

EASTERN AND ORIENTAL BERHAD (555-K)
CONDENSED CONSOLIDATED RESULTS FOR THE 4TH QUARTER ENDED 31 MARCH 2006
THESE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31/03/06 RM'000	Comparative quarter ended 31/03/05 RM'000	Current year to date 31/03/06 RM'000	Audited Comparative year to date 31/03/05 RM'000
Revenue	308,958	5,554	499,917	21,130
Cost of sales	<u>(263,185)</u>	<u>(2,857)</u>	<u>(404,724)</u>	<u>(11,771)</u>
Gross profit	45,773	2,697	95,193	9,359
Other operating income	3,755	721	10,618	12,058
Selling and marketing expenses	(1,786)	(240)	(3,841)	(948)
Administrative expenses	(15,117)	(2,055)	(28,257)	(8,741)
Other operating expenses	(1,386)	(1,447)	(7,887)	(5,133)
Gain on disposal of subsidiary company	-	-	4	-
Profit/(loss) from operations	31,239	(324)	65,830	6,595
Finance cost	(11,073)	(2,687)	(29,100)	(10,296)
Share of profits and losses of associated companies	<u>(2,955)</u>	3,460	7,911	20,472
Profit/(loss) before income tax and minority interest	17,211	449	44,641	16,771
Income tax	<u>(3,963)</u>	1,288	<u>(14,283)</u>	<u>(2,509)</u>
Profit/(loss) after income tax before deducting minority interest	13,248	1,737	30,358	14,262
Minority interest	<u>(2,919)</u>	847	<u>(8,315)</u>	1,079
Net profit/(loss) attributable to stockholders	<u><u>10,329</u></u>	<u><u>2,584</u></u>	<u><u>22,043</u></u>	<u><u>15,341</u></u>
Earnings per share based on:				
(a) Basic [based on (2006: 221,919,956; 2005: 229,384,250) ordinary shares]	(sen) <u><u>4.65</u></u>	<u><u>1.12</u></u>	<u><u>9.93</u></u>	<u><u>6.68</u></u>
(b) Fully diluted	(sen) <u><u>-</u></u>	<u><u>-</u></u>	<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 AND ORIENTAL BERHAD (555-K)
CONDENSED CONSOLIDATED RESULTS FOR THE 4TH QUARTER ENDED 31 MARCH 2006

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at End of the Current Quarter 31/03/2006 RM'000	Per Audited Accounts Financial Year End 31/03/2005 RM'000
<u>NON-CURRENT ASSETS</u>		
Property, plant and equipment	150,668	120,840
Associated companies	18,122	323,008
Investments	40,964	16,935
Land held for property development	931,306	55,688
Investment properties	11,051	-
Long term receivable	3,862	-
Deferred tax assets	15,429	-
	<u>1,171,402</u>	<u>516,471</u>
<u>CURRENT ASSETS</u>		
Property development costs	372,876	-
Inventories	40,372	647
Receivables	247,607	21,436
Amount due from customers on construction work	14	-
Accrued billing in respect of property development costs	68,086	-
Cash, bank balances and deposits	202,401	4,592
	<u>931,356</u>	<u>26,675</u>
<u>CURRENT LIABILITIES</u>		
Payables	349,100	13,382
Amount due to customers on construction work	1,061	-
Progress billing in respect of property development costs	315	-
Provisions	46,775	-
Provision for retirement benefits	61	4
Borrowings	358,376	42,230
Taxation	5,339	59
	<u>761,027</u>	<u>55,675</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>170,329</u>	<u>(29,000)</u>
	<u>1,341,731</u>	<u>487,471</u>
<u>FINANCED BY:</u>		
Share capital	232,472	232,472
Reserves		
Share premium	129,212	128,004
Revaluation reserves	26,757	8,610
Exchange reserves	57	-
Treasury stock units	(6,281)	(9,968)
Retained earnings	(36,120)	29,053
Stockholders' funds	<u>346,097</u>	<u>388,171</u>
Minority interests	213,667	(13,047)
Borrowings	709,666	111,424
Provision for retirement benefits	-	76
Long term liabilities	3,188	-
Deferred tax liabilities	69,113	847
	<u>1,341,731</u>	<u>487,471</u>
Net tangible assets per share (RM)	<u>1.54</u>	<u>1.77</u>
Net assets per share (RM)	<u>2.50</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 AND ORIENTAL BERHAD (555-K)
CONDENSED CONSOLIDATED RESULTS FOR THE 4TH QUARTER ENDED 31 MARCH 2006

STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Non-Distributable		Exchange Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
			Treasury Stock Units RM'000	Revaluation Reserve RM'000			
<u>Year ended 31 March 2005</u>							
At 1 April 2004	232,472	128,004	-	8,610	-	22,730	391,816
Net profit for the period	-	-	-	-	-	15,341	15,341
Purchase of treasury stocks	-	-	(9,968)	-	-	-	(9,968)
Share of associate's reserve	-	-	-	-	-	(5,398)	(5,398)
Goodwill written off	-	-	-	-	-	(272)	(272)
Dividend	-	-	-	-	-	(3,348)	(3,348)
At 31 March 2005	<u>232,472</u>	<u>128,004</u>	<u>(9,968)</u>	<u>8,610</u>	<u>-</u>	<u>29,053</u>	<u>388,171</u>
<u>Year ended 31 March 2006</u>							
At 1 April 2005	232,472	128,004	(9,968)	8,610	-	29,053	388,171
Net profit for the period	-	-	-	-	-	22,043	22,043
Acquisition of subsidiary	-	-	-	22,101	57	-	22,158
Goodwill written off	-	-	-	-	-	(87,969)	(87,969)
Dividend	-	-	-	-	-	(3,201)	(3,201)
Realisation of reserve	-	-	-	(3,954)	-	3,954	-
Disposal of treasury stocks	-	1,208	3,687	-	-	-	4,895
At 31 March 2006	<u>232,472</u>	<u>129,212</u>	<u>(6,281)</u>	<u>26,757</u>	<u>57</u>	<u>(36,120)</u>	<u>346,097</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 AND ORIENTAL BERHAD (555-K)
CONDENSED CONSOLIDATED RESULTS FOR THE 4TH QUARTER ENDED 31 MARCH 2006

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31/03/06 RM'000	Audited Year ended 31/03/05 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	44,641	16,771
Adjustments	<u>18,583</u>	<u>(18,322)</u>
Operating loss before working capital changes	63,224	(1,551)
Changes in working capital:		
- land held for property development	(28,257)	-
- property development	(61,916)	-
- receivables	(14,628)	(227)
- inventories	2,392	(118)
- payables	<u>84,442</u>	<u>(41,037)</u>
Net cash from operations	45,257	(42,933)
Interest paid	(29,100)	(9,656)
Payment for retirement benefits	(40)	(27)
Tax refunded	467	4,158
Tax paid	<u>(17,738)</u>	<u>-</u>
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES	(1,154)	(48,458)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(143,359)	15,627
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	332,526	3,626
(DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS	188,013	(29,205)
CASH AND CASH EQUIVALENTS AT 1 APRIL	(19,812)	9,393
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>168,201</u>	<u>(19,812)</u>

(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 cyclicity 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

For the financial year to date ended 31 March 2006, the Company sold 4,814,400 units of its treasury shares in the open market for a consideration of RM4,894,995.

7. Dividends paid

On 28 September 2005, the stockholders have approved the first and final dividend of 2% less income tax of 28% in respect of the financial year ended 31 March 2005. The dividends amounting to RM3,201,366 were paid on 18 November 2005.

