

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial year ended 31 December 2004.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		12 months ended	
		31/12/04	31/12/03	31/12/04	31/12/03
		Unaudited		Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue		796,525	1,024,201	3,901,173	4,987,051
Operating expenses		(789,682)	(908,945)	(3,638,130)	(4,503,982)
Other operating income		5,193	13,265	30,697	88,644
Profit from operations		12,036	128,521	293,740	571,713
Finance cost		(37)	(5,120)	(31,916)	(21,719)
Share of results of associates		3,901	3,819	20,185	20,348
Net gain on disposal of investments		-	-	18,519	9,339
Profit before tax		15,900	127,220	300,528	579,681
Tax	13	(4,167)	(26,294)	(86,251)	(153,454)
Profit after tax		11,733	100,926	214,277	426,227
Minority interests		-	(43,716)	(66,250)	(163,791)
Net profit attributable to shareholders		11,733	57,210	148,027	262,436
		sen	sen	sen	sen
Earnings per share:	25				
- Basic	(a)	4.71	23.45	59.71	111.47
- Diluted	(b)	4.71	23.37	59.71	111.47

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

	Unaudited As At 31/12/04 RM'000	Audited * As At 31/12/2003 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	306,848	298,600
Investments	13,709	16,190
Associates	111,984	151,539
Deferred tax assets	8,794	5,772
CURRENT ASSETS		
Inventories	211,526	357,928
Receivables	256,440	101,382
Tax recoverable	885	43,892
Cash and bank balances and deposits with financial institutions	557,842	411,634
	1,026,693	914,836
CURRENT LIABILITIES		
Payables	242,903	244,971
Amounts due to associates	15,884	11,825
Taxation	15,857	5,659
Provisions for liabilities and charges	8,852	6,862
	283,496	269,317
NET CURRENT ASSETS	743,197	645,519
NON-CURRENT LIABILITIES		
Deferred tax liabilities	10,059	10,119
Provision for retirement benefits	8,172	8,687
Long-term lease payables	1,056	580
	19,287	19,386
<u>DISCONTINUED OPERATIONS</u>		
BANKING ASSETS		
Cash and bank balances and deposits with financial institutions		3,292,181
Dealing securities		161,168
Investments		4,443,270
Loans, advances and financing		21,288,355
Statutory deposits with Bank Negara Malaysia		898,361
Receivables		888,879
Tax recoverable		5,194
Deferred tax assets		132,124
Property, plant and equipment		176,192
		31,285,724
BANKING LIABILITES		
Deposits from customers		20,522,860
Deposits and placements of banks and other financial institutions		5,594,009
Obligations on securities sold under repurchase agreements		402,119
Bills and acceptances payable		1,114,764
Taxation		71,010
Payables		973,578
Provision for retirement benefits		2,605
Borrowings		290,563
		28,971,508
NET BANKING ASSETS		2,314,216
	1,165,245	3,412,450

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 31/12/04 RM'000	Audited * As At 31/12/2003 RM'000
SHARE CAPITAL	248,993	244,714
RESERVES	916,252	2,012,948
SHAREHOLDERS' FUNDS	1,165,245	2,257,662
MINORITY INTERESTS	-	1,154,788
	1,165,245	3,412,450
	-	-
	RM	RM
Net tangible assets per share	4.68	9.23

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.

- * The banking assets and liabilities have been segregated in the balance sheet to reflect the discontinued operations following the distribution of EON Capital Berhad shares to the shareholders as disclosed in Note 4.

