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Edaran Otomobil Nasional Berhad (EON)

is one of Malaysia's leading companies in motor distribution. For the financial year ended 31 December 2002, the Group recorded a revenue of RM7.4 billion with a pre-tax profit of RM905.9 million.

DRB-HICOM

DRB-HICOM Berhad is one of Malaysia's leading conglomerates, playing an integral role in the nation's road to industrialisation.

We are diversified and focused, and have interests in key sectors of the economy mainly:-

- Automotive Manufacturing & Distribution
- Property Development & Construction
- Services

DRB-HICOM Berhad will continue to look for opportunities that will benefit the Group and the country.

AUTOMOTIVE MANUFACTURING & DISTRIBUTION

The Group's leadership within this sector is reflected through niche segmentation via new technology development and continued strategic alliances with renowned global names such as Mitsubishi, Isuzu, Citroen, Kawasaki, Tata and Honda. We continuously seek new alliances to strengthen our base further and develop new business potential that will strengthen both DRB-HICOM and our partners.

PROPERTY DEVELOPMENT & CONSTRUCTION

DRB-HICOM Berhad is extensively involved in retail, commercial and residential property development, and has made strong inroads in the construction sector especially in infrastructure developments.

SERVICES

The rapidly growing service-based industry represents new opportunities for DRB-HICOM Berhad. Our interests include IT, solid waste management, financial services, automotive services, tourism and transportation.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at Glenmarie Ballroom A, The Pan Pacific Glenmarie Resort, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Thursday, 29 May 2003 at 11.30 a.m. for the following purposes:

1. To receive and adopt the Reports of the Directors and Auditors and the Audited Financial Statements for the year ended 31 December 2002. **(Resolution 1)**
2. To declare a final dividend of 40 sen per share less 28% Malaysian Income Tax. **(Resolution 2)**
3. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
Under Article 103
 - i. Y Bhg Tan Sri Dato' Seri Mohd Saleh bin Sulong **(Resolution 3)**
 - ii. Mr Rin Kei Mei **(Resolution 4)**
 - iii. Y Bhg Datuk Haji Faisal bin Siraj **(Resolution 5)**
 - iv. Mr Choo Keng Kit **(Resolution 6)**
 - v. Ms Vimala Menon **(Resolution 7)**
Under Article 110
 - i. Encik Ahmad Othman bin Yahaya **(Resolution 8)**
4. To approve the increase in the Directors' fees from RM389,000 to RM612,000 for the year ended 31 December 2002. **(Resolution 9)**
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**
6. To transact any other ordinary business for which due notice has been given.
7. As Special Business:
To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:
 - (i) "THAT pursuant to EON Employees' Share Option Scheme ("the Scheme") as approved at the Extraordinary General Meeting of the Company held on 5 August 1999, approval be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time and in accordance with the terms and conditions of the Scheme". **(Resolution 11)**
 - (ii) "THAT subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 per cent of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 12)**
 - (iii) "THAT subject always to the provisions of the Companies Act, 1965 ("Act"), the Memorandum & Articles of Association of the Company, the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE"), the regulations, guidelines and practice notes issued from time to time by the KLSE or any other regulatory authorities, the mandate approved for renewal by the shareholders of the Company on 28 May 2002 pursuant to paragraph 10.09 of the Listing Requirements of the KLSE, authorising the Company and its subsidiaries ("EON Group") to enter into the recurrent related party transactions of a revenue or trading nature ("Recurrent Transactions") as set out in Section 2.1.1 of the Circular to Shareholders dated 8 May 2003 ("Circular") with the related parties mentioned therein which are necessary for the EON Group's day-to-day operations, be and is hereby renewed AND THAT the scope of such renewed mandate be and is hereby extended to the Recurrent Transactions with a new related party as set out in Section 2.1.2 of the Circular ("Proposal"),

AND THAT the EON Group is hereby authorised to enter into the Recurrent Transactions with the related parties therein provided that:

- (a) the transactions are in the ordinary course of business on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (b) disclosure of the aggregate value of the transactions conducted during the financial year will be disclosed in the Annual Report for the said financial year with particulars of the types of the Recurrent Transactions made and the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the Company,

AND THAT the authority conferred by such renewed mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposal is approved, at which time it will lapse, unless further renewed by a resolution passed at the next AGM;

- (b) the expiration of the period within the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

- (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposal and the transactions authorised thereunder." **(Resolution 13)**

