,513
Manufacturing	2,232,147	2,326,718
Electricity, gas and water	24,628	33,408
Construction	584,648	826,888
Real Estate	361,814	298,259
Purchase of landed properties		
(of which : - residential	9,828,733	8,445,304
- non-residential)	3,009,483	2,460,381
General commerce	1,992,977	1,862,706
Transport, storage and communication	287,594	273,484
Finance, insurance and business services	513,266	559,196
Purchase of securities	714,432	838,974
Purchase of transport vehicles	4,952,922	4,861,113
Consumption credit	2,311,891	2,119,050
Others	1,546,804	1,632,030
Gross loans, advances and financing	28,657,445	26,819,934

12. Loans, advances and financing (continued)

12d Non-performing loans by sector

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Agriculture	5,702	4,253
Mining and quarrying	3,212	2,965
Manufacturing	280,823	279,311
Electricity, gas and water	582	685
Construction	136,265	265,392
Real estate	90,618	34,291
Purchase of landed properties		
(of which : - residential	366,213	352,820
- non-residential)	175,368	126,539
General commerce	108,999	121,484
Transport, storage and communication	41,648	48,071
Finance, insurance and business services	130,651	140,662
Purchase of securities	40,896	29,163
Purchase of transport vehicles	136,525	132,400
Consumption credit	81,139	77,785
Others	39,131	41,862
Gross loans, advances and financing	<u>1,637,772</u>	<u>1,657,683</u>

12. Loans, advances and financing (continued)

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

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
At beginning	1,657,683	2,148,297
Non-performing during the period/year	2,439,494	2,634,676
Reclassified as performing	(2,026,707)	(1,971,777)
Amount written back in respect of recoveries	(377,159)	(549,807)
Amount written off	(55,697)	(605,478)
Exchange differences	158	1,772
Closing balance	1,637,772	1,657,683
Specific allowance	(614,102)	(465,254)
Net non-performing loans, advances and financing	1,023,670	1,192,429
Net NPL as a % of gross loans, advances and financing less specific allowance	3.7%	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 31/03/06 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	1,667	45,697
Exchange differences	102	225
Closing balance	414,646	412,877
As % of gross loans, advances and financing less specific allowance	1.5%	1.6%
<u>Specific Allowance</u>		
At beginning	465,254	868,043
Allowance made during the period/year	271,246	304,207
Amount written back in respect of recoveries	(66,873)	(101,309)
Amount written off	(55,879)	(605,675)
Amount transferred to provision for diminution in value	-	(904)
Exchange differences	354	892
Closing balance	614,102	465,254

13. Other receivables

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Interest/Income receivable	162,032	162,327
Other debtors, deposits and prepayments	463,019	232,230
Foreclosed properties	3,009	3,159
	628,060	397,716

	Company	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Amount due from subsidiary companies	8,688	6,217
Amount due from related companies	-	503
Other debtors, deposits and prepayments	6,727	271
	15,415	6,991

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 31/03/06 RM '000	As at 30/06/05 RM '000
Fixed deposits	26,496,476	28,661,901
Negotiable instruments of deposit	6,266,512	1,095,999
Demand deposits	4,161,851	3,717,928
Savings deposits	6,426,504	6,100,599
Other	272,145	146,029
	43,623,487	39,722,456
	43,623,487	39,722,456

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

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
One year or less (short term)	32,615,087	29,684,046
More than one year (medium/long term)	147,901	73,854
	32,762,988	29,757,900
	32,762,988	29,757,900

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

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Government and statutory bodies	1,175,337	318,002
Business enterprises	14,549,461	12,940,007
Individuals	25,560,518	25,241,952
Others	2,338,171	1,222,495
	43,623,487	39,722,456
	43,623,487	39,722,456

16. Deposits and placements of banks and other financial institutions

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Licensed banks	2,452,366	2,066,162

The maturity structure of fixed deposits and negotiable instruments :

One year or less (short term)	2,452,366	2,066,162
More than one year (medium/long term)	-	-
	<u>2,452,366</u>	<u>2,066,162</u>

17. Floating Rate Certificate of Deposits

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Floating rate certificate of deposits - USD110 million	-	417,916
	<u>-</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 matured on 20 March 2006.