EDARAN OTOMOBIL NASIONAL BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Non-distributable				Distributable	Total RM'000	
		Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Currency Translation Reserves RM'000	Other Reserves RM'000		Retained Earnings 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					1,836	-	-	1,836
Currency translation differences		-	-	-	16	-	-	16
Effects on the distribution of EON Capital Berhad (ECB) shares				(332,224)			(92,946)	(425,170)
Incidental costs in connection with the distribution of ECB shares							(2,020)	(2,020)
Net (losses)/gains not recognised in the income statement		-	-	(332,224)	1,852	-	(94,966)	(425,338)
Net profit for the period							148,027	148,027
Transfer to statutory reserve				29,812			(29,812)	-
Dividends	7						(215,047)	(215,047)
Issue of shares								
- exercise of share options	6	4,279	21,899					26,178
- bonus issue	6	626,237	(475,510)				(150,727)	-
Cancellation of bonus shares	6	(626,237)					-	(626,237)
At 31 December 2004		248,993	8,367	-	5,694	-	902,191	1,165,245
(Audited)								
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					843		(153)	690
Reserve on consolidation							4,582	4,582
Currency translation differences					55		-	55
Reserves realised on partial divestment of interest in an investment*					(51,510)	(43,665)	129,993	34,818
Incidental costs in connection with the dividend-in specie of Jardine Cycle & Carriage Ltd shares							(2,401)	(2,401)
Net (losses)/gains not recognised in income statement		-	-	-	(50,612)	(43,665)	132,021	37,744
Net profit for the period							262,436	262,436
Transfer to statutory reserve				79,169			(79,169)	-
Dividends							(400,986)	(400,986)
Issue of shares								
- exercise of share options		13,291	74,039					87,330
At 31 December 2003		244,714	461,978	302,412	3,842	-	1,244,716	2,257,662

* 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 12 months ended 31/12/04 RM'000	Audited 12 months ended 31/12/03 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit attributable to shareholders	148,027	262,436
Adjustments for investing and financing items and non-cash items:		
Tax	86,251	153,454
Minority interests	66,250	163,791
Profit retained in associates	(20,185)	(20,348)
Depreciation	35,809	50,229
Other investing and financing items and non-cash items	81,363	33,583
Operating profit before working capital changes	397,515	643,145
Increase in loans, advances and financing	(668,797)	(1,218,085)
Increase in deposits from customers and deposits and placements of banks and other financial institutions	320,496	635,375
Net changes in other working capital	(601,530)	973,186
Cash generated from/(used in) operations	(552,316)	1,033,621
Add/(Less) :		
Interest received	8,723	1,698
Interest paid	(165)	(1,006)
Income tax paid, net of refund	(27,900)	(236,305)
Net cash flow from operating activities	<u>(571,658)</u>	<u>798,008</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and interest received from investment securities	94,279	226,842
Dividends received from associates	26,891	10,266
Proceeds from sale of property, plant and equipment	4,407	5,861
Proceeds from divestment of interest in an associate	48,135	-
Acquisition of additional shares in a subsidiary	-	(65,126)
Additional investment in an associate	(1,110)	(8,583)
Proceeds from sale of investment securities, net of purchases	754,780	153,896
Purchase of property, plant and equipment	(52,373)	(70,522)
Cash and cash equivalents of EON Capital group excluded following the distribution of the shares.	(4,231,972)	-
Net cash flow from investing activities	<u>(3,356,963)</u>	<u>252,634</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares	26,178	87,330
Proceeds from issuance of Subordinated Notes	843,079	-
Repayment of borrowings	-	(130,997)
Payment of interest on bonds	(9,336)	(18,750)
Payment of finance lease	(1,782)	(1,137)
Payment of cash dividends	(73,471)	(119,131)
Payment of incidental costs in connection with the distribution of shares in EON Capital Berhad	(2,020)	(2,401)
Net cash flow from financing activities	<u>782,648</u>	<u>(185,086)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,145,973)	865,556
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>557,842</u>	<u>3,703,815</u>
<u>Represented by:</u>		
Cash and cash equivalents included in banking assets	-	3,292,181
Cash and cash equivalents included in non-banking assets	557,842	411,634
	<u>557,842</u>	<u>3,703,815</u>

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.

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 other than as disclosed below:

(a) The distribution of EON Capital Berhad (ECB) shares to the shareholders via dividend in specie and capital repayment which was completed on 14 July 2004.

(b) The disposals of the Company's entire equity interest in Leong & Co. Sdn Bhd (L&C) and MCIC Holdings Sdn Bhd (MCIC) which were completed on 1 September 2004 and 30 September 2004 respectively.

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 financial year, a total of 4,279,000 new ordinary shares were issued by virtue of the exercise of the Employee's Share Option Scheme which expired on 5 October 2004.

Pursuant to the capital repayment of ECB shares to the shareholders, a total of 626,237,823 ordinary shares were issued as bonus shares and immediately cancelled. The credits arising from the cancellation were applied towards the distribution of ECB shares under the capital repayment exercise.

