

# EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2007

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 31 December 2007.

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		12 months ended	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
		Unaudited	Audited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>535,904</b>	<b>409,126</b>	<b>1,827,419</b>	<b>1,834,885</b>
Operating expenses		(531,022)	(428,909)	(1,814,699)	(1,884,257)
Other operating income		3,744	13,334	17,462	28,604
Profit from operations		8,626	(6,449)	30,182	(20,768)
Finance cost		(1)	(6)	(6)	(810)
Share of results of jointly controlled entities		5,595	4,969	27,393	12,243
Share of results of associates		(967)	2,187	1,289	5,757
Write back of allowance for impairment of investment in an associate		-	8,042	8,225	8,042
<b>Profit before tax</b>		<b>13,253</b>	<b>8,743</b>	<b>67,083</b>	<b>4,464</b>
Tax	13	(3,698)	3,381	(8,089)	799
<b>Profit after tax</b>		<b>9,555</b>	<b>12,124</b>	<b>58,994</b>	<b>5,263</b>
<b>Profit attributable to equity holders</b>		<b>9,555</b>	<b>12,124</b>	<b>58,994</b>	<b>5,263</b>
		<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Earnings per share:	25				
- Basic	(a)	3.84	4.87	23.69	2.11
- Diluted	(b)	3.84	4.87	23.69	2.11

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**

	<b>Unaudited As At 31/12/2007 RM'000</b>	<b>Audited As At 31/12/2006 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	224,664	235,136
Prepaid lease	12,907	13,275
Investments	4,418	5,179
Jointly controlled entities	103,124	97,469
Associates	50,021	45,626
Deferred tax assets	5,558	7,182
	400,692	403,867
<b>CURRENT ASSETS</b>		
Inventories	170,009	305,941
Receivables	142,925	187,899
Amounts due from jointly controlled entities/ an associate	389	52
Tax recoverable	3,325	8,411
Cash and bank balances and deposits with financial institutions	299,293	228,969
	615,941	731,272
Non-current assets held for sale	13,238	13,652
	629,179	744,924
<b>CURRENT LIABILITIES</b>		
Payables	145,080	74,913
Amounts due to jointly controlled entities/ an associate	25,015	25,725
Taxation	(242)	438
Provisions for liabilities and charges	12,003	10,187
	181,856	111,263
	447,323	633,661
<b>NET CURRENT ASSETS</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	8,491	8,600
Provision for retirement benefits	7,646	6,747
Long-term lease payables	-	584
	16,137	15,931
	<b>831,878</b>	<b>1,021,597</b>
SHARE CAPITAL	248,993	248,993
RESERVES	582,885	772,604
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>831,878</b>	<b>1,021,597</b>
	-	-
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders	3.34	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
<b>(Unaudited)</b>						
<b>At 1 January 2007</b>		<b>248,993</b>	<b>8,367</b>	<b>2,012</b>	<b>762,225</b>	<b>1,021,597</b>
Movements in equity during the period						
Share of associates' reserves				305		305
Net losses not recognised in income statement		-	-	305	-	305
Net profit attributable to equity holders					58,994	58,994
Total income and expenses for the period		-	-	<b>305</b>	<b>58,994</b>	<b>59,299</b>
Dividends					(249,018)	(249,018)
<b>At 31 December 2007</b>		<b>248,993</b>	<b>8,367</b>	<b>2,317</b>	<b>572,201</b>	<b>831,878</b>
<b>(Audited)</b>						
<b>At 1 January 2006</b>		<b>248,993</b>	<b>8,367</b>	<b>4,617</b>	<b>789,237</b>	<b>1,051,214</b>
Movements in equity during the period						
Share of associates' reserves				(2,605)		(2,605)
Net losses not recognised in income statement		-	-	(2,605)	-	(2,605)
Net profit attributable to equity holders					5,263	5,263
Total income and expenses for the period		-	-	(2,605)	5,263	2,658
Dividends		-	-	-	(32,275)	(32,275)
<b>At 31 December 2006</b>		<b>248,993</b>	<b>8,367</b>	<b>2,012</b>	<b>762,225</b>	<b>1,021,597</b>