By order of the Board

Musa bin Haji Mohd Dahan

(MAICSA REG. No. 0673107)

Company Secretary

Shah Alam

8 May 2003

Explanatory Notes On Special Business:

- (i) The effect of the Resolution 11 is to allow the Directors to issue shares in the Company pursuant to the terms and conditions of the EON Employees' Share Option Scheme which was approved at the Extraordinary General Meeting of the Company held on 5 August 1999.
- (ii) The effect of Resolution 12 is to allow the Directors to issue shares in the Company up to an amount not exceeding in aggregate 10 per cent of the issued share capital of the Company for the time being.
- (iii) The effect of the Resolution 13 is to renew the mandate for the Recurrent Transactions as set out in Section 2.1.1 of the Circular to Shareholders dated 8 May 2003 with the related parties mentioned therein and to extend the scope of the mandate to apply to Recurrent Transactions with a new related party as set out in Section 2.1.2 of the Circular.

Notes:

- i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- ii) The instrument appointing the proxy must be deposited at the Office of the Registrars, Panama Resources Sdn Bhd, No. 23, Jalan Sri Hartamas 7, Sri Hartamas, 50480 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28 (2) of the Listing Requirements of the Kuala Lumpur Stock Exchange

1. Names of Directors who are standing for re-election:

Under Article 103 of the Company's Articles of Association

- (i) Tan Sri Dato' Seri Mohd Saleh bin Sulong
- (ii) Mr Rin Kei Mei
- (iii) Datuk Haji Faisal bin Siraj
- (iv) Mr Choo Keng Kit
- (v) Ms Vimala Menon

Under Article 110 of the Company's Articles of Association

- (i) Encik Ahmad Othman bin Yahaya

2. Directors' attendance at Board Meetings for the year ended 31 December 2002.

The above information can be found in the Profile of Board of Directors' section of the Annual Report.

3. Place, date and hour of the 19th Annual General Meeting

Place : Glenmarie Ballroom A
The Pan Pacific Glenmarie Resort
1 Jalan Usahawan U1/8, Seksyen U1
40250 Shah Alam
Selangor Darul Ehsan

Date : Thursday, 29 May 2003

Time : 11.30 a.m.

4. Further details of Directors standing for re-election

Name	Tan Sri Dato' Seri Mohd Saleh bin Sulong	Rin Kei Mei
Nationality	Malaysian	Singaporean
Age	51	68
Qualification	<ul style="list-style-type: none"> Member of the Chartered Institute of Management Accountants, UK 	<ul style="list-style-type: none"> Taiwan Cheng Kung University Bachelor in Chemical Engineering (1958)
Position on the Board	Chairman (Non-Independent, Non-Executive)	Deputy Chairman (Non-Independent, Non-Executive)
Working experience	<ul style="list-style-type: none"> Accountant of Cycle & Carriage Bintang Berhad, Cycle & Carriage (Malaysia) Sdn Bhd, United Cycles Sdn Bhd Executive Director of Master-Carriage Group of Companies 	<ul style="list-style-type: none"> Joint Managing Director, Perusahaan Sadur Timah Malaysia (PERSTIMA) Sdn Bhd Managing Director, Kedah Cement Holdings Berhad
Occupation	Group Chairman – DRB-HICOM Berhad	Company Director
Any other directorships in public companies	<ul style="list-style-type: none"> DRB-HICOM Berhad EON Capital Berhad EON Bank Berhad EON Finance Berhad Eastern Pacific Industrial Corporation Berhad Gadek (Malaysia) Berhad HICOM Holdings Berhad Horsedale Development Berhad South East Asia Insurance Berhad 	<ul style="list-style-type: none"> EON Capital Berhad EON Bank Berhad EON Finance Berhad
Securities holdings in EON and its subsidiaries (as at 31/12/2002)	Deemed interest in 72,968,000 shares in EON	Direct interest in 1,529,000 shares in EON Deemed interest in 23,748,000 shares in EON Direct interest in 39,550 shares in EON Capital Berhad Deemed interest in 2,073,817 shares in EON Capital Berhad
Any family relationship with Director and/or major Shareholder of EON or any Companies that have entered into any transactions with EON or its subsidiaries	None	None
Any conflict of interest with the Company	Deemed interested in the recurrent related party transactions of a revenue or trading nature and hence had abstained from voting at the Annual General Meeting held on 28 May 2002 to seek shareholders' approval for the renewal of mandate for recurrent transactions that are in the ordinary course of business.	Deemed interested in the recurrent related party transactions of a revenue or trading nature and hence had abstained from voting at the Annual General Meeting held on 28 May 2002 to seek shareholders' approval for the renewal of mandate for recurrent transactions that are in the ordinary course of business.
List of convictions for offences within the past 10 years other than traffic offences, if any	None	None

