

# EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2009

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 31 March 2009.

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		12 months ended	
		31/3/2009	31/3/2008	31/3/2009	31/3/2008
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>502,399</b>	<b>494,903</b>	<b>2,419,872</b>	<b>1,895,003</b>
Operating expenses		(509,296)	(492,476)	(2,405,352)	(1,880,742)
Other operating income		1,808	5,835	8,765	19,048
Profit from operations		(5,089)	8,262	23,285	33,309
Finance cost		(135)	(1)	(139)	(5)
Share of results of jointly controlled entities		1,748	8,328	23,912	28,428
Share of results of associates		(15,838)	205	(15,130)	1,343
Gain on disposal of properties		-	32,250	-	32,250
Write back of allowance for impairment of investment in an associate		-	-	-	8,225
<b>Profit before tax</b>		<b>(19,314)</b>	<b>49,044</b>	<b>31,928</b>	<b>103,550</b>
Tax	19	2,306	(2,674)	(6,249)	(9,307)
<b>Profit after tax</b>		<b>(17,008)</b>	<b>46,370</b>	<b>25,679</b>	<b>94,243</b>
<b>Profit attributable to equity holders</b>		<b>(17,008)</b>	<b>46,370</b>	<b>25,679</b>	<b>94,243</b>
		sen	sen	sen	sen
Earnings per share:	27				
- Basic	(a)	(6.83)	18.62	10.31	37.85
- Diluted	(b)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

**EDARAN OTOMOBIL NASIONAL BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited As At 31/3/2009 RM'000</b>	<b>Audited As At 31/3/2008 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	174,192	180,657
Investment properties	18,530	18,530
Prepaid lease	10,881	11,167
Investments	4,389	5,075
Jointly controlled entities	102,251	105,435
Associates	41,047	50,368
Deferred tax assets	5,400	3,521
	356,690	374,753
<b>CURRENT ASSETS</b>		
Inventories	224,375	291,367
Receivables	112,779	134,913
Amounts due from holding companies	5	-
Amounts due from jointly controlled entities/ an associate	2,160	1,169
Amounts due from other related companies	2,038	18
Tax recoverable	197	4,015
Cash and bank balances and deposits with financial institutions	119,899	383,519
	461,453	815,001
<b>CURRENT LIABILITIES</b>		
Payables	137,269	266,252
Amounts due to jointly controlled entities/ an associate	24,216	22,270
Amounts due to other related companies	504	-
Taxation	778	6,530
Provisions for liabilities and charges	2,858	4,995
Borrowings	20,000	-
	185,625	300,047
<b>NET CURRENT ASSETS</b>	275,828	514,954
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	6,102	2,091
Provision for retirement benefits	7,996	7,845
Long-term lease payables	986	-
	15,084	9,936
	<b>617,434</b>	<b>879,771</b>
SHARE CAPITAL	248,993	248,993
RESERVES	368,441	630,778
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>617,434</b>	<b>879,771</b>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders	2.48	3.53

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

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</u> <u>Capital</u> RM'000	<u>Share</u> <u>Premium</u> RM'000	<u>Currency</u> <u>Translation</u> <u>Reserves</u> RM'000	<u>Revaluation</u> <u>Reserves</u> RM'000	<u>Retained</u> <u>Earnings</u> RM '000	
<b>(Unaudited)</b> <b>At 1 April 2008</b>	<b>248,993</b>	<b>8,367</b>	<b>2,460</b>	<b>1,380</b>	<b>618,571</b>	<b>879,771</b>
Movements in equity during the period						-
Share of associates' reserves	-	-	791	-	-	791
Net profit not recognised in income statement	-	-	791	-	-	791
Net profit attributable to equity holders					25,679	25,679
Total income and expenses for the period	-	-	<b>791</b>	-	<b>25,679</b>	<b>26,470</b>
Dividends					(288,807)	(288,807)
<b>At 31 March 2009</b>	<b>248,993</b>	<b>8,367</b>	<b>3,251</b>	<b>1,380</b>	<b>355,443</b>	<b>617,434</b>
<b>(Unaudited)</b> <b>At 1 April 2007</b>	<b>248,993</b>	<b>8,367</b>	<b>1,694</b>	<b>-</b>	<b>773,346</b>	<b>1,032,400</b>
Movements in equity during the period				1,380		1,380
Share of associates' reserves	-	-	766	-	-	766
Net losses not recognised in income statement	-	-	766	-	-	766
Net profit attributable to equity holders					94,243	94,243
Total income and expenses for the period	-	-	766	-	94,243	95,009
Dividends	-	-	-	-	(249,018)	(249,018)
<b>At 31 March 2008</b>	<b>248,993</b>	<b>8,367</b>	<b>2,460</b>	<b>1,380</b>	<b>618,571</b>	<b>879,771</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

