

**EASTERN & ORIENTAL BERHAD (555-K)**  
**CONDENSED CONSOLIDATED RESULTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2005**  
**THESE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current quarter ended 31/12/05 RM'000	Comparative quarter ended 31/12/04 RM'000	Current year to date 31/12/05 RM'000	Comparative year to date 31/12/04 RM'000
Revenue	141,979	5,762	190,959	15,576
Cost of sales	<u>(105,700)</u>	<u>(3,218)</u>	<u>(141,539)</u>	<u>(8,914)</u>
<b>Gross profit</b>	36,279	2,544	49,420	6,662
Other operating income	4,690	295	6,863	11,337
Selling and marketing expenses	(1,130)	(249)	(2,055)	(708)
Administrative expenses	(7,761)	(2,408)	(13,140)	(6,686)
Other operating expenses	(3,546)	(1,218)	(6,501)	(3,686)
Gain on disposal of subsidiary company	-	-	4	-
<b>Profit/(loss) from operations</b>	28,532	(1,036)	34,591	6,919
Finance cost	(10,262)	(2,414)	(18,027)	(7,609)
Share of profits and losses of associated companies	802	3,240	10,866	17,012
<b>Profit/(loss) before income tax and minority interest</b>	19,072	(210)	27,430	16,322
Income tax	(4,985)	(787)	(10,320)	(3,797)
<b>Profit/(loss) after income tax before deducting minority interest</b>	14,087	(998)	17,110	12,525
Minority interest	(5,351)	572	(5,396)	233
<b>Net profit/(loss) attributable to stockholders</b>	<u>8,736</u>	<u>(426)</u>	<u>11,714</u>	<u>12,758</u>
Earnings per share based on:				
(a) Basic [based on 2005: 220,862,559; (2004: 232,471,492) ordinary shares]	(sen) <u>3.96</u>	<u>(0.18)</u>	<u>5.30</u>	<u>5.49</u>
(b) Fully diluted	(sen) <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2005)**

**EASTERN & ORIENTAL BERHAD (555-K)**  
**CONDENSED CONSOLIDATED RESULTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2005**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	As at End of the Current Quarter 31/12/05 RM'000	Per Audited Accounts Financial Year End 31/3/05 RM'000
<b><u>NON-CURRENT ASSETS</u></b>		
Property, plant and equipment	150,460	120,840
Associated companies	20,563	323,008
Investments	43,250	16,935
Land held for property development	978,903	55,688
Investment properties	11,145	-
Long term receivable	3,861	-
Deferred tax assets	12,817	-
	<u>1,220,999</u>	<u>516,471</u>
<b><u>CURRENT ASSETS</u></b>		
Property development costs	300,038	-
Inventories	41,418	647
Receivables	266,653	21,436
Amount due from customers on construction work	3,442	-
Accrued billing in respect of property development costs	19,337	-
Cash, bank balances and deposits	161,467	4,592
	<u>792,355</u>	<u>26,675</u>
<b><u>CURRENT LIABILITIES</u></b>		
Payables	245,364	13,382
Amount due to customers on construction work	54,640	-
Progress billing in respect of property development cost:	19,841	-
Provisions	25,068	-
Provision for retirement benefits	38	4
Borrowings	170,550	42,230
Taxation	6,476	59
	<u>521,977</u>	<u>55,675</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>270,378</u>	<u>(29,000)</u>
	<u>1,491,377</u>	<u>487,471</u>
<b><u>FINANCED BY:</u></b>		
Share capital	232,472	232,472
Reserves		
Share premium	128,900	128,004
Revaluation reserves	30,718	8,610
Exchange reserves	131	-
Treasury stock units	(7,314)	(9,968)
(Accumulated loss)/Retained earnings	(50,026)	29,053
Stockholders' funds	<u>334,881</u>	<u>388,171</u>
Minority interests	210,760	(13,047)
Borrowings	867,042	111,424
Provision for retirement benefits	8	76
Long term liabilities	6,376	-
Deferred tax liabilities	72,310	847
	<u>1,491,377</u>	<u>487,471</u>
<b>Net tangible assets per share (RM)</b>	<u>1.50</u>	<u>1.77</u>
<b>Net assets per share (RM)</b>	<u>2.45</u>	<u>1.71</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2005)