18. Subordinated Bonds

	Group	
	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Subordinated Bonds		
- USD200 million	736,650	-
	<hr/> <hr/>	<hr/> <hr/>
	736,650	-

On 3 August 2005, the Banking subsidiary company, Hong Leong Bank (“the Bank” or “HLB”) 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 Banking Group and the Bank.

19. Payables and other liabilities

Group

	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Trade payables	319,742	190,794
Amount due to related companies	803	1,593
Other payables and accrued liabilities	778,180	472,702
Interest payable	316,191	307,072
Post employment benefits obligations - defined contribution plan	6,188	6,140
	<u>1,421,104</u>	<u>978,301</u>

Company

	As at 31/03/06 RM '000	As at 30/06/05 RM '000
Amount due to subsidiary companies	9,905	783
Amount due to related companies	-	-
Other payables and accrued liabilities	111	3,945
Interest payable	4,724	6,012
Post employment benefits obligations - defined contribution plan	63	60
	<u>14,804</u>	<u>10,800</u>

20. Interest income

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Loan, advances and financing				
- Interest income other than recoveries from NPLs	301,726	273,530	886,208	865,489
- recoveries from NPLs	52,787	61,341	136,645	164,036
Money at call and deposit placements with financial institutions	127,903	62,544	318,895	263,516
Securities purchased under resale agreement	44,155	63,619	171,121	63,619
Securities held-for-trading	38,914	29,721	95,515	93,242
Securities available-for-sale	56,356	37,282	149,994	134,746
Securities held-to-maturity	7,435	-	22,187	789
Others	1,809	2,236	7,981	16,123
	<u>631,084</u>	<u>530,274</u>	<u>1,788,546</u>	<u>1,601,560</u>
Amortisation of premium less accretion of discount	(8,034)	1,066	(19,713)	(11,551)
Interest suspended	(4,405)	(1,788)	(13,715)	(5,115)
	<u>618,645</u>	<u>529,552</u>	<u>1,755,118</u>	<u>1,584,894</u>

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Money at call and deposit placements with financial institutions	137	267	439	849
Others	-	193	-	841
	<u>137</u>	<u>460</u>	<u>439</u>	<u>1,691</u>

21. Interest expense

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Deposits and placements of banks and other financial institutions	84,089	55,493	230,744	148,916
Deposits from customers	254,254	231,087	753,088	695,549
Borrowings	5,841	6,161	17,361	19,404
Subordinated bonds	9,180	-	25,581	-
Others	383	408	1,254	891
	353,746	293,149	1,028,027	864,760

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Borrowings	5,377	5,658	15,952	17,744
Others	-	-	233	14
	5,377	5,658	16,185	17,758

22. Other operating income

	Group		Group	
	Current quarter ended 31/03/06 RM '000	31/03/05 RM '000	Cumulative quarter ended 31/03/06 RM '000	31/03/05 RM '000
(a) Net income from Insurance Business:	17,865	17,593	60,702	47,600
(b) Net brokerage and commissions from Stockbroking Business:	5,068	4,207	14,227	16,027
(c) Net unit trust and asset management income:	7,185	7,725	17,644	18,561
(d) Fee income:				
Management fees	196	-	740	460
Commissions	12,755	21,045	49,412	57,322
Service charges and fees	13,056	7,283	27,041	22,137
Guarantee fees	1,139	1,087	4,225	4,288
Other fee income	41,712	31,085	114,186	101,063
	68,858	60,499	195,605	185,270
(e) Gain/(loss) arising from sale of securities:				
Net gain from sale of securities held-for-trading	8,895	3,401	20,266	13,797
Net gain from sale of securities available-for-sale	25,312	18,311	34,030	49,410
Net gain from sale of securities held-to-maturity	235	(353)	4,277	421
	34,442	21,359	58,573	63,628
(f) Gross dividend income from:				
Securities held-for-trading	3,168	2,041	3,458	2,532
Securities available-for-sale	(1,855)	(893)	1,365	821
Securities held-to-maturity	-	-	741	325
	1,313	1,148	5,564	3,678
(g) Unrealised gain/(losses) on revaluation of securities held-for-trading and derivatives	6,444	(6,397)	8,488	(15,960)
(h) Other income:				
Foreign exchange gain/(loss)	22,790	13,198	54,553	26,961
Rental income	63	89	135	161
Gain/(loss) on disposal of property and equipment	289	470	570	2,136
Others	4,971	4,647	12,070	6,424
	28,113	18,404	67,328	35,682
Total other operating income	169,287	124,538	428,131	354,486

