

EASTERN AND ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS
For the Six-Month Period Ended 30 September 2006 (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30/09/06 RM'000	Comparative quarter ended 30/09/05 RM'000	Current year to date 30/09/06 RM'000	Comparative year to date 30/09/05 RM'000
Revenue	255,343	44,050	448,180	48,980
Cost of sales	<u>(199,292)</u>	<u>(32,857)</u>	<u>(346,850)</u>	<u>(35,839)</u>
Gross profit	56,051	11,193	101,330	13,141
Other operating income	2,218	1,773	4,547	2,177
Selling and marketing expenses	(2,103)	(693)	(3,644)	(925)
Administrative expenses	(11,010)	(3,852)	(19,630)	(5,379)
Other operating expenses	<u>(4,678)</u>	<u>(1,391)</u>	<u>(7,179)</u>	<u>(2,955)</u>
Profit from operations	40,478	7,030	75,424	6,059
Finance cost	(10,292)	(4,923)	(21,224)	(7,765)
Share of (loss)/profit of associates	<u>(716)</u>	<u>2,164</u>	<u>(1,368)</u>	<u>6,761</u>
Profit before tax	29,470	4,271	52,832	5,055
Income tax expense	<u>(10,170)</u>	<u>(1,950)</u>	<u>(17,409)</u>	<u>(2,032)</u>
Profit for the period	<u>19,300</u>	<u>2,321</u>	<u>35,423</u>	<u>3,023</u>
Attributable to:				
Equity holders of the parent	9,909	2,033	20,053	2,978
Minority interest	<u>9,391</u>	<u>288</u>	<u>15,370</u>	<u>45</u>
	<u>19,300</u>	<u>2,321</u>	<u>35,423</u>	<u>3,023</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	<u>2.98</u>	<u>0.93</u>	<u>6.04</u>	<u>1.36</u>
Diluted, for profit for the period (sen)	<u>2.93</u>	<u>0.91</u>	<u>5.92</u>	<u>1.34</u>

The condensed consolidated income statements should be read in conjunction with the audited financial report for the year ended 31 March 2006 and accompanying explanatory notes attached to the interim financial statements.

EASTERN AND ORIENTAL BERHAD (555-K)**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 30 September 2006 (Unaudited)

	As at 30/09/06 RM'000	Audited As at 31/03/06 RM'000
Non-current assets		
Property, plant and equipment	150,219	150,668
Investments in associates	16,687	18,054
Other investments	40,856	40,964
Land held for property development	867,768	914,524
Investment properties	10,654	10,906
Long term receivable	2,822	3,829
Deferred tax assets	16,429	16,429
	<u>1,105,435</u>	<u>1,155,374</u>
Current assets		
Property development costs	403,943	333,822
Inventories	41,197	44,132
Trade receivables	226,597	200,213
Other receivables	61,099	51,529
Tax recoverable	13,646	10,309
Amount due from customers on construction works	26,343	34,253
Accrued billings in respect of property development costs	85,541	47,195
Deposits with licensed banks and financial institutions	70,811	129,861
Cash and bank balances	106,311	74,829
	<u>1,035,488</u>	<u>926,143</u>
TOTAL ASSETS	<u>2,140,923</u>	<u>2,081,517</u>
 EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	322,508	232,472
8% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2006/2011	106,320	-
Reserves		
Share premium	76,369	129,212
Revaluation reserves	26,564	26,757
Exchange reserves	80	66
Treasury stock units	(646)	(6,281)
Retained earnings	(15,410)	(35,105)
Stockholders' funds	<u>515,785</u>	<u>347,121</u>
Minority interests	273,225	214,242
Total equity	<u>789,010</u>	<u>561,363</u>

EASTERN AND ORIENTAL BERHAD (555-K)**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 30 September 2006 (Unaudited)

	As at 30/09/06 RM'000	Audited As at 31/03/06 RM'000
Non-current liabilities		
Provision for retirement benefits	37	49
8% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2006/2011	50,180	-
Borrowings	493,480	659,275
Long term liabilities	-	3,188
Deferred tax liabilities	68,727	69,113
	<u>612,424</u>	<u>731,625</u>
Current liabilities		
Trade payables	259,656	266,549
Payables	88,954	63,797
Amount due to customers on construction works	4,332	2,054
Progress billing in respect of property development costs	355	268
Provisions	35,528	41,914
Provision for retirement benefits	82	82
Borrowings	339,016	408,766
Taxation	11,566	5,099
	<u>739,489</u>	<u>788,529</u>
Total Liabilities	<u>1,351,913</u>	<u>1,520,154</u>
TOTAL EQUITY AND LIABILITIES	<u>2,140,923</u>	<u>2,081,517</u>
Net assets per stock unit attributable to ordinary equity holders of the parent (RM)	<u>1.60</u>	<u>1.55</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial report for the year ended 31 March 2006 and accompanying explanatory notes attached to the interim financial statements.