**EASTERN & ORIENTAL BERHAD (555-K)**  
**CONDENSED CONSOLIDATED RESULTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2005**

**STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Non-Distributable		Exchange Reserve RM'000	(Accumulated Loss)/ Retained Profits RM'000	Total RM'000
			Treasury Stock Units RM'000	Revaluation Reserve RM'000			
<b><u>Period ended 31 December 2004</u></b>							
<b>At 1 April 2004</b>	232,472	128,004	-	8,610	-	22,730	391,816
Net profit for the period	-	-	-	-	-	12,758	12,758
Purchase of treasury share	-	-	(417)	-	-	-	(417)
Goodwill written off	-	-	-	-	-	(272)	(272)
Dividend	-	-	-	-	-	(3,348)	(3,348)
<b>At 31 December 2004</b>	<u>232,472</u>	<u>128,004</u>	<u>(417)</u>	<u>8,610</u>	<u>-</u>	<u>31,868</u>	<u>400,537</u>
<b><u>Period ended 31 December 2005</u></b>							
<b>At 1 April 2005</b>	232,472	128,004	(9,968)	8,610	-	29,053	388,171
Net profit for the period	-	-	-	-	-	11,714	11,714
Acquisition of subsidiary	-	-	-	22,108	130	-	22,238
Sale of treasury shares	-	896	2,655	-	-	-	3,551
Goodwill written off	-	-	-	-	-	(87,633)	(87,633)
Dividend	-	-	-	-	-	(3,160)	(3,160)
<b>At 31 December 2005</b>	<u>232,472</u>	<u>128,900</u>	<u>(7,313)</u>	<u>30,718</u>	<u>130</u>	<u>(50,026)</u>	<u>334,881</u>

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2005)**

**EASTERN & ORIENTAL BERHAD (555-K)**  
**CONDENSED CONSOLIDATED RESULTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2005**

<b>CONDENSED CONSOLIDATED CASH FLOW STATEMENT</b>	<b>9 months ended 31/12/05 RM'000</b>	<b>9 months ended 31/12/04 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	27,430	16,322
Adjustments	7,123	(17,946)
Operating loss before working capital changes	34,553	(1,624)
Changes in working capital:		
- land held for property development	(27,868)	-
- property development	(25,750)	-
- receivables	14,930	(419)
- inventories	1,347	(103)
- payables	15,095	(56,590)
Net cash from operations	12,307	(58,736)
Interest received	1,508	-
Interest paid	(18,027)	(6,969)
Payment for retirement benefits	(34)	(27)
Tax refunded	258	4,158
Tax paid	(5,600)	-
<b>NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(9,588)</b>	<b>(61,575)</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(147,266)</b>	<b>31,056</b>
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>306,146</b>	<b>1,741</b>
<b>(DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>149,292</b>	<b>(28,778)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>(19,812)</b>	<b>8,393</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>129,480</b>	<b>(20,385)</b>

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2005)**

**Selected explanatory notes**

**A. Requirement of FRS134 paragraph 16**

**1. Basis of preparation**

This interim report is unaudited and has been prepared in compliance with FRS134, 'Interim Financial Reporting' and paragraph 9.22 of the Bursa Malaysia's Listing Requirements.

This interim report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 March 2005.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2005.

**2. Auditors' report**

The auditors' report for the annual financial statements of the Group for the financial year ended 31 March 2005 was not subject to any qualification.

**3. Seasonality or cyclical nature of operations**

The Directors are of the opinion that the business of the Group is not affected in any material way by seasonal or cyclical factors or influence, apart from the general economic conditions in which it operates.

**4. Material and unusual items**

Other than as disclosed in Note B8 to this report, there were no material or unusual items during the current quarter and financial year to-date.

**5. Changes in estimates**

There were no changes in estimates reported in prior financial years which have a material impact on the current interim period.

