

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 30 September 2007.

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | Note | 3 months ended | | 9 months ended | |
|--|------|----------------|-----------------|------------------|------------------|
| | | 30/09/2007 | 30/09/2006 | 30/09/2007 | 30/09/2006 |
| | | Unaudited | | Unaudited | |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 473,344 | 419,760 | 1,291,515 | 1,425,759 |
| Operating expenses | | (467,923) | (445,973) | (1,283,677) | (1,455,348) |
| Other operating income | | 3,858 | 7,968 | 13,718 | 15,270 |
| Profit from operations | | 9,279 | (18,245) | 21,556 | (14,319) |
| Finance cost | | (1) | (10) | (5) | (804) |
| Share of results of jointly controlled entities | | 5,862 | 3,595 | 21,798 | 7,274 |
| Share of results of associates | | 590 | 555 | 2,256 | 3,570 |
| Write back of allowance for impairment of investment in an associate | | - | - | 8,225 | - |
| Profit before tax | | 15,730 | (14,105) | 53,830 | (4,279) |
| Tax | 13 | (807) | 140 | (4,391) | (2,582) |
| Profit after tax | | 14,923 | (13,965) | 49,439 | (6,861) |
| Profit attributable to equity holders | | 14,923 | (13,965) | 49,439 | (6,861) |
| | | sen | sen | sen | sen |
| Earnings per share: | 25 | | | | |
| - Basic | (a) | 5.99 | (5.61) | 19.86 | (2.76) |
| - Diluted | (b) | 5.99 | (5.61) | 19.86 | (2.76) |

The Condensed Consolidated Income Statements should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2006.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

| | Unaudited As At 30/09/2007 RM'000 | Audited As At 31/12/2006 RM'000 |
|---|--|--|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 227,031 | 235,136 |
| Prepaid lease | 13,000 | 13,275 |
| Investments | 4,418 | 5,179 |
| Jointly controlled entities | 96,313 | 97,469 |
| Associates | 50,579 | 45,626 |
| Deferred tax assets | 7,358 | 7,182 |
| | 398,699 | 403,867 |
| CURRENT ASSETS | | |
| Inventories | 186,804 | 305,941 |
| Receivables | 140,472 | 187,899 |
| Amounts due from jointly controlled entities/ an associate | 676 | 52 |
| Tax recoverable | 4,479 | 8,411 |
| Cash and bank balances and deposits with financial institutions | 319,949 | 228,969 |
| | 652,380 | 731,272 |
| Non-current assets held for sale | 13,238 | 13,652 |
| | 665,618 | 744,924 |
| CURRENT LIABILITIES | | |
| Payables | 186,374 | 74,913 |
| Amounts due to jointly controlled entities/ an associate | 28,177 | 25,725 |
| Taxation | 257 | 438 |
| Provisions for liabilities and charges | 11,542 | 10,187 |
| | 226,350 | 111,263 |
| NET CURRENT ASSETS | 439,268 | 633,661 |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities | 8,517 | 8,600 |
| Provision for retirement benefits | 7,428 | 6,747 |
| Long-term lease payables | 108 | 584 |
| | 16,053 | 15,931 |
| | 821,914 | 1,021,597 |
| SHARE CAPITAL | 248,993 | 248,993 |
| RESERVES | 572,921 | 772,604 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS | 821,914 | 1,021,597 |
| | - | - |
| | RM | RM |
| Net assets per share attributable to equity holders | 3.30 | 4.10 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2006.

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>Currency Translation Reserves</u> RM'000 | | <u>Retained Earnings</u> RM '000 |
| (Unaudited) | | | | | | |
| At 1 January 2007 | | 248,993 | 8,367 | 2,012 | 762,225 | 1,021,597 |
| Movements in equity during the period | | | | | | |
| Share of associates' reserves | | | | (104) | | (104) |
| Net losses not recognised in income statement | | - | - | (104) | - | (104) |
| Net profit attributable to equity holders | | | | | 49,439 | 49,439 |
| Total income and expenses for the period | | - | - | (104) | 49,439 | 49,335 |
| Dividends | | | | | (249,018) | (249,018) |
| At 30 September 2007 | | 248,993 | 8,367 | 1,908 | 562,646 | 821,914 |
| (Unaudited) | | | | | | |
| At 1 January 2006 | | 248,993 | 8,367 | 4,617 | 789,237 | 1,051,214 |
| Movements in equity during the period | | | | | | |
| Share of associates' reserves | | | | (966) | | (966) |
| Net losses not recognised in income statement | | - | - | (966) | - | (966) |
| Net profit attributable to equity holders | | | | | (6,861) | (6,861) |
| Total income and expenses for the period | | - | - | (966) | (6,861) | (7,827) |
| Dividends | | - | - | - | (32,275) | (32,275) |
| At 30 September 2006 | | 248,993 | 8,367 | 3,651 | 750,101 | 1,011,112 |