Other than the above and the issuance of the Subordinated Notes by ECB group prior to the distribution of ECB shares to the shareholders, 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 financial year.

7. Dividends paid

Dividends paid by the Company during the current financial year were as follows:

	Gross per share	Dividend net of 28% tax
	Sen	RM'000
Final dividend in respect of the year ended 31 December 2003, paid on 14 June 2004.	22	39,376
Dividend in specie of ECB shares on the basis of 28.1 ECB shares for every 100 EON Shares held, paid on 14 July 2004.	88	157,765
Interim dividend in respect of the year ending 31 December 2004, paid on 8 October 2004.	10	17,906
	120	215,047

8. Segment reporting

	12 months ended			
	Revenue		Profit Before Tax	
	31/12/04	31/12/03	31/12/04	31/12/03
	RM'000	RM'000	RM'000	RM'000
Motor	2,982,163	3,135,858	70,629	99,463
Share of results of associates	-	-	20,185	20,348
Net gain on disposal of investments			18,519	9,339
	2,982,163	3,135,858	109,333	129,150
<u>Discontinued operations</u>				
Financial services (see Note 11)	925,757	1,862,020	191,195	450,531
Inter-segment revenue eliminations	(6,747)	(10,827)	-	-
	3,901,173	4,987,051	300,528	579,681
	-	-	-	-

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

On 31 January 2005, the Company announced that the Letter of Intent with Volkswagen AG which expired on 31 December 2004 will not be renewed.

11. Changes in the composition of the group

Following the distribution of ECB shares and the disposal of the Company's entire 30% interest in L&C, ECB group and L&C ceased to be a subsidiary and an associate of the Company on 7 July 2004 and 30 September 2004 respectively.

Accordingly, the results of ECB group and L&C no longer form part of the Group's earnings with effect from July 2004 and October 2004 respectively.

12. Commitments and contingent liabilities

There were no material commitments and contingent liabilities as at the end of the current financial year.

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

13. Tax

	3 months ended		12 months ended	
	31/12/04	31/12/03	31/12/04	31/12/03
	RM'000	RM'000	RM'000	RM'000
Tax comprises the following:				
Current tax	5,718	37,666	90,851	159,226
Share of associates' tax	1,799	700	5,959	5,804
Deferred tax	(3,315)	5,828	(6,140)	12,739
	4,202	44,194	90,670	177,769
Over provision in prior years	(35)	(17,900)	(4,419)	(24,315)
	4,167	26,294	86,251	153,454
	-	-	-	-

The effective tax rate for the current quarter is lower than the statutory tax rate due to deferred tax assets taken up in respect of previous periods' unutilised tax losses while the effective tax rate for the year is higher due to certain charges and provisions not allowable for tax purposes.

14. Sale of unquoted investments and/or properties

Other than the sale of investments in L&C and MCIC as disclosed in Note 4, there were no sales of unquoted investments and properties for the current financial year.

	3 months ended	12 months ended
	31/12/04	31/12/04
	RM'000	RM'000
Total profit arising from disposals	-	18,519

15. Purchase or disposal of quoted securities

There were no purchases or disposal of quoted securities for the current financial year.

	3 months ended 31/12/04 RM'000	12 months ended 31/12/04 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 31/12/04 RM'000
(b) Total investments in quoted securities are as follows:		
(i) At cost		7,593
(ii) At carrying value / book value		7,776
(iii) At market value		9,144

16. Status of corporate proposals

The Group does not have any corporate proposals announced but not completed at the date of this report.

17. Group borrowings and debt securities

The Group does not have any borrowings and debt securities as at the end of the current financial year.

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 RM15.9 million for the current quarter was 69.8% lower than the preceding quarter due to the gain on disposal of investment in L&C of RM18.5 million and share of results of L&C of RM3.1 million included in the preceding quarter, and voluntary staff separation (VSS) cost of about RM13.7 million taken up in the current quarter. The Group implemented a VSS exercise in December 2004 to align its organisation structure taking into account the current business conditions. This exercise is expected to improve earnings of the Group going forward.

