

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED
30 JUNE 2004**

The Board of Directors is pleased to announce the unaudited financial results of the Group for the interim financial period ended 30 June 2004.

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | Note | 3 months ended | | 6 months ended | |
|--|------|------------------|------------------|------------------|------------------|
| | | 30/06/04 | 30/06/03 | 30/06/04 | 30/06/03 |
| | | Unaudited | | Unaudited | |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 1,152,877 | 1,272,275 | 2,286,706 | 2,749,144 |
| Operating expenses | | (1,028,753) | (1,147,729) | (2,051,390) | (2,486,644) |
| Other operating income | | (1,041) | 16,818 | 20,357 | 18,479 |
| Profit from operations | | 123,083 | 141,364 | 255,673 | 280,979 |
| Finance cost | | (17,239) | (5,300) | (31,836) | (11,382) |
| Share of results of associates | | 4,497 | 4,978 | 8,181 | 11,154 |
| Profit before tax | | 110,341 | 141,042 | 232,018 | 280,751 |
| Tax | 13 | (32,675) | (38,477) | (72,000) | (81,477) |
| Profit after tax | | 77,666 | 102,565 | 160,018 | 199,274 |
| Minority interests | | (31,327) | (37,631) | (66,250) | (72,116) |
| Net profit attributable to shareholders | | 46,339 | 64,934 | 93,768 | 127,158 |
| | | sen | sen | sen | sen |
| Earnings per share: | 25 | | | | |
| - Basic | (a) | 18.66 | 28.03 | 37.96 | 54.92 |
| - Diluted | (b) | 18.65 | 28.03 | 37.86 | 54.92 |

The Condensed Consolidated Income Statements should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2003.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

| | Note 26 | Unaudited As At 30/06/04 RM'000 | Audited As At 31/12/2003 RM'000 |
|---|------------|--|--|
| ASSETS | | | |
| Cash and bank balances and deposits with financial institutions | | 4,319,292 | 3,703,815 |
| Dealing securities | | 87,276 | 161,168 |
| Investments | (i) | 3,719,409 | 4,459,460 |
| Loans, advances and financing | (ii) | 21,757,398 | 21,288,355 |
| Inventories | | 276,379 | 357,928 |
| Receivables | (iii) | 959,404 | 990,261 |
| Tax recoverable | | 24,879 | 49,086 |
| Statutory deposits with Bank Negara Malaysia | | 905,001 | 898,361 |
| Associates | | 152,856 | 151,539 |
| Property, plant and equipment | | 491,374 | 474,792 |
| Deferred tax assets | | 140,887 | 137,896 |
| | | <u>32,834,155</u> | <u>32,672,661</u> |
| LIABILITIES | | | |
| Deposits from customers | (iv) | 21,058,857 | 20,522,860 |
| Deposits and placements of banks and other financial institutions | | 4,913,788 | 5,594,009 |
| Obligations on securities sold under repurchase agreements | | 213,781 | 402,119 |
| Bills and acceptances payable | | 938,894 | 1,114,764 |
| Taxation | | 88,050 | 76,669 |
| Payables | (v) | 892,826 | 1,219,129 |
| Amounts due to associates | | 20,765 | 11,825 |
| Borrowings | | 1,135,632 | 290,563 |
| Provisions for liabilities and charges | | 19,379 | 18,154 |
| Deferred tax liabilities | | 10,217 | 10,119 |
| | | <u>29,292,189</u> | <u>29,260,211</u> |
| SHARE CAPITAL | | 248,584 | 244,714 |
| RESERVES | | <u>2,088,533</u> | <u>2,012,948</u> |
| SHAREHOLDERS' FUNDS | | 2,337,117 | 2,257,662 |
| MINORITY INTERESTS | | <u>1,204,849</u> | <u>1,154,788</u> |
| | | 3,541,966 | 3,412,450 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | <u>32,834,155</u> | <u>32,672,661</u> |
| | | RM | RM |
| Net tangible assets per share | | <u>9.40</u> | <u>9.23</u> |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2003.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <u>Note</u> | <u>Non-distributable</u> | | | | <u>Distributable</u> | | <u>Total</u> RM'000 |
|---|-------------|--------------------------------|--------------------------------|-------------------------------------|--|---------------------------------|------------------------------------|------------------------|
| | | <u>Share Capital</u> RM'000 | <u>Share Premium</u> RM'000 | <u>Statutory Reserves</u> RM'000 | <u>Currency Translation Reserves</u> RM'000 | <u>Other Reserves</u> RM'000 | <u>Retained Earnings</u> RM'000 | |
| (Unaudited) | | | | | | | | |
| At 1 January 2004 | | 244,714 | 461,978 | 302,412 | 3,842 | - | 1,244,716 | 2,257,662 |
| Movements in equity during the period | | | | | | | | |
| Share of associates' reserves | | - | - | - | (322) | - | - | (322) |
| Incidental costs in connection with the distribution of EON Capital Berhad shares | | | | | | | (62) | (62) |
| Net losses not recognised in the income statement | | - | - | - | (322) | - | (62) | (384) |
| Net profit for the period | | - | - | - | - | - | 93,768 | 93,768 |
| Transfer to statutory reserve | | - | - | 29,812 | - | - | (29,812) | - |
| Dividends | 7 | - | - | - | - | - | (39,376) | (39,376) |
| Issue of shares | | | | | | | | |
| - exercise of share options | 6 | 3,870 | 21,577 | - | - | - | - | 25,447 |
| At 30 June 2004 | | 248,584 | 483,555 | 332,224 | 3,520 | - | 1,269,234 | 2,337,117 |
| (Unaudited) | | | | | | | | |
| At 1 January 2003 | | 231,423 | 387,939 | 223,243 | 54,454 | 43,665 | 1,330,414 | 2,271,138 |
| Movements in equity during the period | | | | | | | | |
| Share of associates' reserves | | - | - | - | (515) | - | - | (515) |
| Reserve on consolidation | | - | - | - | - | - | 4,581 | 4,581 |
| Currency translation differences | | - | - | - | (11) | - | - | (11) |
| Reserves realised on partial divestment of interest in an investment* | | - | - | - | (1,019) | (865) | 1,884 | - |
| Net (losses)/gains not recognised in income statement | | - | - | - | (1,545) | (865) | 6,465 | 4,055 |
| Net profit for the period | | - | - | - | - | - | 127,158 | 127,158 |
| Dividends | | - | - | - | - | - | (66,650) | (66,650) |
| Issue of shares | | | | | | | | |
| - exercise of share options | | 720 | 4,815 | - | - | - | - | 5,535 |
| At 30 June 2003 | | 232,143 | 392,754 | 223,243 | 52,909 | 42,800 | 1,397,387 | 2,341,236 |