EASTERN AND ORIENTAL BERHAD (555-K)
CONDENSED CONSOLIDATED RESULTS FOR THE 4TH QUARTER ENDED 31 MARCH 2006

Selected explanatory notes

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

8. Segmental information

12 months ended 31 March 2006

RM'000	Construction and related activities		Hotel Operations	Investment Holding and others	Elimination	Total
REVENUE						
Revenue from external customers	205,554	270,188	23,597	578	-	499,917
Inter-segment sales	31,340	148,325	288	5,531	(185,484)	-
Total Revenue	236,894	418,513	23,885	6,109	(185,484)	499,917
RESULTS						
Segment profit/(loss)	24,749	44,836	959	(4,714)		65,830
Finance cost						(29,100)
Share of profit of associated companies						7,911
Profit before tax						44,641

12 months ended 31 March 2005

RM'000	Construction and related activities		Hotel Operations	Investment Holding and others	Total	
REVENUE						
Revenue from external customers	-	-	20,575	555	-	21,130
Inter-segment sales	-	-	288	6,048	(6,336)	-
Total Revenue	-	-	20,863	6,603	(6,336)	21,130
RESULTS						
Segment profit/(loss)	-	-	107	6,488		6,595
Finance cost						(10,296)
Share of profit of associated companies						20,472
Profit before tax						16,771

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 material events subsequent to the end of the financial year ended 31 March 2006 other than the following:-

E & O Property Development Bhd ("E&OPROP"), a subsidiary of the Company, has on 9 May 2006 entered into a Share Sale Agreement with Tinggi Murni Sdn Bhd ("TMSB") to dispose off its entire equity interest in Samudra Pelangi Sdn Bhd ("SPSB"), comprising two (2) ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of SPSB, for a consideration of RM120,846,000 to be satisfied via the issuance of 120,846 redeemable preference shares of nominal value of RM1.00 each in TMSB.

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&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 resulted 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
Total disposal proceeds	6,800	-
Net assets disposed:		
Current assets	84,863	84,863
Current liabilities	(78,067)	(5)
	<u>6,796</u>	<u>84,858</u>
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 year 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 year ended 31 March 2006, Eastern & Oriental Bhd ("EOB") had in aggregate acquired 400,744,328 E&OPROP shares which represents approximately 35.24% of the issued and paid-up share capital of E&OPROP. Hence, as at 31 March 2006, the Group effective interest of E&OPROP is 69.94%.

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

	RM'000
Revenue	476,260
Profit from operations	65,044
Net profit for the period	<u>23,844</u>

The acquisition had the following effect on the financial position of the Group as at 31 March 2006;

Non-current assets	986,984
Current assets	892,643
Current liabilities	(487,339)
Non-current liabilities	(559,628)
Minority Interest	(270,895)
	<u>561,765</u>

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

	RM'000
Non-current assets	977,751
Current assets	814,770
Current liabilities	(415,789)
Non-current liabilities	(584,501)
Fair value of total net assets	<u>792,231</u>
Less: Minority Interest	(254,310)
Group's share of net assets	537,921
Goodwill on acquisition	87,472
	<u>625,393</u>
Purchase consideration satisfied by:	
Cash	267,680
Transfer from cost of investment in associate	357,713
Total cost acquisition	<u>625,393</u>
Cash outflow arising from acquisition:	
Purchase consideration satisfied by cash	267,680
Cash and cash equivalents of subsidiary acquired	(123,042)
Net cash outflow from the group	<u>144,638</u>

Selected explanatory notes

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

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

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% 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, 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 year:

	RM'000
Revenue	-
Profit from operations	1,960
Net profit for the period	<u>4,736</u>

The acquisition had the following effect on the financial position of the Group as at 31 March 2006;

Non-current assets	209
Current assets	3,300
Current liabilities	(5,410)
Non-current liabilities	(14,527)
Minority Interest	39,222
	<u>22,794</u>

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

	RM'000
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	35,913
Group's share of net assets	18,058
Goodwill on acquisition	497
	<u>18,555</u>
Purchase consideration satisfied by:	
Cash	18,555
Total cost acquisition	<u>18,555</u>
Cash outflow arising from acquisition:	
Purchase consideration satisfied by cash	18,555
Cash and cash equivalents of subsidiary acquired	(30)
Net cash outflow from the group	<u>18,525</u>

Selected explanatory notes

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

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

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.

12. Contingent Liabilities

Details of contingent liabilities as at 23 May 2006 are as follows:

	Company	
	23/05/2006	31/03/2005
	RM'000	RM'000
i) Guarantees issued to financial institutions for banking facilities granted to subsidiaries:		
- Secured	34,346	41,214
- Unsecured	-	-
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 RM499.92million for the financial year ended 31 March 2006 compared to RM21.13 million recorded in the previous year.