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 2006.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | Unaudited 9 months ended 30/09/2007 RM'000 | Unaudited 9 months ended 30/09/2006 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit attributable to equity holders | 49,439 | (6,861) |
| Adjustments for investing and financing items and non-cash items: | | |
| Tax | 4,391 | 2,582 |
| Share of results of jointly controlled entities | (21,798) | (7,274) |
| Share of results of associates | (2,256) | (3,570) |
| Depreciation | 11,519 | 16,899 |
| Other investing and financing items and non-cash items | (14,078) | (9,605) |
| Operating profit before working capital changes | 27,217 | (7,829) |
| Net changes in working capital | 282,345 | (134,782) |
| Cash generated from/(used in) operations | 309,562 | (142,611) |
| Add/(Less) : | | |
| Interest received | 8,754 | 3,297 |
| Interest paid | (5) | (804) |
| Income tax paid, net of refund | (892) | (14,514) |
| Net cash flow from operating activities | <u>317,419</u> | <u>(154,632)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Dividends received | 24,160 | 205 |
| Proceeds from sale of property, plant and equipment | 2,983 | 24,148 |
| Proceeds from sale of investment securities | 768 | - |
| Additional investment in unquoted companies | (7) | - |
| Purchase of property, plant and equipment | (4,726) | (19,653) |
| Net cash flow from investing activities | <u>23,178</u> | <u>4,700</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment of finance lease | (599) | (1,236) |
| Payment of cash dividends | (249,018) | (32,275) |
| Net cash flow from financing activities | <u>(249,617)</u> | <u>(33,511)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 90,980 | (183,443) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 228,969 | 377,469 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | <u>319,949</u> | <u>194,026</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 2006.

EDARAN OTOMOBIL NASIONAL BERHAD
EXPLANATORY NOTES TO THE FINANCIAL REPORT

Disclosure requirements pursuant to Financial Reporting Standard 134 (formerly known as Malaysian Accounting Standard Board 26)

1. Basis of preparation and Accounting policies

The interim financial report is prepared in accordance with the Financial Reporting Standard (FRS) 134 on 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 2006.

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 2006 except for the adoption of the following new / revised FRS :

(i) FRS 17: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on straight-line basis over the lease term. Prior to 1 January 2007, leasehold land were classified as property, plant and equipment which were stated at cost less accumulated depreciation and impairment losses.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised amounts of leasehold land are retained as the surrogate carrying amounts of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and comparative amounts as at 31 December 2006 have been restated as follows:

| | As previously reported | Reclassification | As restated |
|---|---------------------------|------------------|-------------|
| | RM '000 | RM '000 | RM '000 |
| <u>Balance sheet</u> | | | |
| <u>As at 31 December 2006 (audited)</u> | | | |
| Property, plant and equipment | 248,411 | (13,275) | 235,136 |
| Prepaid lease | - | 13,275 | 13,275 |
| | 248,411 | - | 248,411 |

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 current interim financial period.

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 financial statements of the current interim financial period.

6. Debt and equity securities

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 period.

7. Dividends paid

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

| | Gross per share | Dividend net of 27% tax |
|--|-----------------|----------------------------|
| | Sen | RM'000 |
| Special dividend in respect of the financial year ended 31 December 2006, paid on 6 July 2007. | 137 | 249,018 |
| | 137 | 249,018 |

8. Segment reporting

The Group's activities are focused on the motor sector.

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

There has not arisen any events subsequent to the end of the financial year that have not been reflected in the financial statements for the current interim financial period.

11. Changes in the composition of the group

There was no change in the composition of the Group during the current interim financial period.

12. Commitments and contingent liabilities

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

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

13. Tax

| | 3 months ended | | 9 months ended | |
|---------------------------------------|----------------|------------|----------------|------------|
| | 30/09/2007 | 30/09/2006 | 30/09/2007 | 30/09/2006 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Tax comprises the following: | | | | |
| Current tax expense | 607 | 578 | 4,694 | 1,295 |
| Deferred tax | 219 | (734) | (284) | 1,271 |
| | 826 | (156) | 4,410 | 2,566 |
| Under/(Over) provision in prior years | (19) | 16 | (19) | 16 |
| Tax expense | 807 | (140) | 4,391 | 2,582 |

The effective tax rate for the current interim period was lower than the statutory tax rate mainly attributable to non taxable income.