**EDARAN OTOMOBIL NASIONAL BERHAD**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited 12 months ended 31/3/2009 RM'000</b>	<b>Unaudited 12 months ended 31/3/2008 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit attributable to equity holders	25,679	94,243
Adjustments for investing and financing items and non-cash items:		
Tax	6,249	9,307
Share of results of jointly controlled entities	(23,912)	(28,428)
Share of results of associates	15,130	(1,343)
Depreciation	12,249	14,218
Other investing and financing items and non-cash items	(1,749)	(55,981)
Operating profit before working capital changes	33,646	32,016
Net changes in working capital	(46,280)	34,363
Cash generated from/(used in) operations	(12,634)	66,379
Add/(Less) :		
Interest received	6,069	12,544
Interest paid	(95)	-
Income tax paid, net of refund	(6,045)	(3,111)
Net cash flow from/(used in) operating activities	<u>(12,705)</u>	<u>75,812</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Dividends received	28,936	18,722
Proceeds from sale of property, plant and equipment	504	69,579
Proceeds from sale of investment securities	1,202	105
Additional investment in associate company	(7,733)	-
Purchase of property, plant and equipment	(4,456)	(5,300)
Net cash flow from investing activities	<u>18,453</u>	<u>83,106</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	20,000	-
Payment of finance lease	(561)	(945)
Payment of cash dividends	(288,807)	(249,018)
Net cash flow used in financing activities	<u>(269,368)</u>	<u>(249,963)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(263,620)</b>	<b>(91,045)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>383,519</b>	<b>474,564</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>119,899</u></b>	<b><u>383,519</u></b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

**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**

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 statements for the financial period ended 31 March 2008.

**2. Changes in accounting policies**

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 financial period ended 31 March 2008 except for the adoption of the following new/revised Financial Reporting Standards (FRS):

FRS 107 Cash Flow Statements  
FRS 111 Construction Contracts  
FRS 112 Income Taxes  
FRS 118 Revenue  
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance  
FRS 134 Interim Financial Reporting  
FRS 137 Provisions, Contingent Liabilities and Contingent Assets  
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates

The adoption of FRS 107, 112, 118, 134 and FRS 137 does not have significant financial impact on the Group's financial statements. FRS 111, 120 and Amendment to FRS 121 are not applicable to the Group's operations.

**3. 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.

**4. Seasonality or cyclicity of operations**

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

**5. Items of unusual nature, size or incidence**

There was no item of unusual nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the current financial reporting period.

**6. Changes in estimates**

There was no material change in estimates of amounts reported in prior financial years that has a material effect on the financial statements of the current financial reporting period.

**7. Debt and equity securities**

There was 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 reporting period.

**8. Dividends paid**

Dividends paid by the Company during the financial year ended 31 March 2009 were as follows:

	Gross per share	Dividend, net of tax
	Sen	RM'000
- Special tax exempt dividend of RM1.00 per share in respect of the financial year ended 31 March 2009, paid on 25 July 2008.	100.0	248,993
- Final dividend of 13.5 sen per share less tax at 26% in respect of the financial period ended 31 March 2008, paid on 30 September 2008.	13.5	24,874
- Interim dividend of 8 sen per share less tax at 25% in respect of the financial year ended 31 March 2009, paid on 25 March 2009.	8.0	14,940
	121.5	288,807

## 9. Segmental reporting

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

## 10. Property, plant and equipment

There was 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.

## 11. Subsequent events

Save as disclosed in Note 22, there has not arisen any material event subsequent to the end of the financial year ended 31 March 2009 that has not been reflected in the financial statements for the financial year ended 31 March 2009.

## 12. Changes in the composition of the group

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

## 13. Changes in contingent assets or contingent liabilities

There was no material change in contingent assets or contingent liabilities since the last balance sheet date as at 31 March 2008.

## 14. Capital commitments

There was no material capital commitment as at the end of the current financial reporting period.

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

## 15. Review of performance

Total Industry Volume (TIV) for the 3 months ended 31 March 2009 was lower at 118,681 units (YTD 31 March 2008: 130,851 units). The TIV for passenger car segment also registered lower at 94,003 units, a decrease of 8.0% from 102,141 units recorded in year 2008. Accordingly, Proton market share in the passenger car segment decreased from 33.8% to 31.2%. However, EON's market share increased from 9.9% to 10.6%.

The Group's revenue of RM502.4 million for the fourth quarter ended 31 March 2009 was higher than the corresponding quarter in 2008 of RM494.9 million by RM7.5 million. This was mainly due to higher Audi vehicle sales.

However, due to lower sales of Proton and Mitsubishi vehicles as well as higher share of losses from associates, the Group recorded a loss before tax of RM19.3 million for the fourth quarter ended 31 March 2009 compared to profit before tax of RM49.0 million in the same quarter of 2008.

The share of losses from associates of RM15.8 million recorded in the fourth quarter ended 31 March 2009 was mainly due to an impairment loss which was provided by an associated company for its investment property. In the same quarter of 2008, the higher profit before tax of RM49.0 million included gains on disposal of properties amounting to RM32.3 million.

The Group's revenue of RM2,419.9 million for the financial year ended 31 March 2009 improved over the revenue of RM1,895.0 million registered in the financial year ended 31 March 2008. The improved revenue was mainly due to higher Proton, Mitsubishi and Audi vehicles sales.