**6. Debt and equity securities**

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities :

**Treasury Shares**

During the financial quarter ended 31 December 2005, the Company sold 3,465,500 units of its treasury shares in the open market for a consideration of RM3,550,707.

**7. Dividends paid**

On 28 September 2005, the stockholders have approved the first and final dividend of 2% less income tax of 28% amounting to RM3,160,179 in respect of the financial year ended 31 March 2005. The dividends were paid on 18 November 2005.

Selected explanatory notes

A. Requirement of FRS134 paragraph 16 (cont'd)

8. Segmental information

**9 month ended 31 December 2005**

RM'000 REVENUE	Construction and related activities	Properties	Hotel Operations	Investment Holding and others	Total
Total Revenue	82,295	111,134	17,090	5,465	215,984
Inter-segment sales	(19,533)	-	(216)	(5,276)	(25,025)
Revenue from external customers	62,762	111,134	16,874	189	190,959
Segment profit/(loss)	12,393	24,467	492	(2,761)	34,591
Finance cost					(18,027)
Share of net profit of associated companies					10,866
Profit before tax and minority interest					27,430
Taxation					(10,320)
Profit after tax before minority interest					17,110
Minority interest					(5,396)
Net Profit attributable to shareholders					11,714

Analysis of geographical location is not applicable as the Group operates in a single geographical segment, namely Malaysia.

9. Valuation of property, plant and equipment

Valuation of property, plant and equipment have been brought forward without amendment from the previous annual financial statements as the Group has availed itself to the transitional provision covered under IAS 16 (revised), Property, Plant and Equipment.

10. Material subsequent event

There were no items, transaction or events of a material and unusual nature that has arisen from 31 December 2005 to the date of this announcement which would affect substantially the results of the operations of the Group for the quarter ended 31 December 2005.

Selected explanatory notes

A. Requirement of FRS134 paragraph 16 (cont'd)

11. Changes in composition of the Group

a) Discontinued Operations

The Group had on 1 April 2005 entered into a conditional Share Sale Agreement with its associated company E&O Property Development Berhad ("E&OPROP") for the disposal of 6,000,000 ordinary shares of RM1.00 each representing 100% of the ordinary share of True Vitality Sdn Bhd ("TVSB") for cash consideration of RM6.8 million (Disposal). The Disposal was completed on 22 April 2005 which result in TVSB ceasing to be a subsidiary of the Company.

The effects of the disposal on the Group's results, net assets and cash flows are as follows:

The revenue, results and cash flows of the subsidiary company (TVSB) were as follows:

	Financial period ended 22.04.05 RM'000	Financial year ended 31.03.05 RM'000
Administrative expenses	1	5
Loss from operations	1	5
Finance cost	-	-
Loss before income tax	1	5
Taxation	-	-
Loss after income tax and attributable to shareholders	<u>1</u>	<u>5</u>
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Total Cash flows	<u>-</u>	<u>-</u>

The net assets of the subsidiary (TVSB) disposed and effect of the disposal on the Group's cash flows and results are as follows:

	22.04.05 RM'000	31.03.05 RM'000
Net assets disposed:		
Current assets	84,863	84,863
Current liabilities	(78,067)	(5)
	<u>6,796</u>	<u>84,858</u>
Total disposal proceeds	(6,800)	
Gain on disposal to the Group	<u>(4)</u>	
Net cash inflow arising from disposal:		
Cash consideration	6,800	
Cash and cash equivalents of subs. disposed	-	
	<u>6,800</u>	

The tax charge arising from the disposal of subsidiary company during the financial period amounted to approximately RM82,000 which has been included in Note B5 to this report.

Selected explanatory notes

A. Requirement of FRS134 paragraph 16 (cont'd)

11. Changes in composition of the Group (cont'd)

b) Acquisition of E & O Property Development Berhad

During the financial period ended 30 September 2005, EOB had in aggregate acquired 400,744,328 E & O Property Development Berhad ("E&OPROP") shares which represents approximately 35.24% of the issued and paid-up share capital of E&OPROP. As at 31 December 2005, the Group held a total 79.05% of E&OPROP's equity interest.