The substantial increase in revenue of RM478.79 million was contributed by the additional revenue generated upon the acquisition of its subsidiary (E&OPROP) as of 19 September 2005. The hotel division generated a 14.48% increase in revenue compared to the previous year.

The Group recorded a profit before tax of RM44.64 million which represented an increase of RM27.87 million or 166.17% for the financial year ended 31 March 2006 compared to the previous year. This is primarily due to contribution from its subsidiary, E&OPROP as of 19 September 2005. Prior to this date it was previously accounted for as an associated company.

2. Variation of results against preceding quarter

For the fourth quarter ended 31 March 2006, the Group recorded a revenue of RM308.96 million and a profit before tax of RM17.21 million as compared to the immediate preceding quarter where Group revenue was RM141.98 million and a profit before tax of RM19.07 million.

The Group's profit before tax reduced slightly by RM1.86 million as compared to the results in the immediate preceding quarter due to losses attributed to an associated company.

Selected explanatory notes

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

3. Current year prospects

Upon the completion of the proposed corporate exercises, the Group will emerge as a complete real estate group with direct interest in its complementary businesses of property development, construction, hospitality and property investment/commercial. This allows the Group to build up its market presence which will enhance the Group's earnings potential.

The Group expects improvement in its results for the next financial year with improvement in contribution from all its business activities which includes consolidation of a full year's earnings from its property development division in E&OPROP.

4. Variance in profit forecast/profit guarantee

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

5. Taxation

	Current quarter ended 31/03/06 RM'000	Current financial year to date 31/03/06 RM'000
Malaysian income tax – current		
- Company and subsidiary companies	(9,437)	(16,794)
- Associated companies	510	(3,028)
- Real Property Gain Tax (Note A11 a)	-	(82)
In respect of prior years		
- Company and subsidiary companies	3,215	3,305
Deferred tax	1,749	2,316
	<u>(3,963)</u>	<u>(14,283)</u>

6. Sale of unquoted investments and or properties

For the financial year ended 31 March 2006, an investment property was disposed off for a cash consideration of RM4.30 million which gave rise to a gain of RM450,000.

7. Investment in quoted securities

Particulars of investment in quoted securities:	Current quarter ended 31/03/06 RM'000	Current financial year to date 31/03/06 RM'000
(a) Purchases / disposals		
Total Purchases	199	249
Total Sale Proceeds	3,091	12,294
Total Profit/(Loss) on Disposal	1,951	4,528
(b) Balances as at 31 March 2005		
Total investments at cost		<u>52,015</u>
Total investments at carrying value/book value (after impairment loss)		<u>18,057</u>
Total investment at market value at end of reporting period		<u>19,131</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 as at 23 May 2006

i) 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 ("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 ("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 10 January 2005, approved a further extension of time to 31 December 2005 to comply with the Bumiputera Equity Condition.

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

- SC for the Proposed Special Issue under the Securities Commission Act, 1993 and FIC's guidelines;
- Ministry of International Trade and Industry ("MITI") 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 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 Proposed Special Issue. The approval is subject to the terms and conditions as mentioned in our announcement on 6 January 2005.

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 Proposed Special Issue.

MITI had, vide its letter dated 29 April 2006, approved the allocation of 18,900,000 out of an aggregate of 33,709,000 New Stock Units to the proposed Bumiputera investors at an issue price of RM1.00 per New Stock Unit. The approval of MITI for the allocation of the balance 14,809,000 New Stock Units will be sought later.

Bursa Malaysia Securities Berhad ("Bursa Securities") had via its letter dated 5 May 2006 approved in principle the listing of 33,709,000 New Stock Units to be issued pursuant to the 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 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")

(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 Stockholders of the Company at an EGM held on 25 January 2006. The Proposed Increase In Authorised Share Capital was completed on 25 January 2006.

The SC had via its letter dated 16 March 2006 and 26 April 2006, approved the EOB Proposed Fund Raising as mentioned in our announcement dated 17 March 2006 and 26 April 2006.