* These reserves were in respect of the Group's residual interest in Jardine Cycle & Carriage Ltd (formerly known as Cycle & Carriage Ltd) after the completion of the partial divestment in the previous year.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2003.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | Unaudited 6 months ended 30/06/04 RM'000 | Unaudited 6 months ended 30/06/03 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net profit attributable to shareholders | 93,768 | 127,158 |
| Adjustments for investing and financing items and non-cash items: | | |
| Tax | 72,000 | 81,477 |
| Minority interests | 66,250 | 72,116 |
| Profit retained in associates | (8,181) | (11,154) |
| Depreciation | 24,618 | 24,462 |
| Other investing and financing items and non-cash items | 116,854 | 78,243 |
| Operating profit before working capital changes | 365,309 | 372,302 |
| Increase in loans, advances and financing | (642,502) | (661,636) |
| Increase in deposits from customers and deposits and placements of banks and other financial institutions | (144,224) | 1,402,344 |
| Net changes in other working capital | (532,731) | (823,016) |
| Cash generated from/(used in) operations | (954,148) | 289,994 |
| Add/(Less) : | | |
| Interest received | 945 | 1,232 |
| Interest paid | (85) | (981) |
| Income tax paid, net of refund | (34,097) | (127,981) |
| Net cash flow from/(used in) operating activities | <u>(987,385)</u> | <u>162,264</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Dividends and interest received from investment securities | 94,150 | 92,257 |
| Dividends received from associates | 5,012 | 8,423 |
| Proceeds from sale of property, plant and equipment | 2,975 | 3,264 |
| Deposit paid in connection with the proposed acquisition of an investment * | (11,900) | - |
| Acquisition of additional shares in a subsidiary | - | (65,126) |
| Additional investment in an associate | (1,110) | (4,934) |
| Proceeds from sale of investment securities, net of purchases | 752,042 | (382,442) |
| Purchase of property, plant and equipment | (40,682) | (39,743) |
| Net cash flow from /(used in) investing activities | <u>800,487</u> | <u>(388,301)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issuance of shares | 25,447 | 5,535 |
| Proceeds from issuance of Subordinated Notes | 843,079 | - |
| Repayment of borrowings | - | (130,997) |
| Payment of interest on bonds | (9,336) | (9,349) |
| Payment of finance lease | (1,188) | (991) |
| Payment of cash dividends | (55,565) | (66,650) |
| Payment of incidental costs in connection with the distribution of shares in EON Capital Berhad | (62) | - |
| Net cash flow from/ (used in) financing activities | <u>802,375</u> | <u>(202,452)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 615,477 | (428,489) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 3,703,815 | 2,838,259 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>4,319,292</u> | <u>2,409,770</u> |