The acquisition had the following effects on the Group's results for the period:

	<b>RM'000</b>
Revenue	174,085
Profit from operations	35,282
Net profit for the period	<u>19,996</u>

The acquisition had the following effect on the financial position of the Group as at 31 December 2005;

Non-current assets	1,033,161
Current assets	778,520
Current liabilities	(352,715)
Non-current liabilities	(643,734)
Minority Interest	(224,502)
	<u>590,730</u>

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary were as follows:

	<b>RM'000</b>
Non-current assets	1,014,424
Current assets	782,564
Current liabilities	(420,256)
Non-current liabilities	(584,501)
Fair value of total net assets	<u>792,231</u>
Less: Minority Interest	(254,324)
Group's share of net assets	537,907
Goodwill on acquisition	(16,419)
	<u>521,488</u>

Purchased consideration satisfied by:

Cash	267,405
Transfer from cost of investment in associate	254,083
Total cost acquisition	<u>521,488</u>

Cash outflow arising from acquisition:

Purchased consideration satisfied by cash	267,405
Cash and cash equivalents of subsidiary acquired	(123,042)
Net cash outflow from the group	<u>144,363</u>



**Selected explanatory notes**

**c) Acquisition of Major Liberty Sdn Bhd**

The Company, had on 28 November 2005 completed the acquisition of 300,000 ordinary shares of RM1.00 each representing 100.0% equity interest in Major Liberty Sdn Bhd ("MLSB"). MLSB has a 100% owned subsidiary company, Matrix Promenade Sdn Bhd; which in turn owned 38% equity interest in K.L Land Development Sdn. Bhd Group, a subsidiary company of E&OPROP, which is also a subsidiary of the Company.

The acquisition had the following effects on the Group's results for the period

	<b>RM'000</b>
Revenue	-
Profit from operations	1,903
Net profit for the period	<u>1,332</u>

The acquisition had the following effect on the financial position of the Group as at 31 December 2005;

Non-current assets	1,350
Current assets	415
Current liabilities	(5,539)
Non-current liabilities	(14,216)
Minority Interest	<u>37,380</u>
	<u>19,390</u>

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary were as follows:

	<b>RM'000</b>
Non-current assets	1,350
Current assets	415
Current liabilities	(5,504)
Non-current liabilities	(14,116)
Fair value of total net assets	<u>(17,855)</u>
Less: Minority Interest	<u>35,913</u>
Group's share of net assets	18,058
Goodwill on acquisition	<u>442</u>
	<u>18,500</u>

Purchased consideration satisfied by:

Cash	<u>18,500</u>
Total cost acquisition	<u>18,500</u>

Cash outflow arising from acquisition:

Purchased consideration satisfied by cash	18,500
Cash and cash equivalents of subsidiary acquired	(30)
Net cash outflow from the group	<u>18,470</u>

**d) Subsidiaries of E&OPROP**

- (i) E&OPROP has on 6 October 2005 acquired two shelf companies, Mergexcel Property Development Sdn Bhd and Ribuan Imbang Sdn Bhd, both with issued and paid-up share capital of RM2.00 each comprising of two (2) subscribers' shares of RM1.00 each.
- (ii) Galaxy Prestige Sdn Bhd ("GPSB"), a wholly owned subsidiary of E&OPROP has on 17 October 2005 entered into a Joint Venture Agreement on a 40:60 basis to undertake, through Puncak Madu Sdn Bhd ("PMSB"), the development of residential and commercial units on the parcel of lands and to regulate their rights and obligations as shareholders to govern the management and operation of PMSB. Pursuant to the Joint Venture Agreement, PMSB has ceased to be a subsidiary of E&OPROP.