22. Other operating income (continued)

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
(a) Fee income:				
Management fees	225	9	225	27
(b) Gross dividend income from:				
Subsidiary companies	85,641	83,068	239,011	230,158
(c) Other income:				
Others	4	50	144	308
Total other operating income	85,869	83,127	239,380	230,493

23. Other operating expenses

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	84,332	77,676	245,205	231,203
- Others	7,534	7,925	20,647	25,737
<u>Establishment costs</u>				
- Depreciation	19,685	14,634	55,380	43,756
- Rental	9,683	8,377	28,372	25,805
- Information technology expenses	8,252	5,958	23,439	17,209
- Others	11,160	13,622	29,564	32,690
<u>Marketing expenses</u>				
- Advertisement and publicity	6,624	7,226	24,936	20,658
- Handling fees	3,798	3,710	14,113	9,768
- Others	8,020	6,754	21,121	17,805
<u>Administration and general expenses</u>				
- Teletransmission expenses	2,359	1,284	6,263	6,225
- Stationery & printing	4,043	5,048	11,907	11,868
- Others	21,308	11,434	54,130	39,565
	186,798	163,648	535,077	482,289

23. Other operating expenses (continued)

	Company		Company	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	1,060	749	2,825	2,413
- Others	143	185	391	261
<u>Establishment costs</u>				
- Depreciation	131	94	361	234
- Rental	78	21	227	171
- Others	123	8	148	104
<u>Administration and general expenses</u>				
- Teletransmission expenses	8	4	19	15
- Stationery & printing	1	1	28	40
- Others	572	375	1,288	998
	<u>2,115</u>	<u>1,439</u>	<u>5,287</u>	<u>4,236</u>

24. Allowance for losses on loans, advances and financing

	Group		Group	
	Current quarter ended		Cumulative quarter ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	3,980	10,253	1,666	33,677
- specific allowance	91,156	66,302	271,247	204,090
- specific allowance written back	(25,840)	(20,735)	(66,873)	(53,685)
Bad debts and financing written off	1,631	61,142	5,826	4,396
Bad debts and financing recovered	(18,476)	(75,135)	(56,780)	(72,693)
	<u>52,451</u>	<u>41,827</u>	<u>155,086</u>	<u>115,785</u>

25. Capital adequacy

BNM guidelines require the Banking subsidiary company 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 March 2006 and 30 June 2005 met the minimum requirement.

	As at 31/03/2006 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	942,359	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	(335,609)	(274,375)
Less : Deferred Tax	(114,263)	(114,886)
As previously stated	-	(115,204)
Prior year adjustments	-	318
Total tier 1 capital	4,193,071	4,281,832
Tier - 2 capital		
General provision	414,646	412,817
Subordinated bonds	736,650	-
Total tier 2 capital	1,151,296	412,817
Total capital base	5,344,367	4,694,649
<u>Before deducting proposed dividends</u>		
Core Capital Ratio	13.62	15.84
Risk-weighted Capital Ratio	17.36	17.37
<u>After deducting proposed dividends</u>		
Core Capital Ratio	13.62	15.21
Risk-weighted Capital Ratio	17.36	16.74

26. Events after Balance Sheet date

There were no material events subsequent to the end of the financial period ended 31 March 2006.

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.
- Hong Leong Bank ("the Bank" or "HLB") 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 31/03/2006			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	178,426	178,426	178,426	161,538	161,538	161,538
Transaction-related contingent items	232,276	116,138	116,138	308,963	154,482	154,481
Short-term self liquidating trade-related contingencies	619,545	123,909	123,909	469,936	93,987	93,188
Other assets sold with recourse and commitment	1,810	1,810	1,810	-	-	-
Irrevocable commitments to extend credit :						
-maturity more than 1 year	4,161,410	2,080,705	2,080,705	4,122,753	2,061,377	2,061,377
-maturity less than 1 year	10,765,269	-	-	9,181,257	-	-
Foreign exchange related contracts	8,013,077	196,950	98,475	7,639,221	158,934	80,269
Interest rate related contracts	23,120,937	188,998	94,499	16,389,047	74,294	37,147
Equity related contracts	71,194	1,068	-	106,922	1,604	-
Miscellaneous	499	-	-	694	-	-
Total	47,164,443	2,888,004	2,693,962	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 March 2006.