* This was in respect of deposit paid by the banking group in connection with the proposed acquisition of Leong & Company Sdn Bhd.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2003.

EDARAN OTOMOBIL NASIONAL BERHAD
EXPLANATORY NOTES TO THE FINANCIAL REPORT

Disclosure requirements pursuant to Malaysian Accounting Standards Board No. 26

1. Basis of preparation and Accounting policies

The interim financial report is prepared in accordance with the Malaysian Accounting Standards Board (MASB) No. 26 (Interim Financial Reporting) and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group's annual financial report for the year ended 31 December 2003.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2003.

2. Audit report of the preceding annual financial statements

The audit report of the Group's preceding audited annual financial statements did not contain any qualification.

3. Seasonality or cyclicity of operations

The business operations of the Group are not materially affected by seasonal or cyclical fluctuations.

4. Items of unusual nature, size or incidence

There were no items of unusual nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the interim financial report.

5. Changes in estimates

There were no material change in estimates of amounts reported in prior financial years that have a material effect on the interim financial statements.

6. Debt and equity securities

During the current interim financial period, a total of 3,870,000 new ordinary shares were issued by virtue of the exercise of the Employee's Share Option Scheme.

Other than the above and the issuance of Subordinated Notes by a subsidiary as disclosed in Note 17 (a), there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities and, no share buy-backs, shares held as treasury shares and resale of treasury shares during the current interim financial period.

7. Dividends paid

The final dividend of 22 sen per share less income tax at 28% amounting to RM39,376,000 for the financial year ended 31 December 2003 was paid on 14 June 2004.

8. Segment reporting

| | 6 months ended | | | |
|------------------------------------|----------------|-----------|-------------------|----------|
| | Revenue | | Profit Before Tax | |
| | 30/06/04 | 30/06/03 | 30/06/04 | 30/06/03 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Motor | 1,367,696 | 1,820,114 | 32,642 | 66,390 |
| Financial services | 925,757 | 935,309 | 191,195 | 203,207 |
| | 2,293,453 | 2,755,423 | 223,837 | 269,597 |
| Share of results of associates | - | - | 8,181 | 11,154 |
| Inter-segment revenue eliminations | (6,747) | (6,279) | - | - |
| | 2,286,706 | 2,749,144 | 232,018 | 280,751 |

9. Property, plant and equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. Subsequent events

EON Capital Berhad (ECB) group ceased to be a subsidiary of the Company on 7 July 2004, being the entitlement date for the distribution of ECB shares.

The distribution of ECB shares to the entitled shareholders of the Company via dividends in specie and capital repayment was completed on 14 July 2004.

11. Changes in the composition of the group

There was no change in the composition of the Group during the interim reporting period. Subsequent to the end of the reporting period, ECB group ceased to be a subsidiary of the Company as disclosed in Note 10.

12. Commitments and contingent liabilities of the banking group

There were no material commitments and contingent liabilities other than those of the banking group as disclosed below. No material losses are anticipated as these amounts arose in the normal course of business of the banking group in which the group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers.

Risk Weighted Exposures of the banking group are as follows:

| | As at 30/6/2004 | | As at 31/12/2003 | |
|---|------------------|-------------------|------------------|-------------------|
| | Principal Amount | Credit Equivalent | Principal Amount | Credit Equivalent |
| Principal Amount | RM'000 | RM'000 | RM'000 | RM'000 |
| Direct credit substitutes | 300,348 | 300,348 | 382,039 | 382,039 |
| Certain transaction-related contingent items | 612,625 | 306,313 | 679,048 | 339,524 |
| Short term self-liquidating trade-related contingencies | 177,188 | 35,438 | 177,572 | 35,514 |
| Obligations under underwriting agreement | 560,929 | 280,465 | 609,450 | 304,725 |
| Irrevocable commitments to extend credit: | | | | |
| - maturing within one year | 5,080,000 | - | 4,575,807 | - |
| - maturing more than one year | 1,505,140 | 752,570 | 1,637,414 | 818,707 |
| Foreign exchange related contracts | | | | |
| - maturing less than one year | 2,947,977 | 39,794 | 1,454,540 | 31,907 |
| Interest rate related contracts | | | | |
| - maturing more than one year | 855,000 | 34,200 | - | - |
| Others | 189,801 | - | 252,268 | - |
| Total | 12,229,008 | 1,749,128 | 9,768,138 | 1,912,416 |

The credit equivalent is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

Additional disclosure requirements pursuant to paragraph 9.22 of the Bursa Malaysia Listing Requirements

13. Tax

| | 3 months ended | | 6 months ended | |
|-------------------------------|----------------|----------|----------------|----------|
| | 30/06/04 | 30/06/03 | 30/06/04 | 30/06/03 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Tax comprises the following: | | | | |
| Current tax | 37,091 | 48,254 | 76,638 | 88,893 |
| Share of associates' tax | 1,234 | 1,143 | 2,640 | 3,504 |
| Deferred tax income | (1,266) | (4,575) | (2,894) | (4,575) |
| | 37,059 | 44,822 | 76,384 | 87,822 |
| Over provision in prior years | (4,384) | (6,345) | (4,384) | (6,345) |
| | 32,675 | 38,477 | 72,000 | 81,477 |

The effective tax rate of the Group was higher than the statutory tax rate due to certain charges and provisions not allowable for tax purposes.

14. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and properties for the current interim financial period.

15. Purchase or disposal of quoted securities

The following particulars on quoted securities (other than securities in existing subsidiaries and associates) do not include any investments undertaken by the financial institutions of the Group:-

| | 3 months ended 30/06/04 RM'000 | 6 months ended 30/06/04 RM'000 |
|---|---|---|
| (a) Total purchases and disposal of quoted securities are as follows: | | |
| (i) Total purchase consideration | - | - |
| (ii) Total sale proceeds / redemptions | - | - |
| (iii) Total profit/loss arising from disposals | - | - |
| | | As at 30/06/04 RM'000 |
| (b) Total investments in quoted securities are as follows: | | |
| (i) At cost | | 7,255 |
| (ii) At carrying value / book value | | 7,255 |
| (iii) At market value | | 6,840 |

16. Status of corporate proposals

Disposals of equity interest in Leong & Company Sdn Bhd and MCIC Holdings Sdn Bhd

All relevant approvals have been obtained for the disposal of the Company's entire 30% equity interest in Leong & Company Sdn Bhd and 5% equity interest in MCIC Holdings Sdn Bhd, and the disposals are expected to be completed by end of September 2004.

17. Group borrowings and debt securities

| | As at 30/06/04 RM'000 |
|---|-----------------------------|
| (a) Subordinated Notes (long-term borrowings, unsecured) (Note 1) | 844,034 |
| (b) Bonds (long-term borrowings, secured) (Note 2) | 291,598 |
| | <u>1,135,632</u> |

Note 1

On 21 January 2004, EON Bank Berhad (EBB), a wholly-owned subsidiary of ECB, issued USD225 million (equivalent to RM855 million) nominal value Subordinated Notes ('Notes') with a fixed coupon rate of 5.375% per annum payable semi-annually in arrears in July and January each year (subject to the revision of interest as explained below) which would mature on 21 January 2014.

The Bank may, at its option, but subject to the prior approval from Bank Negara Malaysia, redeem all of the Notes, at any time on or after the fifth (5) year from the Issue Date at the principal amount together with accrued interest. Should the Bank decide not to exercise its call option on the fifth (5) year from the Issue Date, the coupon rate will be revised to be equivalent to 3.95% above the US Treasury Rate per annum from the beginning of the sixth (6) year to the final maturity date.

The Notes are rated Baa3 by Moody's Investors Service Limited and BB+ by Fitch Ratings Ltd and listed on the Luxembourg Stock Exchange. The net proceeds arising from the issuance of the Notes would be utilised for general banking purposes.

The Notes constitute unsecured liabilities of the Bank and are subordinated to all deposit liabilities and all other liabilities, except those liabilities, which by their terms rank equally in rights of payment with the Notes. The Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank.