**Selected explanatory notes**

**A. Requirement of FRS134 paragraph 16 (cont'd)**

**12. Contingent liabilities**

Details of contingent liabilities as at 17 February 2005 are as follows:

	Company	
	17/02/2005	31/03/2005
	RM'000	RM'000
i) Guarantees issued to financial institutions for banking facilities granted to subsidiaries:		
- Secured	39,020	41,214
ii) A novation Agreement dated 5 February 2004 between E&OPROP, Putrajaya Holdings Sdn Bhd ("PJH") and Malaysian Plantations Berhad ("Mplant") in relation to the Novation to E&OPROP of a parent company guarantee granted by Mplant to PJH for the due performance by its then subsidiary, K.L. Land Development Sdn Bhd ("KL Land"), which is now a 62% owned subsidiary of E&OPROP, pursuant to the Joint Venture Agreement dated 30 April 1997 entered into between PJH, KL Land, Putra Perdana Construction Sdn Bhd and Kumpulan Pinang Golf & Country Resort Sdn Bhd for the construction and development of parts of Putrajaya.		

**B. Additional information required by the Bursa Malaysia's Listing Requirements**

**1. Review of performance**

The Group achieved a revenue of RM190.96 million for the 9 month ended 31 December 2005 compared to RM15.58 million recorded for the corresponding period ended 31 December 2004.

The increase in revenue of RM175.38 million was contributed by its newly acquired subsidiary (E&OPROP) upon the completion of take-over. The existing hotel division generated an increase in revenue of RM1.85 million.

The Group recorded a 68.08% increase in profit before tax of RM27.43 million for the 9 month ended 31 December 2005 as compared to RM16.32 million recorded in the preceding corresponding period. This is primarily due to contribution from its subsidiary, E&OPROP which was previously accounted for as an associated company.

**2. Variation of results against preceding quarter**

For the third quarter ended 31 December 2005, the Group recorded a revenue of RM141.98 million and a profit before tax of RM19.07 million as compared to the immediate preceding quarter where Group revenue was RM44.05 million and a profit before tax of RM6.05 million.

The increase in the Group' revenue and results before tax was primarily due to contribution from its subsidiary, E&OPROP.

**3. Current year prospects**

With the consolidation of assets and earnings from E&OPROP, the group expects improvement in its results for the financial year ending 31 March 2006 due to increased contribution from its properties and construction divisions

Selected explanatory notes

**B. Additional information required by the Bursa Malaysia's Listing Requirements (cont'd)**

**4. Variance in profit forecast/profit guarantee**

The Group and Company did not issue any profit forecast/profit guarantee during the current financial period to date.

**5. Taxation**

	Current quarter ended 31/12/05 RM'000	Current financial period to date 31/12/05 RM'000
Malaysian income tax – current		
- Company and subsidiary companies	(5,407)	(7,357)
- Associated companies	(235)	(3,538)
- Real Property Gain Tax (Note A11 a)	-	(82)
In respect of prior years		
- Company and subsidiary companies	90	90
Deferred tax	567	567
	<u>(4,985)</u>	<u>(10,320)</u>

**6. Sale of unquoted investments and or properties**

For the financial quarter ended 31 December 2005, an investment property was disposed for a cash consideration of RM4.30 million which gave rise to a consolidation gain of RM450,000.

**7. Investment in quoted securities**

Particulars of investment in quoted securities:	Current quarter ended 31/12/05 RM'000	Current financial year to date 31/12/05 RM'000
(a) Purchases / disposals		
Total Purchases	-	50
Total Sale Proceeds	5,054	9,203
Total Profit/(Loss) on Disposal	1,659	2,577
(b) Balances as at 31 December 2005		
Total investments at cost		<u>56,701</u>
Total investments at carrying value/book value (after impairment loss)		<u>20,341</u>
Total investment at market value at end of reporting period		<u>19,567</u>

**Selected explanatory notes**

**B. Additional information required by the Bursa Malaysia's Listing Requirements (cont'd)**

**8. Status of corporate proposals and utilisation of proceeds raised from corporate proposals**

**a) Status of corporate proposals announced but not completed**

**i) EOB Proposed Special Issue**

On 26 July 2004, Hwang-DBS Securities Berhad ("Hwang-DBS") on behalf of the Company announced that the Company propose to undertake a special issue of 33.709 million new stock units of RM1.00 each in EOB ("EOB Stock Units") ("New Stock Units"), representing 14.5% of the issued and paid-up share capital of the Company as at 30 June 2004, to identified Bumiputera investors ("EOB Proposed Special Issue").