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28 (2) of the Listing Requirements of the Kuala Lumpur Stock Exchange

Name	Datuk Haji Faisal bin Siraj	Choo Keng Kit
Nationality	Malaysian	Malaysian
Age	57	53
Qualification	<ul style="list-style-type: none"> Fellow of the Institute of Chartered Accountants in England and Wales Member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants 	<ul style="list-style-type: none"> Associate Member of Malaysian Institute of Management Associate Member of Institute of Marketing, UK Member of British Institute of Management, UK M.I.M. Diploma in Management
Position on the Board	Non-Independent, Non-Executive Director	Non-Independent, Executive Director
Working experience	<ul style="list-style-type: none"> Executive Director, Malaysia Mining Corporation Berhad Vice President, HICOM Holdings Berhad 	<ul style="list-style-type: none"> Manager, Borneo Motors (M) Sdn Bhd Deputy General Manager, Tan Chong & Sons Motor Sdn Bhd General Manager, Sales, EON Berhad
Occupation	Senior Group Director, Financial Services & Treasury – DRB-HICOM Berhad	Executive Director, Motor Group, EON Berhad
Any other directorships in public companies	<ul style="list-style-type: none"> DRB-HICOM Berhad Gadek (Malaysia) Berhad HICOM Holdings Berhad Horsedale Development Berhad Rebak Island Marina Berhad 	<ul style="list-style-type: none"> EON Finance Berhad
Securities holdings in EON and its subsidiaries (as at 31/12/2002)	None	Direct interest in 90,000 shares in EON Direct interest in 30,737 shares in EON Capital Berhad
Any family relationship with Director and/or major Shareholder of EON or any Companies that have entered into any transactions with EON or its subsidiaries	None	None
Any conflict of interest with the Company	Non-Independent, Non-Executive Director representing HICOM Holdings Berhad, a major shareholder of the Company.	None
List of convictions for offences within the past 10 years other than traffic offences, if any	None	None