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**

	<b>Unaudited</b> <b>12 months ended</b> <b>31/12/2007</b> <b>RM'000</b>	<b>Audited</b> <b>12 months ended</b> <b>31/12/2006</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit attributable to equity holders	58,994	5,263
Adjustments for investing and financing items and non-cash items:		
Tax	8,089	(799)
Share of results of jointly controlled entities	(27,393)	(12,243)
Share of results of associates	(1,289)	(5,757)
Depreciation	15,120	22,452
Other investing and financing items and non-cash items	(14,892)	975
Operating profit before working capital changes	38,629	9,891
Net changes in working capital	250,383	(156,708)
Cash generated from/(used in) operations	289,012	(146,817)
Add/(Less) :		
Interest received	11,635	4,714
Interest paid	(6)	(810)
Income tax paid, net of refund	(2,161)	(15,268)
Net cash flow from operating activities	298,480	(158,181)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Dividends received	24,160	8,720
Proceeds from sale of property, plant and equipment	3,097	52,997
Proceeds from sale of investment securities	768	-
Additional investment in unquoted companies	(7)	-
Purchase of property, plant and equipment	(6,384)	(17,855)
Net cash flow from investing activities	21,634	43,862
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of finance lease	(772)	(1,906)
Payment of cash dividends	(249,018)	(32,275)
Net cash flow from financing activities	(249,790)	(34,181)
NET DECREASE IN CASH AND CASH EQUIVALENTS	70,324	(148,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	228,969	377,469
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>299,293</b>	<b>228,969</b>

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**

No dividend was paid in the current interim financial period.

Dividends paid by the Company during the current financial period was 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. Significant event during the current period

The Board of Directors of the Company had on 21 November 2007 approved the change of the Company's financial year end from 31 December 2007 to 31 March 2008. Thus the financial period would run from 1 January 2007 to 31 March 2008, covering a period of 15 months and thereafter, the financial year end of the Company shall be 31 March, of each subsequent year.

#### 12. Changes in the composition of the group

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

#### 13. 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

#### 14. Tax

Tax comprises the following:

Current tax expense / (credit)

Deferred tax

Under/(Over) provision in prior years

Tax expense

3 months ended		12 months ended	
31/12/2007	31/12/2006	31/12/2007	31/12/2006
RM'000	RM'000	RM'000	RM'000
1,925	(3,931)	6,619	(2,636)
1,773	624	1,489	1,895
3,698	(3,307)	8,108	(741)
-	(74)	(19)	(58)
3,698	(3,381)	8,089	(799)

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

#### 15. 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 31/12/2007 RM'000	12 months ended 31/12/2007 RM'000
Gain from disposal of properties	-	281

#### 16. Purchase or disposal of quoted securities

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

(b) Total investments in quoted securities are as follows:

(i) At cost

(ii) At carrying value / book value

(iii) At market value

As at  
31/12/2007  
RM'000

338
521
1,680

#### 17. 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 million.

This transaction was completed on 7 January 2008.

##### (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

On 18 January 2008, HICOM announced that based on the acceptances received, HICOM's shareholdings in EON has increased to 79.05%. Accordingly EON does not comply with the Public Spread requirement pursuant to Paragraph 8.15(1) of the Listing Requirements.

Hence, EON Shares will be suspended from 11 March 2008 onwards. The suspension in trading of EON Shares will only be uplifted by Bursa Securities upon full compliance with paragraph 8.15(1) of the Listing Requirements or as may be determined by Bursa Securities.

#### 18. 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.

#### 19. 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 18 February 2008, 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	867,473	26,536
Euro	274	1,294

#### 20. 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.

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

The Group reported a lower profit before tax (PBT) of RM13.3 million for the current quarter as compared to preceding quarter of RM15.7 million. This was mainly attributed to lower margins from vehicles sales and lower earnings from after sales.

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

The Group's revenue of RM1,827.4 million for the 12 months ended 31 December 2007 was slightly lower than the corresponding period in 2006. This was mainly due to lower service throughput partly offset by higher Proton and Mitsubishi vehicles sales.

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 RM46.5 million (YTD Dec 2006: RM34.7 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 third quarter of 2006.

#### 23. Prospects

TIV for the current quarter has increased to 128,942 (preceding quarter: 108,366) an increase of 19%. Arising from the successful launch of the Proton Persona, Proton market share in the passenger car segment increased from 30.3% to 34.8% with EON's market share increasing from 10.3% to 10.6%. Sales of Mitsubishi vehicles have also improved following the successful launch of the Lancer .

The Malaysian Automotive Association has in its Market Review for 2007 and 2008 Outlook forecasted the TIV in 2008 to be 510,000 units based on the introduction of new models particularly in the lower engine capacity range. The new Saga which was launched in January 2008 is expected to improve sales for the subsequent periods.

#### 24. Profit forecast / profit guarantee

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

#### 25. Dividends

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

#### 26. 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		12 months ended	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
Profit attributable to equity holders	(RM'000)	9,555	12,124	58,994	5,263
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)	3.84	4.87	23.69	2.11

##### (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  
NORZALILI MOHD YUSOF  
CAROL CHAN CHOY LIN  
Company Secretaries

Shah Alam, 25 February 2008