The Securities Commission ("SC") had, vide a letter dated 13 August 2003, imposed a condition requiring EOB to increase the Bumiputera equity interest in EOB to at least 30% (which was originally imposed by the Foreign Investment Committee ("FIC")) by 12 August 2004 which was subsequently extended to 31 December 2004 ("Bumiputera Equity Condition").

The SC had vide a letter dated 28 December 2005, approved a further extension of time to 31 December 2006 to comply with the Bumiputera Equity Condition.

The EOB Proposed Special Issue is conditional upon the approvals/consents being obtained from the following:

- SC for the EOB Proposed Special Issue under the Securities Commission Act, 1993 and FIC's guidelines;
- Ministry of International Trade and Industry for the allocation of the New Stock Units pursuant to the Proposed Special Issue;
- Stockholders of the Company in an extraordinary general meeting to be convened;
- Bursa Securities for the listing of and quotation for the New Stock Units;
- certain lenders of EOB for a variation of its issued and paid-up share capital resulting from the Proposed Special Issue; and
- any other relevant authorities/parties.

The EOB Proposed Special Issue was approved by the stockholders at the EGM held on 29 September 2004. The approval was renewed by the stockholders at the AGM held on 28 September 2005.

SC had, vide a letter dated 3 January 2005, approved the EOB Proposed Special Issue. The approval is subject to the terms and conditions as mentioned in our announcement on 6 January 2005.

The SC had vide a letter dated 23 December 2005 approved an extension of time from 3 January 2006 to 2 January 2007 to implement the EOB Proposed Special Issue.

**Selected explanatory notes**

**B. Additional information required by the Bursa Malaysia's Listing Requirements (cont'd)**

**8. Status of corporate proposals and utilisation of proceeds raised from corporate proposals (cont'd)**

**A) Status of corporate proposals announced but not completed (cont'd)**

**ii) EOB Proposed Fund Raising**

On 10 November 2005, AmMerchant Bank Berhad (a member of AmInvestment Group) ("AmMerchant Bank") on behalf of the Company announce that the Company proposed to undertake the following exercises:-

- the Proposed Rights Shares Package which comprises a renounceable two-call rights issue of up to 116,867,979 new stock units of RM1.00 each in EOB ("Rights Stock Units") at an indicative issue price of RM1.00 each (of which the first call of RM0.35 is payable in cash on application and the second call of RM0.65 is payable out of the Company's share premium account) together with an offer for sale of up to 116,867,979 EOPD Shares ("EOPD Offer Shares") at an offer price of RM0.65 per EOPD Share ("EOPD Share Offer Price"), on the basis of one (1) Rights Stock Unit and one (1) EOPD Offer Share for every three (3) existing stock units of RM1.00 each in EOB ("Stock Units") held as at an entitlement date to be determined ("Entitlement Date");
- the Proposed ICULS Issuance which entails :-
  - ⇒ a renounceable rights issue of up to RM175,301,969 nominal value of five (5)-year 8% ICULS in EOB at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS for every two (2) existing EOB Stock Units ("Rights ICULS") held as at the Entitlement Date ("Proposed Rights ICULS Issue"); and
  - ⇒ a restricted issue of RM35,000,000 nominal value of five (5)-year 8% ICULS in EOB to the eligible management staff of EOB ("Management ICULS"), at 100% of its nominal value ("Proposed Restricted Issue Of Management ICULS"); and
- increase in the authorised share capital of EOB from RM500,000,000 comprising 500,000,000 Stock Units to RM800,000,000 comprising 800,000,000 Stock Units ("Proposed Increase In Authorised Share Capital"), and amendment to the Memorandum and Articles of Association of EOB to accommodate the Proposed Increase In Authorised Share Capital ("Proposed Amendment To EOB's M&A");

(collectively referred to as the "EOB Proposed Fund Raising").