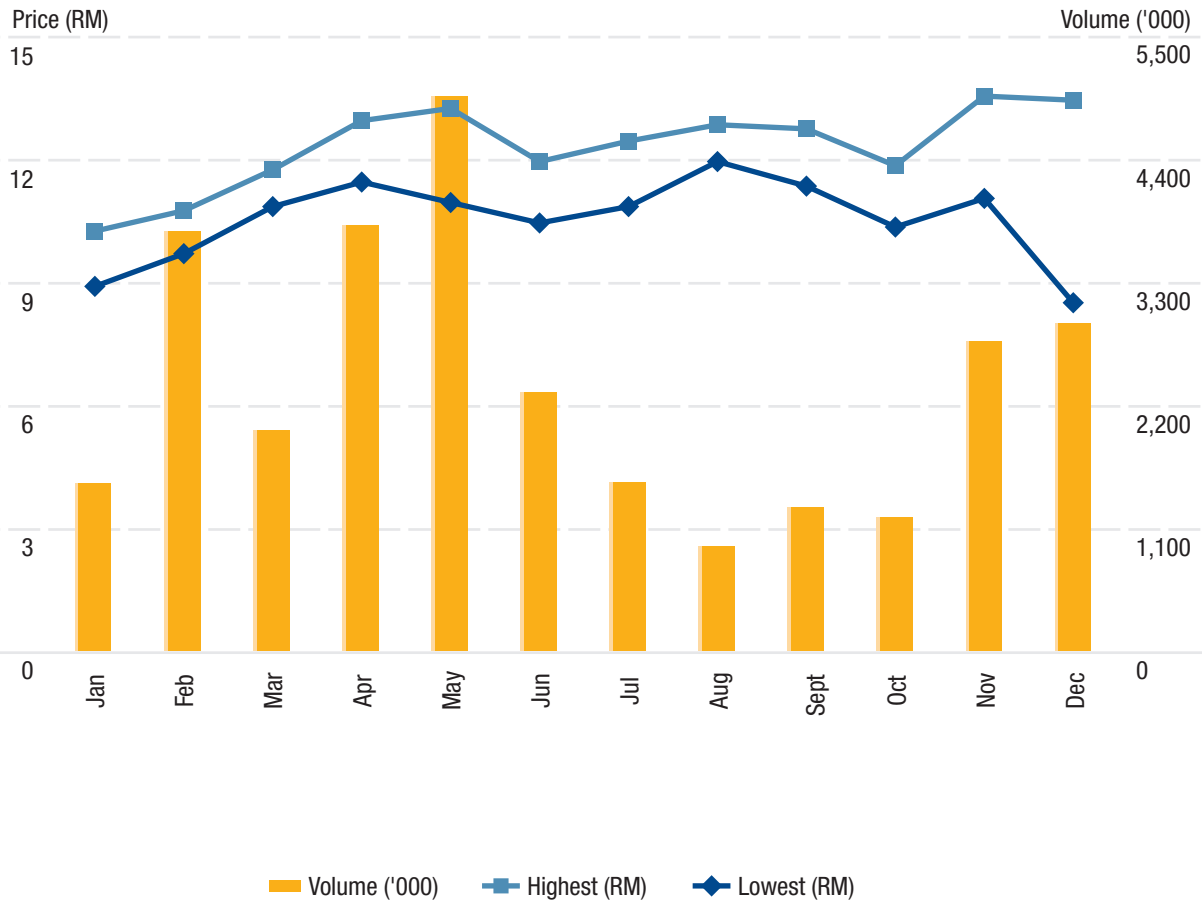
Name	Vimala Menon	Ahmad Othman bin Yahaya
Nationality	Malaysian	Malaysian
Age	48	28
Qualification	<ul style="list-style-type: none"> • Associate Member of Institute of Chartered Accountants in England and Wales • Member of Malaysian Institute of Accountants 	<ul style="list-style-type: none"> • Bachelor of Science Degree in Business Studies, University of Buckingham, England
Position on the Board	Non-Independent, Executive Director	Non-Independent, Non-Executive Director
Working experience	<ul style="list-style-type: none"> • Audit Senior, Hays Allan Chartered Accountants • Audit Supervisor, Kassim & Chan • Manager, Accounts, EON Berhad • General Manager, Finance, EON Berhad 	<ul style="list-style-type: none"> • Assistant Manager, Business Development DRB-HICOM Berhad • Manager, Operations, Automotive Corporation (Malaysia) Sdn Bhd • Assistant Manager, Operations Division HICOM Holdings Berhad
Occupation	Executive Director, Finance and Corporate Services, EON Berhad	General Manager (Property & Construction) Operations Division, DRB-HICOM Berhad
Any other directorships in public companies	<ul style="list-style-type: none"> • EON Bank Berhad 	<ul style="list-style-type: none"> • Gadek (Malaysia) Berhad (Alternate) • Imatex Berhad (Alternate) • DRB-HICOM Berhad (Alternate) • Horsedale Development Berhad (Alternate)
Securities holdings in EON and its subsidiaries (as at 31/12/2002)	Direct interest in 90,000 shares in EON	Deemed interest in 72,968,000 shares in EON
Any family relationship with Director and/or major Shareholder of EON or any Companies that have entered into any transactions with EON or its subsidiaries	None	Son of Allahyarham Tan Sri Dato' Seri Yahaya bin Ahmad whose Estate of which he is a beneficiary is a major shareholder of DRB-HICOM Berhad and deemed major shareholder of the Company
Any conflict of interest with the Company	None	Deemed interested in the recurrent related party transactions of a revenue or trading nature and hence had abstained from voting at the Annual General Meeting held on 28 May 2002 to seek shareholders' approval for the renewal of mandate for recurrent transactions that are in the ordinary course of business.
List of convictions for offences within the past 10 years other than traffic offences, if any	None	None