Note 2

On 12 December 2002, ECB, a subsidiary of the Company, issued RM300 million nominal amount of secured fixed rate bonds, which were rated A₂ by Rating Agency Malaysia Berhad. The ratings were reaffirmed in July 2003. The bonds were issued at a discount in three tranches as follows:

- (a) 5.25% RM50 million nominal value secured fixed rate 3 year bonds, maturing on 12 December 2005;
- (b) 6.00% RM100 million nominal value secured fixed rate 5 year bonds, maturing on 12 December 2007; and
- (c) 6.75% RM150 million nominal value secured fixed rate 7 year bonds, maturing on 12 December 2009.

18. Financial instruments with off balance sheet risk

As at the date of this report, the Group does not have any financial instruments with off balance sheet risk.

19. Material litigation

As at the date of this report, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group.

20. Profit before tax for the current quarter compared to the immediate preceding quarter

The Group's profit before tax of RM110.3 million for the current quarter was lower than the preceding quarter by 9.3% mainly due to lower earnings from the financial services sector. The financial services sector recorded lower interest and non-interest income mitigated by lower provisions for loan losses. This was partly offset by improved earnings from the motor sector due to lower overheads.

21. Review of performance for the current interim financial period compared to the corresponding period in the preceding year

The Group recorded profit before tax of RM232.0 million on a Group revenue of RM2,286.7 million for the first six months of 2004, lower by 17.4% and 16.8% respectively compared to the corresponding period in 2003. This was due to lower earnings from the motor sector as well as the financial services sector.

Motor

Earnings from the Group's motor operations of RM32.6 million was 50.8% lower than the corresponding period in 2003 resulting from the decline in Proton new car sales volume which fell by 25.8% to 31,621 units, partly offset by lower overheads.

Total passenger car market registered a growth of 8.5% to 174,996 units in the first half of the year from 161,253 units in the same period in 2003 largely attributable to the non-national marques. National car sales were lower as Proton sales volume fell by 8.8% and market share was reduced from 53.0% to 44.5%.

The Company's sale of Proton cars continue to be affected by supply constraints.

Financial services

The Group's financial services sector recorded a profit before tax of RM191.2 million, lower by 5.9% compared to the corresponding period in 2003 arising mainly from higher provisions for loan losses partly offset by higher non-interest income.

22. Prospects

Following the completion of the distribution of ECB shares to the shareholders, the earnings of the banking group will no longer form part of the Group's earnings commencing July 2004.

The Malaysian Automotive Association expects demand for passenger cars to remain strong, supported by the positive economic outlook, anticipated new model launches from the national and non-national marques and the prevailing low interest rates. In addition, consumer confidence has improved given clearer government direction over the implementation of AFTA. In view of this, total industry volume for passenger cars is forecast to grow by 7% for 2004, up from the earlier forecast of 4.4%.

The Company's Proton sales are expected to increase in the second half of the year subject to stock availability.

The Group's sales of Inokom/Hyundai cars, albeit small are expected to grow in line with the opening of new branches nationwide. The Group also successfully launched the Audi Hangar which together with the introduction of new models will further promote the Audi brand.

The Company recently announced that it is currently in talks with Mitsubishi on the future possibility of distributing Mitsubishi cars in Malaysia. The Group will continue to pursue various profit improvement plans and new business opportunities including new distributorships/dealerships of other marques as well as cost control initiatives to enhance its earnings.

23. Profit forecast / profit guarantee

The Group neither made any profit forecast nor issued any profit guarantee.

24. Dividends

(a) Dividend in specie and capital repayment of ECB shares

The distribution of ECB shares via dividend in specie and capital repayment to depositors registered on the Record of Depositors at the close of business on 7 July 2004 was completed on 14 July 2004.

Pursuant to the dividend in specie of ECB shares, shareholders of EON received their entitlement on the basis of 28.1 ECB shares for every 100 EON Shares held.

Pursuant to the capital repayment of ECB shares, shareholders of EON received their entitlement on the basis of 111.5 ECB shares for every 100 EON Shares held.

(b) Interim dividend

The Board of Directors is pleased to declare an interim gross dividend of 10 sen per share less 28% tax (2003 - 6 sen per share less 28% tax) in respect of the financial year ending 31 December 2004 which is proposed to be paid on 8 October 2004.

