

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)
(Incorporated in Malaysia)

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

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

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Current Quarter		Year to Date	
		3 months ended	3 months ended	9 months ended	9 months ended
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		455,804	533,219	1,546,600	1,917,473
Cost of sales and operating expenses		(464,023)	(528,371)	(1,538,177)	(1,896,056)
Other income		1,320	1,219	4,710	6,957
Profit from operations		(6,899)	6,067	13,133	28,374
Finance cost		(33)	(2)	(249)	(4)
Share of results of jointly controlled entities		7,811	6,290	17,304	22,164
Share of results of associates		(707)	(419)	(175)	708
Profit before tax		172	11,936	30,013	51,242
Tax	19	115	(472)	(5,394)	(8,555)
Profit after tax		287	11,464	24,619	42,687
Profit attributable to equity holders		287	11,464	24,619	42,687
		sen	sen	sen	sen
Earnings per share:	27				
- Basic	(a)	0.12	4.60	9.89	17.14
- 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 year ended 31 March 2009.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 31/12/2009 RM'000	Audited As At 31/3/2009 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	166,881	174,192
Investment properties	19,210	18,530
Prepaid lease	10,668	10,881
Investments	1,231	4,389
Jointly controlled entities	107,957	102,251
Associates	41,186	41,047
Deferred tax assets	5,319	5,400
	352,452	356,690
CURRENT ASSETS		
Inventories	217,588	224,375
Receivables	129,425	112,779
Amounts due from holding company	328	5
Amounts due from jointly controlled entities/ an associate	524	2,160
Amounts due from other related companies	3,306	2,038
Tax recoverable	188	197
Cash and bank balances and deposits with financial institutions	89,147	119,899
	440,506	461,453
CURRENT LIABILITIES		
Payables	121,235	137,269
Amounts due to jointly controlled entities/ an associate	11,017	24,216
Amounts due to other related companies	427	504
Taxation	3,737	778
Provisions for liabilities and charges	2,160	2,858
Borrowings	-	20,000
	138,576	185,625
NET CURRENT ASSETS	301,930	275,828
NON-CURRENT LIABILITIES		
Deferred tax liabilities	6,097	6,102
Provision for retirement benefits	8,704	7,996
Long-term lease payables	949	986
	15,750	15,084
	638,632	617,434
SHARE CAPITAL	248,993	248,993
RESERVES	389,639	368,441
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	638,632	617,434
	RM	RM
Net assets per share attributable to equity holders	2.56	2.48

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 31 March 2009.

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	
(Unaudited) At 1 April 2009	248,993	8,367	3,251	1,380	355,443	617,434
Movements in equity during the period						-
Share of associates' reserves	-	-	314	-	-	314
Net profit not recognised in income statement	-	-	314	-	-	314
Net profit attributable to equity holders					24,619	24,619
Dividends					(3,735)	(3,735)
At 31 December 2009	248,993	8,367	3,565	1,380	376,327	638,632
(Unaudited) At 1 April 2008	248,993	8,367	2,460	1,380	618,571	879,771
Movements in equity during the period						
Share of associates' reserves	-	-	1,220	-	-	1,220
Net losses not recognised in income statement	-	-	1,220	-	-	1,220
Net profit attributable to equity holders					42,687	42,687
Dividends					(273,867)	(273,867)
At 31 December 2008	248,993	8,367	3,680	1,380	387,391	649,811

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 March 2009.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 9 months ended 31/12/2009 RM'000	Unaudited 9 months ended 31/12/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit attributable to equity holders	24,619	42,687
Adjustments for investing and financing items and non-cash items:		
Tax	5,394	8,555
Share of results of jointly controlled entities	(17,304)	(22,164)
Share of results of associates	175	(708)
Depreciation	7,741	9,597
Other investing and financing items and non-cash items	12,482	(2,291)
Operating profit before working capital changes	33,107	35,676
Net changes in working capital	(49,437)	(101,927)
Cash used in operations	(16,330)	(66,251)
Add/(Less) :		
Interest received	1,824	5,438
Interest paid	(249)	(5)
Income tax paid, net of refund	(2,349)	(4,571)
Net cash flow used in operating activities	<u>(17,104)</u>	<u>(65,389)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	12,248	28,875
Proceeds from sale of property, plant and equipment	614	341
Proceeds from redemption of redeemable preference shares	457	-
Proceeds from liquidation of an associate company	-	516
Additional investment in an associate company	-	(7,733)
Purchase of property, plant and equipment	(3,365)	(3,033)
Net cash flow generated from investing activities	<u>9,954</u>	<u>18,966</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(20,000)	-
Proceeds from/(payment of) finance lease	133	(194)
Payment of cash dividends	(3,735)	(273,867)
Net cash flow used in financing activities	<u>(23,602)</u>	<u>(274,061)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(30,752)	(320,484)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	119,899	383,519
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>89,147</u>	<u>63,035</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 March 2009.

EDARAN OTOMOBIL NASIONAL BERHAD
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

Disclosure requirements pursuant to Financial Reporting Standard 134

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 year ended 31 March 2009.

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 year ended 31 March 2009.

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 interim 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 interim 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 interim financial reporting period.