Summary of Group Financial Highlights

	2002 RM'000	2001 RM'000	2000 RM'000	1999 RM'000	1998 RM'000
ASSETS					
Cash and bank balances and deposits with financial institutions	2,838,259	2,790,057	2,529,501	1,673,882	1,726,800
Dealing securities	954,842	664,517	605,763	373,956	179,541
Investments	4,654,895	2,215,876	2,488,522	1,911,158	2,065,242
Loans, advances and financing	20,573,665	17,387,782	11,658,595	9,730,938	8,890,216
Inventories	534,070	603,775	217,856	286,841	244,480
Receivables	1,175,591	1,102,206	424,255	323,526	295,099
Statutory deposits with Bank Negara Malaysia	865,213	697,919	475,662	399,953	377,965
Amounts due from associates	–	–	327	190	–
Associates	137,933	453,265	405,901	566,351	461,515
Property, plant and equipment	458,016	435,188	371,968	379,407	387,755
	32,192,484	26,350,585	19,178,350	15,646,202	14,628,613
LIABILITIES					
Deposits from customers	18,219,354	17,042,601	11,379,027	8,765,998	7,130,714
Deposits and placements of banks and other financial institutions	7,262,140	2,713,023	3,023,468	2,873,757	3,512,472
Obligations on securities sold under repurchase agreements	1,168,396	24,002	50,060	–	120,110
Bills and acceptances payable	155,565	920,624	329,720	174,445	342,089
Taxation	121,798	253,085	114,451	14,981	60,197
Payables	1,613,755	1,940,423	1,134,328	873,544	1,090,064
Amounts due to associates	9,807	11,627	4,636	19,967	16,655
Borrowings	419,478	–	–	–	–
Provisions for liabilities and charges	25,309	34,899	58,710	62,791	93,370
Deferred taxation	3,220	5,744	14,397	13,701	10,813
	28,998,822	22,946,028	16,108,797	12,799,184	12,376,484
SHARE CAPITAL	231,423	228,590	228,453	226,830	226,826
RESERVES	1,974,393	2,258,283	2,018,700	1,928,772	1,426,205
SHAREHOLDERS' FUNDS	2,205,816	2,486,873	2,247,153	2,155,602	1,653,031
LIFE ASSURANCE FUND	–	130,265	105,562	84,893	67,969
MINORITY INTERESTS	987,846	787,419	716,838	606,523	531,129
	987,846	917,684	822,400	691,416	599,098
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	32,192,484	26,350,585	19,178,350	15,646,202	14,628,613
REVENUE	7,427,704	7,548,331	6,361,545	5,393,845	3,570,326
PROFIT BEFORE TAXATION	905,926	820,342	775,258	620,470	101,578
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS	476,623	449,958	481,310	511,956	49,412

Share Prices and Trading Volume

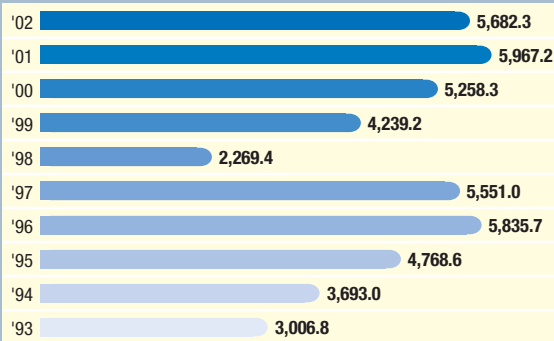
Share Prices and Trading Volume on the Kuala Lumpur Stock Exchange for 2002



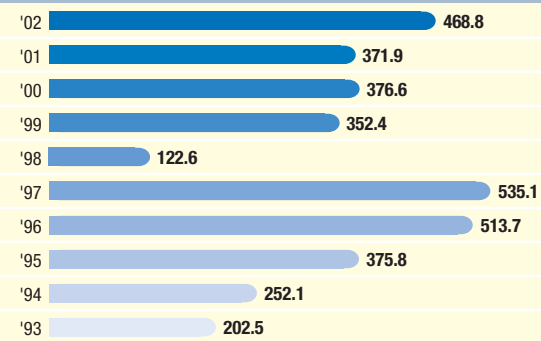
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
10.30	10.80	11.80	13.00	13.30	12.00	12.50	12.90	12.80	11.90	13.60	13.50	Highest (RM)
8.95	9.75	10.90	11.50	11.00	10.50	10.90	12.00	11.40	10.40	11.10	8.55	Lowest (RM)
1,500	3,747	1,972	3,802	4,958	2,312	1,504	935	1,279	1,190	2,770	2,929	Volume ('000)

EON's Growth Trend – Company

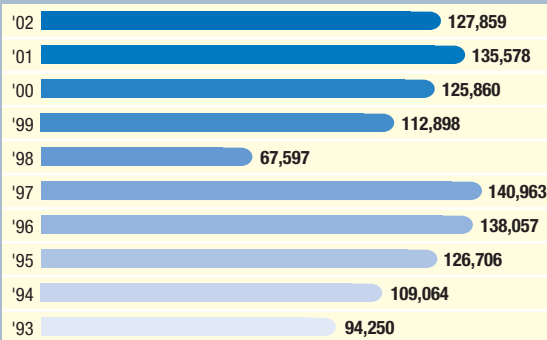
Revenue (RM Million)



