



## General Announcement

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### Company Information

Main Market Company

New Announcement

**Submitting Investment  
 Bank/Advisor (if applicable)**

**Submitting Secretarial Firm (if  
 applicable)**

* Company name	HONG LEONG BANK BERHAD
* Stock name	HLBANK
* Stock code	5819
* Contact person	Ms Christine Moh Suat Moi
* Designation	Company Secretary
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**Type \***

**Announcement**

**Subject \*:**

PROPOSED JOINT VENTURE BETWEEN HONG LEONG BANK BERHAD AND BANK OF CHENGDU CO., LTD TO OPERATE A LICENSED CONSUMER FINANCE COMPANY IN PEOPLE'S REPUBLIC OF CHINA

**Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.**

**Contents \*:-**

*(This field is to be used for the summary of the announcement)*

Hong Leong Bank Berhad ("HLB" or the "Bank") wishes to announce that the Bank had, on 2 November 2009, entered into a joint venture agreement with Bank of Chengdu Co., Ltd ("BOCD") to form a joint venture company to be known as Sichuan Jincheng Consumer Finance Limited Liability Company ("JV Co") to operate a licensed consumer finance company in Chengdu, Sichuan, the People's Republic of China ("PRC") ("Proposed JV"). HLB will have 49% equity interest whilst BOCD will have the balance 51% equity interest in the JV Co.

HLB has 20% equity interest in BOCD, a commercial bank with 31 branches and 116 outlets in Chengdu, Sichuan. BOCD has the fourth largest network in the locality and its presence extends to 12 districts in Chengdu. A capital city of Sichuan province, Chengdu is the centre for politics, economics, finance and culture in Sichuan. It has been declared as the high-technology, business and trade, finance as well as transportation and communication hub by the State Council of South-West China.

The JV Co's business will principally be in consumer financing. The registered capital of the JV Co shall be Renminbi ("RMB") 320 million (approximately RM160 million) and HLB's contribution shall be RMB156.8 million (approximately RM78.4 million), which will be financed from internally generated funds. HLB shall pay its contribution within thirty (30) days from the issuance of the certificate of approval on the incorporation of the JV Co by the relevant approving authorities.

The Proposed JV represents a strategic alliance between HLB and BOCD to tap the promising and growing financial services sector of the PRC.

HLB and BOCD will leverage on their respective advantages and use their best efforts to assist the JV Co in carrying out its business. On its part, HLB will provide the JV Co with inter alia personnel and technical expertise and support on areas such as product development, risk management and information technology; personnel training; assistance in formulating and implementing internal management and accounting system; and technical input and advice on finance and marketing policies.

The Proposed JV will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of HLB. The Proposed Joint Venture is not expected to have any material effect on the net assets and earnings of HLB for the financial year ending 30 June 2010 but is expected to contribute positively to the future earnings of the HLB Group.

Bank Negara Malaysia's approval for the Proposed JV was obtained on 12 October 2009. The Proposed JV is now subject to the approval of the China Banking Regulatory Commission and other relevant regulatory authorities, where applicable. The Proposal JV does not require the approval of the shareholders of HLB.

None of the directors and / or substantial shareholders of HLB and / or persons connected to the directors or substantial shareholders have any interest, whether directly or indirectly, in the Proposed JV. The Directors of HLB are of the opinion that the Proposed JV is in the best interest of the HLB Group.

This announcement is dated 2 November 2009.

**Announcement Details :-**

*(This field is for the details of the announcement, if applicable)*

**Attachment(s):- (please attach the attachments here)**

- No Attachment Found -

**Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:**

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