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 March 2006	Non-trading Book					Non- interest sensitive RM'000	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				
Assets									
Cash and short term funds	8,681,121	-	-	-	-	648,824	-	9,329,945	3.3
Deposits & placement with banks & other financial institutions	-	7,973,819	517,720	-	-	-	-	8,491,539	3.3
Securities purchased resale agreements	3,397,077	3,005,637	49,920	-	-	-	-	6,452,634	3.3
Securities held-for-trading	-	-	-	-	-	-	3,398,396	3,398,396	3.4
Securities available-for-sale	46,363	203,601	306,656	4,058,220	653,729	50,945	-	5,319,514	4.4
Securities held-to-maturity	31,743	58,780	244,982	624,618	17,940	98,735	-	1,076,798	5.5
Loans, advances and financing									
- performing	14,262,436	1,415,902	2,289,306	4,620,797	4,021,018	-	-	26,609,459	6.4
- non-performing	-	-	-	-	-	609,024	-	609,024	-
Other assets	-	-	-	-	-	462,503	-	462,503	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	838,174	-	838,174	-
Investment in subsidiary companies	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	257,359	-	257,359	-
Deferred tax assets	-	-	-	-	-	114,030	-	114,030	-
Total assets	26,418,740	12,657,739	3,408,584	9,303,635	4,692,687	3,079,594	3,398,396	62,959,375	
Liabilities									
Deposits from customers	1,879,873	19,666,598	7,526,857	10,317,571	107,837	4,214,229	-	43,712,965	2.7
Deposits & placement of banks & other financial institutions	1,232,510	720,555	499,090	-	-	211	-	2,452,366	3.2
Obligations on securities sold under repurchase agreements	9,056,917	1,279,464	-	-	-	-	-	10,336,381	3.1
Bills and acceptance payable	15,954	10,787	5,230	17	-	356,433	-	388,421	3.1
Floating rate certificate of deposits	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	920,454	-	920,454	-
Subordinated Bonds	-	-	-	-	736,650	-	-	736,650	5.2
Total liabilities	12,185,254	21,677,404	8,031,177	10,317,588	844,487	5,491,327	-	58,547,237	
Shareholders' funds	-	-	-	-	-	4,412,138	-	4,412,138	-
Total liabilities and shareholders' funds	12,185,254	21,677,404	8,031,177	10,317,588	844,487	9,903,465	-	62,959,375	
On-balance sheet profit sensitivity gap	14,233,486	(9,019,665)	(4,622,593)	(1,013,953)	3,848,200	(6,823,871)	3,398,396	-	-
Off-balance sheet profit sensitivity gap	(815,000)	(1,562,063)	(91,400)	2,809,163	(340,700)	-	-	-	-
Total profit sensitivity gap	13,418,486	(10,581,728)	(4,713,993)	1,795,210	3,507,500	(6,823,871)	3,398,396	-	

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 March 2006

	Group	
	As at 31/03/2006 RM'000	As at 30/06/2005 RM'000
<u>ASSETS</u>		
Cash and short-term funds	210,000	1,461,250
Deposits and placements with banks and other financial institutions	1,464,710	191,396
Securities - Held for trading	284,184	300,339
Securities - Available for sale	154,880	373,406
Securities - Held to maturity	612,951	-
Financing, advances and other financing	3,854,589	3,402,467
Other assets	193,941	17,563
Statutory deposits with Bank Negara Malaysia	171,474	51,150
Property, plant and equipment	2,162	105
Deferred tax assets	18,398	18,723
Total Assets	<u>6,967,289</u>	<u>5,816,399</u>
<u>LIABILITIES AND SHAREHOLDERS' FUNDS</u>		
Deposits from customers	5,468,041	4,889,360
Deposits and placements of banks and other financial institutions	225,256	91,750
Obligations on securities sold under repurchase agreements	579,162	246,600
Bills and acceptance payable	796	562
Other liabilities	160,363	125,472
Provision for taxation	1,266	38,373
Total Liabilities	<u>6,434,884</u>	<u>5,392,117</u>
Islamic banking capital fund	500,000	310,127
Reserves	32,405	114,155
Islamic Banking Funds	<u>532,405</u>	<u>424,282</u>
Total Liabilities and Islamic Banking Funds	<u>6,967,289</u>	<u>5,816,399</u>
<u>COMMITMENTS AND CONTINGENCIES</u>		
	<u>379,623</u>	<u>344,662</u>