NOTICE IS HEREBY GIVEN that the Interim Gross Dividend of 10 sen per share less 28% tax will be payable on 8 October 2004, to depositors registered in the Records of Depositors at the close of business on 17 September 2004.

A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred to the Depositor's Securities Account on or before 4:00pm on 17 September 2004 in respect of ordinary transfers.

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

25. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

| | | 3 months ended | | 6 months ended | |
|---|----------|----------------|-------------|----------------|-------------|
| | | 30/06/04 | 30/06/03 | 30/06/04 | 30/06/03 |
| Net profit attributable to shareholders | (RM'000) | 46,339 | 64,934 | 93,768 | 127,158 |
| Weighted average number of ordinary shares in issue | | 248,275,156 | 231,662,490 | 247,034,656 | 231,542,656 |
| Basic earnings per share | (sen) | 18.66 | 28.03 | 37.96 | 54.92 |

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period adjusted for dilutive shares issueable in respect of share options under the Company's ESOS.

| | | 3 months ended | | 6 months ended | |
|--|----------|----------------|-------------|----------------|-------------|
| | | 30/06/04 | 30/06/03 | 30/06/04 | 30/06/03 |
| Net profit attributable to shareholders | (RM'000) | 46,339 | 64,934 | 93,768 | 127,158 |
| Weighted average number of ordinary shares in issue | | 248,275,156 | 231,662,490 | 247,034,656 | 231,542,656 |
| Adjustment for share option | | 250,000 | - | 607,000 | - |
| Weighted average number of ordinary shares in issue for diluted earnings per share | | 248,525,156 | 231,662,490 | 247,641,656 | 231,542,656 |
| Diluted earnings per share | (sen) | 18.65 | 28.03 | 37.86 | 54.92 |

For the quarter and year-to-date ended 30 June 2003, the weighted average number of ordinary shares in issue were not adjusted as the conversion of share options under the Company's ESOS would be anti-dilutive.

Other disclosures**26 Notes to the balance sheet**

| | As At 30/06/04 RM'000 | As At 31/12/2003 RM'000 |
|---|-----------------------------|-------------------------------|
| (i) Investments | | |
| Money market instruments | 2,544,036 | 3,310,479 |
| Non money market instruments | 1,175,373 | 1,148,981 |
| | <u>3,719,409</u> | <u>4,459,460</u> |
| The maturity structure of the money market instruments are as follows: | | |
| Maturity within one year | 361,272 | 1,030,133 |
| Maturity more than one year | 2,182,764 | 2,280,346 |
| | <u>2,544,036</u> | <u>3,310,479</u> |
| (ii) Loans, advances and financing | | |
| Gross loans, advances and financing | 23,132,163 | 22,550,008 |
| Less : Allowance for bad and doubtful debts and financing, and interest in suspense | <u>(1,374,765)</u> | <u>(1,261,653)</u> |
| Net loans, advances and financing | <u>21,757,398</u> | <u>21,288,355</u> |
| The maturity structure of gross loans, advances and financing are as follows: | | |
| Maturity within one year | 6,358,828 | 6,141,842 |
| Maturity more than one year | 16,773,335 | 16,408,166 |
| | <u>23,132,163</u> | <u>22,550,008</u> |
| (iii) Receivables | | |
| Trade receivables | 113,429 | 78,584 |
| Other receivables, deposits and prepayments: | | |
| - non-banking group | 22,956 | 22,798 |
| - banking group | 823,019 | 888,879 |
| | <u>959,404</u> | <u>990,261</u> |
| (iv) Deposits from customers | | |
| Demand deposits and savings deposits | 4,003,869 | 3,732,761 |
| Fixed deposits | 17,054,988 | 16,790,099 |
| | <u>21,058,857</u> | <u>20,522,860</u> |
| The maturity structure of fixed deposits are as follows: | | |
| Maturity within one year | 16,371,981 | 15,927,456 |
| Maturity more than one year | 683,007 | 862,643 |
| | <u>17,054,988</u> | <u>16,790,099</u> |
| (v) Payables | | |
| Trade payables | 194,107 | 176,480 |
| Other payables | | |
| - non-banking group | 82,569 | 69,071 |
| - banking group | 342,932 | 401,410 |
| Amount due to Cagamas Berhad | 273,218 | 572,168 |
| | <u>892,826</u> | <u>1,219,129</u> |

BY ORDER OF THE BOARD
NOOR AZWAH SAMSUDIN
Company Secretary

Shah Alam, 27 August 2004