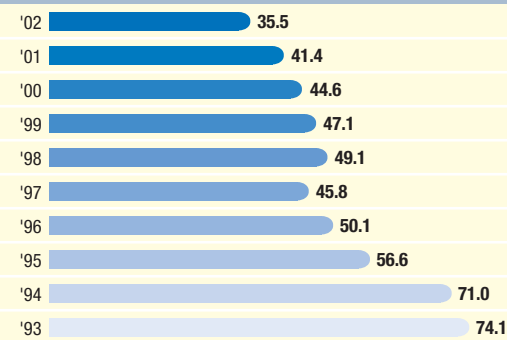
Profit Before Tax (RM Million)



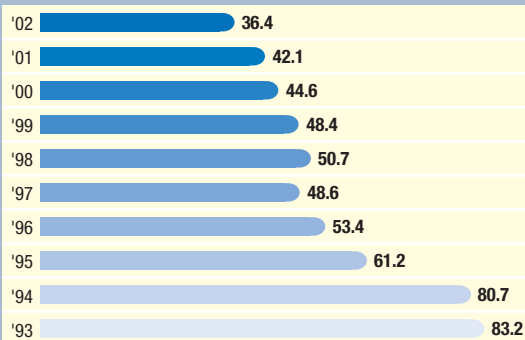
Sales Volume (Units)



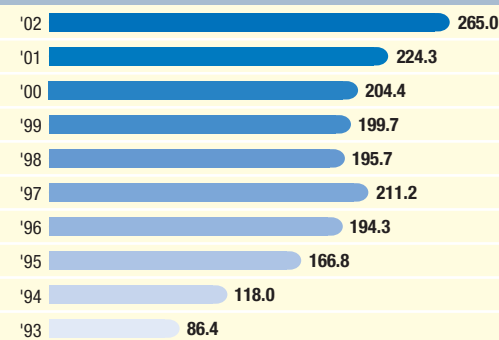
Market Share (Total Passenger Cars) (%)



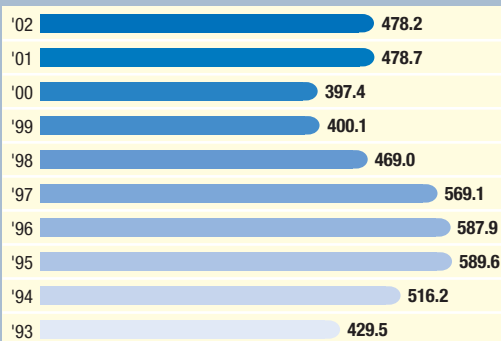
Market Share (Passenger Cars Below 1600cc) (%)



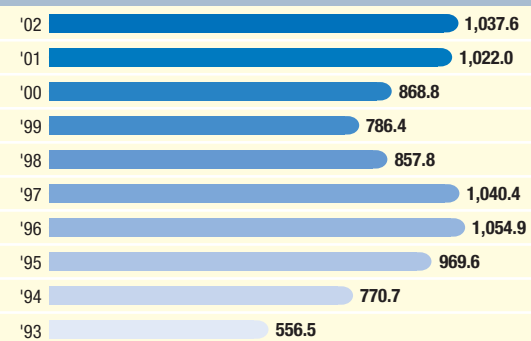
After Sales Service Revenue (RM Million)



Service Throughput (Branches) ('000 Units)

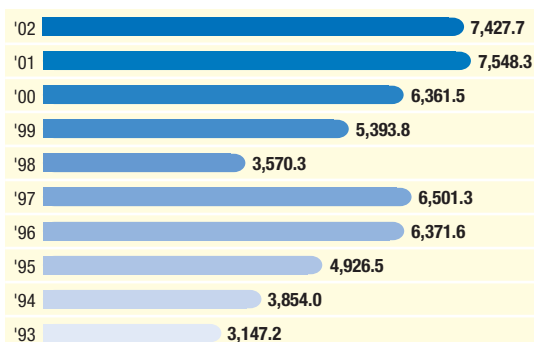


Service Throughput (Branches & Franchise Service Dealers) ('000 Units)