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)

(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.

(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.

The SC had via its letter dated 7 April 2006, approved the application for an exemption for E&OPROP, EOB, Dynamic Degree Sdn Bhd ("DDSB"), Major Liberty Sdn Bhd, Matrix Promenade Sdn Bhd and K.L Land Development Sdn Bhd, collectively as parties acting in concert with E&OPROP from undertaking a mandatory offer for shares in PPB pursuant to the Proposed Listing.

The SC had via its letter dated 27 April 2006, approved the proposed listing of PPB subject to certain terms and conditions as mentioned in E&OPROP's announcement dated 28 April 2006.

The SC has via its letter dated 10 May 2006 approved the proposed declaration of special dividend by E&OPROP (which is an integral part of the Proposed Listing of PPB) ("Proposed Declaration of Special Dividend") will be effected as follows:-

- i) EOB and its subsidiary DDSB will receive PPB Shares; and
- ii) the remaining shareholders of the Company will receive cash in lieu of PPB Shares.

The Proposed declaration of Special Dividend is subject to the approval of the shareholders of E&OPROP.

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)

(vi) Proposed Acquisition of Lands & Joint Venture

The Company, had on 16 May 2006 entered into the conditional Supplemental Sale and Purchase Agreement cum Transfer Agreement (SSPA) with Lion Courts Sdn Bhd (LCSB) , Mergexcel Property Development Sdn Bhd (Mergexcel or JVC) and the Synod of the Diocese of West Malaysia (Synod), essentially for the JVC to acquire for the purposes of development of certain lands in Jalan Tengah from the Synod and to simultaneously nominate EOB or its subsidiary to receive the transfer and conveyance of part of such lands from the Synod upon certain agreed terms.

Consequent to the above and also on 16 May 2006, EOB through its wholly owned subsidiary, Radiant Kiara Sdn Bhd (RKSB), entered into the conditional Land Purchase Agreement (LPA) with the JVC to formalise such transfer and conveyance of that part of such lands as envisaged in the SSPA. Details of this proposal is mentioned in our announcement dated 16 May 2006.

In conjunction with the above proposal, and in a simultaneous announcement, E&OPROP, through its wholly owned subsidiary, Ribuan Imbang Sdn Bhd ("RISB") entered into the conditional Joint Venture Agreement for a Joint Venture Company with LCSB to establish the JVC. Details of this proposal is mentioned in E&OPROP's announcement dated 16 May 2006.

The above Proposals are subject to FIC's approval.

9. Group Borrowings

a) The Group borrowings were as follows:-

	As at 31/03/06 RM'000
Short Term - Secured	339,459
- Unsecured	18,917
Long Term - Secured	659,666
- 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 RM113,912,000.

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 23 May 2006.

11. Material Litigation

There was no material litigation which affects the financial position or business of the Group as at 23 May 2006.

Selected explanatory notes

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

12. Dividend

The Board of Directors propose the payment of a first and final dividend of 2% less 28% in respect of the financial year ended 31 March 2006 subject to the approval of stockholders at the forthcoming Annual General Meeting. The book closure and payments dates will be determined at a later date.

13. Earnings Per Stock Unit

The earnings per stock unit for the current quarter and financial year ended 31 March 2006 is calculated based on the Group's profit after taxation and after minority interest of RM22.043 million over the weighted average number of stock units in issue as at 31 March 2006 of 221.920 million stock units.

The diluted earnings per share is not applicable as the exercise price of the warrants and share options based on the assumed exercise of the warrants and share options are higher than the average market price of the shares for the current financial quarter ended 31 March 2006.

14. Net Tangible Assets And Net Assets Per Stock Unit

The net tangible asset and the net asset per stock unit are calculated based on the Group's net tangible asset of RM346.097 million (31.3.2005 : RM388.171 million) and Group's net assets of RM559.764 million (31.3.2005 : RM375.124 million) over the outstanding stock units in issue of 224.271 million after deducting the 8,200,400 EOB shares bought back and held as treasury shares (31.3.2005 : 219.457 million) as at 31 March 2006.