31. Operations of Islamic Banking (continued)

31b Unaudited Income Statements for the 3rd Quarter and Cumulative 9 Months Ended 31 March 2006

	Current quarter ended		Current quarter ended	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of deposits' funds and others	76,270	61,699	216,760	172,124
Income derived from investment of shareholders' funds	7,669	4,927	21,062	13,757
Allowance for losses on financing	(6,215)	(8,882)	(15,369)	(17,853)
Provision for commitments and contingencies	-	-	-	-
Impairment loss	-	-	-	-
Profit equalisation reserve	1,500	3,355	5,475	(2,218)
Other expenses directly attributable to the investment of the deposits and shareholders' funds	-	-	-	-
Total distributable income	79,224	61,099	227,928	165,810
Income attributable to deposits	(44,398)	(30,144)	(118,710)	(85,740)
Total net income	34,826	30,955	109,218	80,070
Other operating expenses	(20,372)	(4,327)	(62,409)	(8,694)
Profit before taxation and zakat	14,454	26,628	46,809	71,376
Zakat	(10)	(15)	(40)	(30)
Taxation	(3,960)	(14,249)	(13,091)	(19,986)
Profit after taxation and zakat	10,484	12,364	33,678	51,360
Profit attributable to shareholders	10,484	12,364	33,678	51,360
Earnings per share - basic (sen)	2.10	3.99	6.74	16.56
Earnings per share - fully diluted (sen)	2.10	3.99	6.74	16.56

31. Operations of Islamic Banking (continued)

31c Financing, advances and other financing

(i) By type

	Group	
	As at 31/03/2006 RM'000	As at 30/06/2005 RM'000
Cash line	8,147	10,056
Term financing		-
- House financing	918,125	939,212
- Hire purchase receivable	3,404,261	2,898,064
- Lease receivable	15,694	-
- Other term financing	550,735	548,741
Bills receivable		-
Trust receipts	52	-
Claims on customers under acceptance credits	28,046	17,347
Staff financing	131	126
Revolving credit	2,908	3,050
Others	1,508	56
	<u>4,929,607</u>	<u>4,416,652</u>
Less: Unearned income	<u>(989,708)</u>	<u>(946,113)</u>
	3,939,899	3,470,539
Less: Allowance for bad and doubtful financing		
- General	(58,707)	(55,009)
- Specific	(26,603)	(13,063)
Total net financing, advances and other financing	<u><u>3,854,589</u></u>	<u><u>3,402,467</u></u>

(ii) By contract

	Group	
	As at 31/03/2006 RM'000	As at 30/06/2005 RM'000
Bai' Bithaman Ajil (deferred payment sale)	948,710	930,530
Ijarah (lease)	14	-
Ijarah Muntahia Bittamlik/AITAB (lease ended with ownership)	2,983,369	2,518,694
Murabahah (cost-plus)	7,806	21,315
	<u><u>3,939,899</u></u>	<u><u>3,470,539</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 31/03/2006 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	176,033	207,494
Reclassified as performing	(145,405)	(178,589)
Amount recovered	(23,730)	(31,759)
Amount written off		(24,410)
At end	<u>77,335</u>	<u>70,437</u>
Net non-performing financing, advances and other financing	<u>50,732</u>	<u>57,374</u>
Ratio of net non-performing financing, advances and other financing to total net financing, advances and other financing	<u>1.3%</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 31/03/2006 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)	3,698	16,208
At end	<u>58,707</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	17,894	15,805
Amount recovered	(4,288)	(6,160)
Amount written off	(66)	(26,707)
At end	<u>26,603</u>	<u>13,063</u>