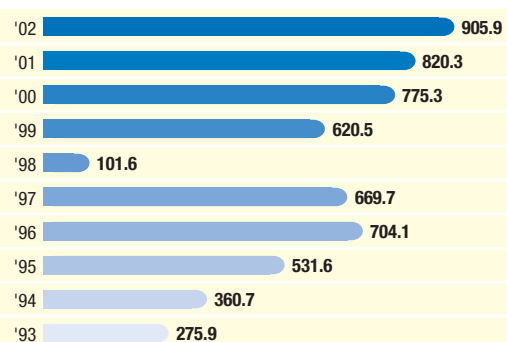


EON's Growth Trend – Group

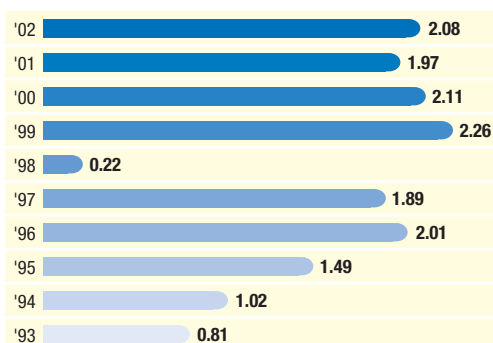
Revenue (RM Million)



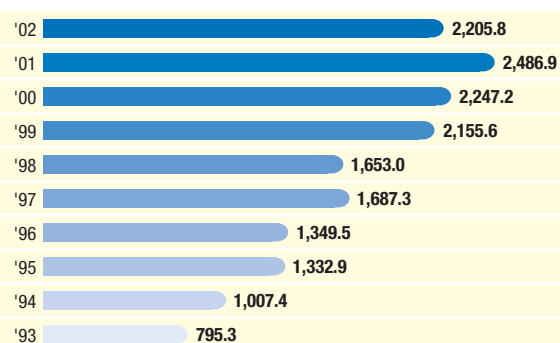
Profit Before Tax (RM Million)



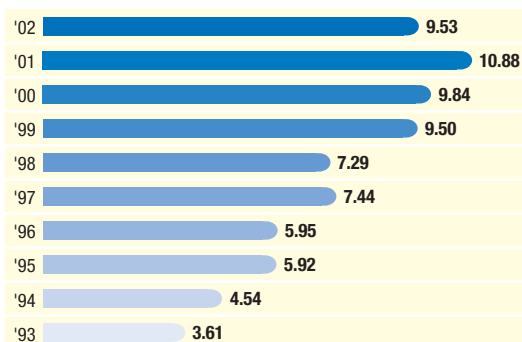
Earnings Per Share (RM)



Shareholders' Funds (RM Million)



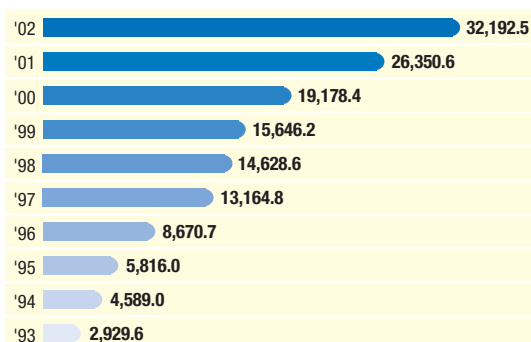
Net Tangible Assets Per Share (RM)



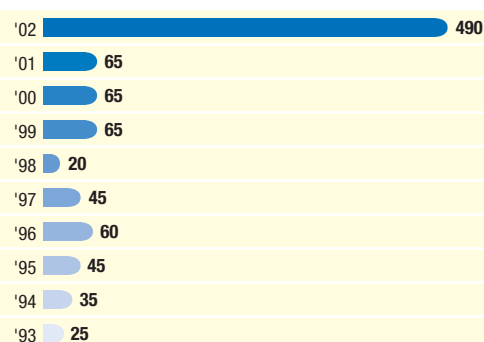
Share Capital (RM Million)



Total Assets (RM Million)



Gross Dividend Per Share (Sen)



Building Relationships

Closer relationships with customers, government, shareholders, principals, employees, suppliers and dealers will enhance EON's strength.



EON appreciates PROTON's contribution towards the Petronas EON Racing Team.



We give due recognition to successful dealers.



Festive occasions and prize giveaways foster better relationships with our customers.



EON is working with new principals Audi AG and Volkswagen AG to distribute their vehicles in Malaysia.