8. Dividends paid

Dividends paid by the Company during the current financial reporting period was as follows:

	Gross per share	Dividend, net of tax
	Sen	RM'000
- Final dividend of 2 sen per share less tax at 25% in respect of the financial year ended 31 March 2009, paid on 15 September 2009.	2.0	3,735

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

There was no material event subsequent to the end of the current interim financial period except for the following:-

Proposed Selective Capital Reduction and Repayment Exercise under Section 64 of the Companies Act, 1965

The Board of Directors of the Company had on 27 January 2010 received a letter from its Holding Company, HICOM Holdings Berhad ("HICOM"), requesting the Company to undertake a selective capital reduction and repayment exercise under Section 64 of the Companies Act, 1965 ("Proposed SCR").

The Proposed SCR entails a selective capital reduction and repayment which will result in the reduction of the issued and paid up share capital of EON from RM248,992,823 comprising 248,992,823 EON Shares to RM168,164,209 comprising 168,164,209 EON Shares by way of cancelling a total of 80,828,614 EON shares as follows:-

- (i) all the outstanding EON Shares held by the shareholders of EON (other than HICOM) ("Other Shareholders") involving 52,147,493 EON Shares; and
- (ii) the balance of 28,681,121 EON Shares held by HICOM.

Upon completion of the Proposed SCR, HICOM will hold 168,164,209 EON Shares, representing the entire issued and paid-up share capital of EON.

Pursuant to the proposed cancellation, the shareholders are entitled to receive a capital repayment of RM80,828,614.

However, HICOM will waive its entitlement for the capital repayment amounting to RM28,681,121.

Accordingly, the aggregate capital repayment value to be paid to the Other Shareholders will be RM80,828,614, equivalent to RM1.55 per EON share.

The above announcement was made on 2 February 2010.

12. Changes in the composition of the group

There was no change in the composition of the Group during the current interim 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 2009.

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

The Group's revenue of RM455.8 million for the third quarter ended 31 Dec 2009 was lower than the corresponding quarter in 2008 of RM533.2 million by RM77.4 million. This was mainly due to lower sales from Proton business as a result of migration of sales and after sales dealers to Proton Edar Sdn Bhd ("EDAR") pursuant to the execution of the Master Dealership Agreement on 8 May 2009.

The Group recorded a lower profit before tax of RM0.17 million as compared to RM11.9 million in the corresponding quarter of 2008. The lower profit before tax was due to lower sales revenue and also the provision made arising from implementation of management separation scheme and impairment of assets from the closure of certain branches.

The Group's revenue of RM1,546.6 million for the 9 months ended 31 Dec 2009 was lower than the revenue of RM1,917.5 million registered in the 9 months ended 31 Dec 2008. The decline in revenue was mainly due to the impact of the migration of the dealers to EDAR and lower Mitsubishi vehicles sales.

Accordingly, the Group recorded a lower profit before tax of RM30.0 million for the current financial period ended 31 Dec 2009 (YTD Dec 2008: RM51.2 million).

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

The Group reported a lower profit before tax of RM0.17 million for the current quarter as compared to the immediate preceding quarter's profit before tax of RM17.0 million. This was mainly attributed to lower earnings from Proton business and provision made arising from implementation of management separation scheme and impairment of assets from the closure of certain branches.

17. Prospects

The Malaysian automotive industry is expected to improve in year 2010 from the slower demand experienced in year 2009 following the global economic downturn. The favourable outlook is supported by an expected 4% to 5% growth in the local economy in year 2010, the introduction of new vehicle models and strong consumer confidence.

Notwithstanding the positive business environment and the Group's ongoing cost savings initiatives, the Group's results for the financial year ending 31 March 2010 is still expected to be challenging.

18. Profit forecast / profit guarantee

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

19. Tax

Tax comprises the following:

Current tax expense

Deferred tax

Tax expense

Current Quarter		Year to Date	
3 months ended		9 months ended	
31/12/2009	31/12/2008	31/12/2009	31/12/2008
RM'000	RM'000	RM'000	RM'000
748	522	5,327	4,788
(863)	(50)	67	3,767
(115)	472	5,394	8,555

The effective tax rate for the current interim financial reporting period was lower than the statutory tax rate mainly attributable to utilisation of unabsorbed tax losses.

20. Sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current interim financial reporting period.

21. Purchase or disposal of quoted securities

(a) There was no purchase or disposal of quoted securities for the current interim financial reporting period.

As at
31/12/2009
RM'000

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

(i) At cost

(ii) At carrying value / book value

(iii) At market value

338

521

1,753

22. Status of corporate proposals**Extension of time to comply with the public shareholding spread requirement pursuant to Paragraph 8.15(1) of the Listing Requirements**

Bursa Malaysia Securities Berhad has via its letter dated 11 January 2010 granted EON a further extension of time of six (6) months until 29 June 2010 to comply with the public shareholding spread requirement pursuant to the Paragraph 8.15(1) of the Listing Requirements.

23. Group borrowings and debt securities

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

24. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments that are of a material nature as at the end of the current financial reporting period.

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

No interim dividend is recommended for the current interim financial reporting period (31 December 2008: 8 sen less tax at 25%)

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.

		Current Quarter		Year to Date	
		3 months ended		9 months ended	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
Profit attributable to equity holders	(RM'000)	287	11,464	24,619	42,687
Number of ordinary shares in issue		248,992,823	248,992,823	248,992,823	248,992,823
Basic earnings per share	(sen)	0.12	4.60	9.89	17.14

(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 interim financial reporting period.

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

Shah Alam, 23 February 2010