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 RM300.5 million on a Group revenue of RM3,901.2 million for the year ended 31 December 2004, lower by 48.2% and 21.8% respectively compared to 2003 due substantially to the exclusion of the results of ECB group from July 2004.

Excluding the earnings of ECB group, Group's profit before tax of RM109.3 million was 15.3% lower than RM129.1 million recorded in 2003 due mainly to the VSS cost.

Strong growth in passenger car sales of 19% to 380,568 units was led by the non-national car segment which registered an increase of 68.7%. The national car segment grew at a slower rate of 10.2% resulting in a drop in its market share from 85% to 79%. Proton cars also saw its market share declining from 49% to 44% despite a 7.3% increase in sales.

Production and supply constraints as well as the competitive market forces resulted in a drop in the Company's new car sales volume by 5.4% to 68,224 units.

22. Prospects

Malaysian Institute of Economic Research has forecasted a GDP growth of 5.7% for 2005 compared to 7.2% for 2004 in view of the expected moderation in global economy.

Following a record sales of 380,568 units in 2004, Malaysian Automotive Association (MAA) predicts that the passenger car market will increase further to 384,000 units in 2005 supported by anticipated new model launches, attractive financing terms and positive economic outlook. The operating conditions, however, will remain difficult and margins will come under pressure from competition.

Improvement in production and supply levels as well as the anticipated new model launches from PROTON should enhance the Company's Proton sales in 2005.

Sales of Hyundai/Inokom cars are projected to grow as the network of 20 branches are fully operational in 2005.

Sales of Audi cars will also increase in 2005 on the back of a full year's operation of the Audi Hangar which was launched in August 2004 and the expansion of the retail network to Johor Bahru, Prai and Kuching.

The joint venture with Mitsubishi Corporation is expected to commence operations in mid 2005.

Group's earnings should improve as resources are streamlined following the implementation of the VSS exercise in 2004. Going forward, the Group will continue to pursue new distributorships/dealerships of other marques in line with its strategy to remain a dominant player in the automotive industry.

23. Profit forecast / profit guarantee

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

24. Dividends

Total dividends paid/declared for the current financial year are as follows:

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

The distribution of ECB shares via dividend in specie on the basis of 28.1 ECB shares for every 100 EON shares held and capital repayment on the basis of 111.5 ECB shares for every 100 EON shares held.

(b) Interim dividend

An interim dividend of 10 sen per share less 28% tax.

(c) Proposed final dividend

The Board of Directors is pleased to recommend a final gross dividend of 18 sen per share less 28% tax (2003 - 22 sen per share less 28% tax) and a special gross dividend of 84 sen per share less 28% tax in respect of the financial year ended 31 December 2004 which is proposed to be paid on 22 June 2005, subject to shareholders' approval at the forthcoming Annual General meeting of the Company. This would amount to a total of 112 sen per share less 28% tax (2003 - 238 sen per share less 28% tax) in respect of the financial year ended 31 December 2004.

NOTICE IS HEREBY GIVEN that the Final Dividend of 18 sen per share less 28% tax and the Special Dividend of 84 sen per share less 28% tax will be payable on 22 June 2005, to depositors registered in the Records of Depositors at the close of business on 31 May 2005.

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 31 May 2005 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		12 months ended	
	31/12/04	31/12/03	31/12/04	31/12/03
Net profit attributable to shareholders (RM'000)	11,733	57,210	148,027	262,436
Weighted average number of ordinary shares in issue	248,992,823	243,966,823	247,930,406	235,426,906
Basic earnings per share (sen)	4.71	23.45	59.71	111.47

(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		12 months ended	
	31/12/04	31/12/03	31/12/04	31/12/03
Net profit attributable to shareholders (RM'000)	11,733	57,210	148,027	262,436
Weighted average number of ordinary shares in issue	248,992,823	243,966,823	247,930,406	235,426,906
Adjustment for share option	-	860,000	-	-
Weighted average number of ordinary shares in issue for diluted earnings per share	248,992,823	244,826,823	247,930,406	235,426,906
Diluted earnings per share (sen)	4.71	23.37	59.71	111.47

Other than the quarter ended 31 December 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.

BY ORDER OF THE BOARD
NOOR AZWAH SAMSUDIN
Company Secretary

Shah Alam, 24 February 2005