31. Operations of Islamic Banking (continued)

31d Deposits from customer

By type of deposit

	Group	
	As at 31/03/2006 RM'000	As at 30/06/2005 RM'000
Non-Mudharabah		
Demand deposits	113,055	117,778
Savings deposits	390,408	529,808
Negotiable instruments of deposit	1,591,320	-
Others	1,484	233
	<u>2,096,267</u>	<u>647,819</u>
Mudharabah		
Demand deposits	51,578	-
Saving deposits	212,611	-
General investment deposits	3,107,585	4,241,541
	<u>3,371,774</u>	<u>4,241,541</u>
	<u>5,468,041</u>	<u>4,889,360</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 reported
	RM '000	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 March 2005		
Other operating income	354,486	361,490
Net income	1,172,544	1,179,548
Operating profit	690,255	697,259
Profit before tax expense and zakat	573,961	580,965
Tax expense and zakat	(163,000)	(164,835)
Profit after taxation and zakat	410,961	416,130
Minority interest	(161,563)	(163,395)
Net profit for the period	<u>249,398</u>	<u>252,735</u>
Earnings per share		
Basic (sen)	24.0	24.3
Fully diluted (sen)	24.0	24.3

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 March 2006	
Securities held-for-trading	4,858
Securities available-for-sale	5,372
Insurance funds	(982)
Deferred tax asset	(3,248)
Reserves	7,064
Minority interest	<u>1,070</u>
(ii) Income statement for the period ended 31 March 2006	
Other operating income	8,757
Net income	8,757
Operating profit	8,757
Profit before tax expense and zakat	8,757
Tax expense and zakat	(2,452)
Profit after tax expense	6,305
Minority interest	(417)
Net profit for the period	<u>5,888</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

For the quarter ended 31 March 2006, the Group recorded a profit before tax of RM236.0 million as compared to RM194.6 million in the previous financial quarter, an increase of RM41.4 million or 21.3%. The higher profit before tax in the financial quarter was due to higher profit from Banking division.

The Banking division recorded a profit before tax of RM229.4 million as compared to RM185.9 million in the preceding quarter, an increase of RM43.5 million. Net income increased by RM68.0 million which was spurred by the growth in business volume with non interest income increasing by 45% or RM41.1 million and net income from Islamic Banking Business increasing by RM1.2 million.

The Insurance division registered a lower profit before tax of RM7.2 million as compared to RM9.3 million in the previous financial quarter, a decrease of RM2.1 million. This was mainly contributed by lower underwriting profit as a result of higher claims.

The Stockbroking and Asset Management division registered a lower profit before tax of RM5.4 million as compared to RM6.6 million in the previous corresponding financial quarter. This was due to lower HLG Unit Trust service fee income as a result of 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 RM586.2 million for the period ended 31 March 2006 as compared to RM574.0 million in the previous corresponding period, an increase of RM12.2 million or 2.1%. This was mainly due to higher profit from the Banking division and Insurance division but this was partly offset by the lower profit earned from Stockbroking and Asset Management division.

The Banking division's profit before tax for the period ended 31 March 2006 stood at RM563.0 million, an increase of RM4.7 million as compared to RM558.3 million in the previous corresponding period. Net interest income grew by RM1.2 million mainly due to assets growth. Non interest income increased by RM54.7 million while net income from Islamic Banking increased by RM26.4 million

The Insurance division registered a profit before tax of RM28.5 million for the period ended 31 March 2006 as compared to RM20.2 million for the previous corresponding period. The increase of RM8.3 million was mainly contributed by higher investment income in the current financial period.

For the period ended 31 March 2006, the Stockbroking and Asset Management division registered a profit before tax of RM14.6 million compared to RM16.1 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 and lower non-agency income.

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 RM236.0 million as compared to RM147.8 million in the preceding financial quarter. This is mainly due to higher profit earned from Banking division.

The Banking division recorded a profit before tax of RM229.4 million as compared to RM136.1 million in the preceding quarter, an increase of RM93.3 million. Net income increased by RM77.7 million while loan loss provision was lower by RM20.2 million mainly from lower specific and general provision charged.

The Insurance division registered a profit before tax of RM7.2 million for the current quarter as compared to RM14.3 million in the preceding financial quarter. This was contributed by lower underwriting profit and lower investment income in the current financial quarter.

The Stockbroking and Asset Management division registered a profit before tax of RM5.4 million as compared to RM4.9 million in the preceding financial quarter. The higher profit before tax for the current financial quarter under review was mainly due higher brokerage income as a result of better market sentiment.