However, the Group recorded a lower profit before tax of RM31.9 million for the financial year ended 31 March 2009 compared to the profit before tax of RM103.6 million registered in the financial year ended 31 March 2008. The relatively lower profit was mainly attributable to higher share of losses from associates and lower earnings from jointly controlled entities for the financial year ended 31 March 2009. In the previous financial year ended 31 March 2008, the higher profit before tax of RM103.6 million included gains on disposal of properties amounting to RM32.3 million as mentioned above.

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

The Group reported a loss before tax of RM19.3 million for the current quarter as compared to preceding quarter profit before tax of RM11.9 million. This was mainly attributed to lower sales units for Proton and Mitsubishi vehicles, coupled with higher share of associates' losses and lower earnings from jointly controlled entities.

## 17. Prospects

The market environment of the motor industry is expected to remain challenging and competitive for the financial year ending 31 March 2010. In view of the current uncertain economic conditions coupled with cautious consumer spending and more stringent credit evaluation criteria by financial institutions, the Group expects the demand for motor vehicles to slow down further in the current financial year.

Following the execution of the Master Dealership Agreement with Proton Edar Sdn Bhd (EDAR) on 8 May 2009, the Group will be rationalizing its sales and service centers with EDAR with the purpose of improving and strengthening the Proton dealer network nationwide. Pursuant to the agreement, all EON's sales and service dealers will be offered to migrate to EDAR as their dealers.

The challenging market environment and the migration of sales and service dealers to EDAR will impact the profitability of the Group in the financial year ending 31 March 2010. The Group is currently initiating cost reduction exercises and measures to mitigate the impact. This includes amongst others, the repositioning of the Proton dealership business and reorganization of its network and manpower.

Notwithstanding the foregoing, the Board expects the Group's results to remain positive for the financial year ending 31 March 2010.

## 18. Profit forecast / profit guarantee

The Group neither made any profit forecast nor issued any profit guarantee for the current financial reporting period in a public document.

## 19. 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	
31/3/2009	31/3/2008	31/3/2009	31/3/2008
RM'000	RM'000	RM'000	RM'000
(670)	3,429	4,118	8,260
(1,636)	(4,337)	2,131	(2,516)
(2,306)	(908)	6,249	5,744
-	3,582	-	3,563
(2,306)	2,674	6,249	9,307

The effective tax rate for the current financial year was lower than the statutory tax rate mainly attributable to availability of unabsorbed tax losses.

## 20. Sale of unquoted investments and/or properties

There was no sale of unquoted investments for the current financial reporting period.

## 21. Purchase or disposal of quoted securities

(a) There was no purchase or disposal of quoted securities for the current financial reporting 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  
31/3/2009  
RM'000

338

521

703

## 22. Status of corporate proposals

On 8 May 2009, EON entered into a Master Dealership Agreement with Proton Edar Sdn Bhd (EDAR) which includes amongst others, the rationalisation of the sales and service centres between EON and EDAR with the purpose of improving, strengthening and developing the dealer network.

Amongst the terms of the Agreement, all sales and service dealers currently under the Company shall migrate to EDAR not later than 31 December 2009. In addition, the Company shall reduce its sales branches from the existing forty (40) to thirty two (32) on or before 31 December 2010. The related announcement was made on 8 May 2009.

### 23. Group borrowings and debt securities

The Group's borrowings, denominated in Ringgit Malaysia, as at the end of the current financial year are as follows:

	RM '000
<u>Short-term - Bankers' acceptance</u>	
Unsecured	<u>20,000</u>

### 24. Off balance sheet financial instruments

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 19 May 2009, the Group had entered into the following outstanding foreign currency contracts:

	Contract amount		Expiry Dates
	Foreign currency ('000)	Ringgit equivalent (RM '000)	
Japanese Yen	636,965	23,760	19/5/2009 - 26/6/2009
Euro	816	3,928	19/5/2009 - 21/7/2009

### 25. 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.

### 26. Dividends

The Board of Directors is pleased to recommend a final gross dividend of 2 sen per share (31 March 2008: 13.5 sen/share) less 25% tax in respect of the financial year ended 31 March 2009 which is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

The total gross dividend per share declared to date, for the financial year ended 31 March 2009 was RM1.10 per share, amounting to a total net dividend of RM267.7 million (31 March 2008: 13.5 sen/share, amounting to a total net dividend of RM24.9 million).

### 27. Earnings per share

#### (a) Basic earnings per share

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

		3 months ended		12 months ended	
		31/3/2009	31/3/2008	31/3/2009	31/3/2008
Profit attributable to equity holders	(RM'000)	(17,008)	46,370	25,679	94,243
Number of ordinary shares in issue		248,992,823	248,992,823	248,992,823	248,992,823
Basic earnings per share	(sen)	(6.83)	18.62	10.31	37.85

#### (b) Diluted earnings per share

Diluted earnings per share is not calculated as the Company does not have any dilutive potential ordinary shares to be issued as at end of the current financial reporting period.

BY ORDER OF THE BOARD  
NORZALILI MOHD YUSOF  
CAROL CHAN CHOY LIN  
Company Secretaries

Shah Alam, 26 May 2009