The details of the proposals is mentioned in our announcement dated 10 November 2005. The Proposals was approved by the Shareholders at an EGM held on 25 January 2006. The Proposed Increase In Authorised Share Capital and the Proposed Amendment To EOB's M&A were completed on 25 January 2006.

**(iii) E&OPROP Proposed Special Issue**

On 26 July 2004, E&OPROP has proposed to undertake a special issue of an aggregate of 95,000,000 new ordinary shares of RM0.50 each in E&OPROP ("Special Issue Shares") representing approximately 8.52% of the issued and paid-up capital of E&OPROP as at 30 June 2004 to identified Bumiputera investors at an issue price to be determined and announced later ("E&OPROP Proposed Special Issue").

The E&OPROP Proposed Special Issue also involved an allotment and issuance of up to 55,721,000 Special Issue Shares, being not more than 5% of the issued and paid-up capital of E&OPROP to two directors of the Company respectively, namely Kamil Ahmad Merican and Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof.

Save for the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation for the Special Issue Shares and the Ministry of International Trade and Industry for the allocation of the Special Issue Shares to the Bumiputera investors, all other relevant approvals, including the approval for extension of time from the Securities Commission to implement the E&OPROP Proposed Special Issue have been obtained.

**Selected explanatory notes**

**B. Additional information required by the Bursa Malaysia's Listing Requirements (cont'd)**

**8. Status of corporate proposals and utilisation of proceeds raised from corporate proposals (cont'd)**

**A) Status of corporate proposals announced but not completed (cont'd)**

**(iv) Proposed Listing of Putrajaya Perdana Berhad**

On 10 November 2005, E&OPROP has proposed to list its subsidiary company, Putrajaya Perdana Berhad ("PPB") on the Main Board of Bursa Securities ("Proposed Listing of PPB").

In conjunction with the Proposed Listing of PPB, E&OPROP has proposed to undertake a consolidation of its entire share capital into ordinary shares of RM1.00 each from the existing ordinary shares of RM0.50 each ("Proposed Share Consolidation"), and to amend its Memorandum and Articles of Association ("Proposed Amendment") in view of the Proposed Share Consolidation. The Proposed Share Consolidation and Proposed Amendment are interconditional.

The Proposed Listing of PPB and Proposed Share Consolidation will be subject to the approvals being obtained from the relevant authorities and shareholders of E&OPROP. The Proposed Amendment is subject to the approval of the shareholder of E&OPROP.

**9. Group Borrowings**

a) The Group borrowings were as follows:-

	<b>As at</b>
	<b>31/12/05</b>
	<b>RM'000</b>
Short Term - Secured	163,385
- Unsecured	7,165
Long Term - Secured	817,042
- Unsecured	50,000

Included in long term borrowings are 116,000,000 4-year secured bonds 2003/2007 at a nominal value of RM1.00 each, with a carrying value of approximately RM113,116,000.

b) All the borrowings were denominated in Ringgit Malaysia

**10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 17 February 2006.

**11. Material Litigation**

There was no material litigation which affects the financial position or business of the Group as at 17 February 2006.

**12. Dividend**

The Board of Directors do not recommend any payment of dividend for the current quarter.

**13. Earnings Per Stock Unit**

The earnings per stock unit for the current quarter and financial period ended 31 December 2005 is calculated based on the Group's profit after taxation and after minority interest of RM11.714 million over the weighted average number of stock units in issue as at 31 December 2005 of 220.863 million stock units.

**Selected explanatory notes**

**B. Additional information required by the Bursa Malaysia's Listing Requirements (cont'd)**

**14. Net Tangible Assets Per Stock Unit**

The net tangible asset per stock unit is calculated based on the Group's net tangible asset of RM334.881 million (31.3.2005 : RM388.171 million) over the outstanding stock units in issue of 222.922 million after deducting the 9,549,200 EOB shares bought back and held as treasury shares (31.3.2005 : 219.457 million) as at 31 December 2005.