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 March 2006:

	Group Current Quarter Ended		Group Cumulative Quarter Ended	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Malaysian – current	(67,756)	(54,031)	(171,105)	(172,357)
Overseas – current	(491)	-	(721)	-
Deferred tax expenses				
Malaysian – current	(291)	761	(856)	9,552
	(68,538)	(53,270)	(172,682)	(162,805)
Prior year over/(under) provision - Malaysian	-	(165)	-	(165)
	(68,538)	(53,435)	(172,682)	(162,970)

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-deductibility of certain expenses.

	Company Current Quarter Ended		Company Cumulative Quarter Ended	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Malaysian – current	(23,980)	(21,289)	(66,923)	(59,296)
Overseas – current	-	-	-	-
Deferred tax expenses				
Malaysian – current	-	-	-	-
	(23,980)	(21,289)	(66,923)	(59,296)
Prior year over/(under) provision - Malaysian	-	-	-	-
	(23,980)	(21,289)	(66,923)	(59,296)

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 in HLC.

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 15 March 2006, announced the proposed acquisition by Hong Leong Bank ("HLB"), a subsidiary of the Company, of one (1) block of six (6) storey built commercial office building located at Petaling Jaya, State of Selangor from PJ City Development Sdn Bhd (formerly known as HLMC Management Co Sdn Bhd) for a cash consideration of RM86,294,200 ("Proposed Acquisition").

The Proposed Acquisition had been approved by Bank Negara Malaysia vide its letter dated 20 January 2006. The Proposed Acquisition is now conditional upon the following approvals:-

- a. the Foreign Investment Committee;
- b. the shareholders of HLB; and
- c. the shareholders of Hong Leong Credit Berhad, the holding company of HLB, pursuant to Section 132E of the Companies Act, 1965.

9. Group borrowings

The Group borrowings include:

	As at 31/03/06 RM'000	As at 30/06/05 RM'000
Short Term – unsecured	156,300	201,000
Long Term – unsecured	270,000	269,098
Total	426,300	470,098

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	3,111,744	1,872,484	486,672	697,094	55,494	-	-
- swaps	3,606,135	2,027,372	578,745	629,468	-	-	370,550
- options	1,295,198	582,039	584,807	80,878	47,474	-	-
Interest rate related contracts							
- forwards							
- futures	14,997,944	-	1,762,795	1,447,000	3,331,228	8,456,921	-
- swaps	8,122,993	10,000	300,000	360,000	500,000	6,561,673	391,320
Total	31,134,014	4,491,895	3,713,019	3,214,440	3,934,196	15,018,594	761,870

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 RM447,821,000 (FYE June 2005: RM552,922,000) and RM20,230,193,910 (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 RM61,399,932 (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

- (a) For the financial period ended 31 December 2005, a first interim 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%).
- (b) A second interim dividend of 10 sen per share tax-exempt has been recommended during the third quarter.
 - (i) Amount per share: 10 sen per share (tax-exempt)
 - (ii) Previous corresponding quarter: 10 sen per share (tax-exempt)
 - (iii) Entitlement date: 8 June 2006
 - (iv) Payment date: 28 June 2006
- (c) Total dividend for the financial period: 8 sen per share less income tax at 28% and 10 sen per share tax-exempt (2004/2005: 8 sen per share less income tax at 28% and 10 sen per share tax-exempt).

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	
	31/03/06	31/03/05	31/03/06	31/03/05
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	105,020	86,763	259,672	249,398
Basic earnings per share (Sen)	10.1	8.3	25.0	24.0

	Company		Company	
	Current Quarter Ended		Financial Period Ended	
	31/03/06	31/03/05	31/03/06	31/03/05
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	54,534	55,200	151,424	150,894
Basic earnings per share (Sen)	5.2	5.3	14.5	14.5

13. Earnings per share (continued)

(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	
	31/03/06	31/03/05	31/03/06	31/03/05
	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	105,020	86,763	259,672	249,398
Fully diluted earnings per share (Sen)	10.1	8.3	25.0	24.0

	Company		Company	
	Current Quarter Ended		Financial Period Ended	
	31/03/06	31/03/05	31/03/06	31/03/05
	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	54,534	55,200	151,424	150,894
Fully diluted earnings per share (Sen)	5.2	5.3	14.5	14.5