14. Sale of unquoted investments and/or properties

There were no sales of unquoted investments for the current interim financial period. Gain on disposal of properties is as follows:

| | 3 months ended 30/09/2007 RM'000 | 9 months ended 30/09/2007 RM'000 |
|----------------------------------|--|--|
| Gain from disposal of properties | 287 | 281 |

15. Purchase or disposal of quoted securities

(a) There were no purchases or disposal of quoted securities for the current interim financial period.

| | As at 30/09/2007 RM'000 |
|--|-------------------------------|
| (b) Total investments in quoted securities are as follows: | |
| (i) At cost | 338 |
| (ii) At carrying value / book value | 521 |
| (iii) At market value | 1,795 |

16. Status of corporate proposals

(I) Disposal of property

On 8 June 2007, the Company's wholly owned subsidiary, EON Properties Sdn Bhd had entered into a Sale and Purchase Agreement with Hicom Indungan Sdn Bhd, to dispose approximately 26.03 acres of freehold land held under title no.HS(D) 224504, Lot No. PT 470, Bandar Glenmarie, District of Petaling Jaya, State of Selangor together with an industrial complex and related ancillary buildings erected thereon for a total cash consideration of RM67.0 M.

On 23 June 2007, the Company has obtained the shareholders' approvals for the above transaction.

The transaction is expected to be completed by 20 December 2007.

(II) Notice of Mandatory Offer (Notice) from Aseambankers Malaysia Berhad dated 1 November 2007, on behalf of HICOM Holdings Berhad (HICOM), effectively a 100% owned subsidiary of DRB-HICOM Berhad to acquire 125,989,923 ordinary shares of RM1.00 each in EON not already owned by HICOM as at the date of the said Notice at a cash consideration of RM2.10 per EON share (Offer)

The Securities Commission has via its letter dated 16 November 2007 approved the appointment of AmInvestment Bank Berhad as the independent adviser in relation to the offer.

17. Group borrowings and debt securities

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

18. Financial instruments with off balance sheet risk

Forward foreign exchange contracts are entered into by the Group in currencies other than the functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. Foreign currency transactions that are hedged by forward foreign exchange contracts are accounted for at their contracted rates.

As at 14 November 2007, the Group had entered into the following outstanding foreign currency contracts with maturity of less than one month:

| | Contract amount | |
|--------------|-------------------------|------------------------------|
| | Foreign currency ('000) | Ringgit equivalent (RM '000) |
| Japanese Yen | 850,685 | 25,068 |
| Euro | 280 | 1,353 |

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 reported a lower profit before tax (PBT) of RM15.7 million for the current quarter (preceding quarter: RM25.5 million) mainly attributed to the Mutual Separation Scheme (MSS) costs of RM7.4M taken up in the current quarter as opposed to a write back for impairment of investment in an associate of RM8.2M taken up in the preceding quarter.

Excluding the MSS costs, the write back for impairment and the profits from the sales of cost down vehicles in its subsidiaries, the Group reported a higher PBT of RM17.8 million for the current quarter as compared to RM12.5 million in the preceding quarter mainly due to higher sales of Proton vehicles.

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

The Group's revenue of RM1,291.5 million for the 9 months ended 30 September 2007 was lower by 9.4% compared to the corresponding period in 2006 due to lower vehicle sales.

Amidst the lower Proton sales, vehicle margins declined by 36% when compared to the corresponding period in 2006.

Excluding the non-operational items which mainly consisted of MSS costs, the write back for impairment and the profits from the cost down vehicles, the Group recorded a higher profit before tax of RM37.2 million (YTD Sept 2006: RM26.7 million excluding non-operational items). This was mainly attributed to the higher profits from the Mitsubishi business and lower overheads arising from the continuous cost savings initiatives which were undertaken since the 3rd quarter of 2006.

22. Prospects

The total industry volume (TIV) declined by 6.3% in the current period (358,234 units) compared to the corresponding period in last year (382,402 units).

However, quarter on quarter, TIV for the current quarter has increased to 137,495 (preceding quarter: 115,789) an increase of 18.7%. Arising from the successful launch of the Proton Persona, Proton market share in the passenger car segment increased from 26.5% to 33.1% with EON's market share increasing from 8% to 10.0%. Sales of Mitsubishi vehicles have also improved following the successful launch of the Lancer.

While the demand for the Persona Model and the Mitsubishi Lancer may continue, the automotive business will persist to be challenging and competitive.

23. Profit forecast / profit guarantee

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

24. Dividends

No interim dividend is recommended for the current interim financial period.

25. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

| | 3 months ended | | 9 months ended | |
|---|----------------|-------------|----------------|-------------|
| | 30/09/2007 | 30/09/2006 | 30/09/2007 | 30/09/2006 |
| Profit attributable to equity holders (RM'000) | 14,923 | (13,965) | 49,439 | (6,861) |
| Weighted average number of ordinary shares in issue | 248,992,823 | 248,992,823 | 248,992,823 | 248,992,823 |
| Basic earnings per share (sen) | 5.99 | (5.61) | 19.86 | (2.76) |

(b) Diluted earnings per share

Diluted earnings per share is not calculated as the Company does not have any dilutive potential ordinary shares.

BY ORDER OF THE BOARD
CHAN CHOY LIN
Joint Company Secretary

Shah Alam, 21 November 2007