EASTERN AND ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six-Month Period Ended 30 September 2006 (Unaudited)

	Attributable to Equity Holders of the Parent						Minority Interests	Total Equity		
	Share Capital	ICULS 2006/2011	Non-Distributable			Distributable Retained Profits/ (Accumulated Loss)			Total	
	Share Premium	Treasury Stock Units	Revaluation Reserve	Exchange Reserve						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Period ended 30 September 2005										
At 1 April 2005	232,472	-	128,004	(9,968)	8,610	-	29,053	388,171	(13,047)	375,124
Net profit for the period	-	-	-	-	-	-	2,978	2,978	45	3,023
Total recognised income and expenses for the period	-	-	-	-	-	-	2,978	2,978	45	3,023
Acquisition of subsidiary	-	-	-	-	22,108	25	-	22,133	254,324	276,457
Goodwill written off	-	-	-	-	-	-	(87,191)	(87,191)	-	(87,191)
At 30 September 2005	232,472	-	128,004	(9,968)	30,718	25	(55,160)	326,091	241,322	567,413
Period ended 30 September 2006										
At 1 April 2006	232,472	-	129,212	(6,281)	26,757	66	(35,105)	347,121	214,242	561,363
Currency translation differences	-	-	-	-	-	14	-	14	-	14
Net profit for the period	-	-	-	-	-	-	20,053	20,053	15,370	35,423
Total recognised income and expenses for the period	-	-	-	-	-	14	20,053	20,067	15,370	35,437
Issuance of ordinary stock units	90,036	-	(52,362)	-	-	-	-	37,674	-	37,674
Issuance of ICULS 2006/2011	-	106,320	-	-	-	-	-	106,320	-	106,320
Sale of treasury stock units	-	-	3,061	6,067	-	-	-	9,128	-	9,128
Purchase of treasury stock units	-	-	-	(432)	-	-	-	(432)	-	(432)
Transfer from revaluation reserve	-	-	-	-	(193)	-	193	-	-	-
Dilution arising from additional shares issued by subsidiary company	-	-	-	-	-	-	(551)	(551)	551	-
Issuance securities expenses	-	-	(3,542)	-	-	-	-	(3,542)	(574)	(4,116)
Adjustment due to changes in equity in subsidiaries by parent	-	-	-	-	-	-	-	-	52,219	52,219
Issuance of additional ordinary shares pursuant to Restricted Issue in subsidiary	-	-	-	-	-	-	-	-	12,000	12,000
Dividend paid	-	-	-	-	-	-	-	-	(20,583)	(20,583)
At 30 September 2006	322,508	106,320	76,369	(646)	26,564	80	(15,410)	515,785	273,225	789,010

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial report for the year ended 31 March 2006 and accompanying explanatory notes attached to the interim financial statements.

EASTERN AND ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Six-Month Period Ended 30 September 2006 (Unaudited)**

	6 mths ended 30/09/06 RM'000	6 mths ended 30/09/05 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	52,832	5,055
Depreciation and amortisation	4,133	1,752
Non-cash items	(65,971)	(8,345)
Non-operation items	18,304	7,751
Operating profit before working capital changes	9,298	6,213
Changes in working capital:		
Land held for property development	(41,539)	(8,471)
Property development cost	(119,199)	(3,554)
Changes in inventories	2,935	1,058
Changes in receivables	157,037	1,231
Changes in payables	8,257	(15,318)
Interest received	2,016	729
Interest paid	(33,330)	(7,126)
Payment for retirement benefits	(12)	(1)
Income tax paid	(14,580)	(1,437)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(29,117)	(26,676)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(23,920)	(140,048)
NET CASH FLOWS FROM FINANCING ACTIVITIES	37,888	335,457
Exchange translation differences	14	-
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,135)	168,733
CASH AND CASH EQUIVALENTS AT 1 APRIL	170,489	(19,812)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	155,354	148,921

EASTERN AND ORIENTAL BERHAD (555-K)
For the Six-Month Period Ended 30 September 2006

A. Explanatory Notes Pursuant to FRS 134

1. Basis of preparation

This interim report is unaudited and has been prepared in accordance with the requirements of 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 2006.

The following notes provide an explanation of 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 2006.

2. Changes in Accounting Policies

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 2006 except for the adoption of the new and revised Financial Reporting Standards ("FRS") issued by MASB that are effective for the Groups financial period beginning 1 April 2006:

The principal effect of the changes in accounting policies resulting from the adoption of the new and revised FRS are summarised as below:

a) FRS 101 - Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

b) FRS 3 - Business Combinations

The adoption of FRS 3 required that, after reassessment, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition (previously referred to as "negative goodwill"), should be recognised immediately in the consolidated income statements. Previously, the Group had reflected the negative goodwill as reserve on consolidation.

3. Auditors' report

The auditors' report for the annual financial statements of the Group for the financial year ended 31 March 2006 was not subject to any qualification.

EASTERN AND ORIENTAL BERHAD (555-K)
For the Six-Month Period Ended 30 September 2006

A. Explanatory Notes Pursuant to FRS 134 (cont'd)

4. Seasonality or cyclicity of operations

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.

5. Material and unusual items

There were no material or unusual items during the financial period ended 30 September 2006 except as disclosed in Note 2 and Note 6.

6. Changes in estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of each component of property, plant and equipment at least at each financial year end. The Group revised the estimated useful lives of certain plant and equipment from fifty years to a range of ten to twenty years, with effect from 1 April 2006.

The revisions were accounted for, as changes in accounting estimates, and have been applied for prospectively. As a result, the depreciation charges for the current financial period increased by RM1,000,000.

There were no other changes in estimates that have had material effect in the current financial period results.

7. Debt and equity securities

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

a) Employee Share Options Scheme ("ESOS")

During the financial period ended 30 September 2006, the Company ("EOB") issued 1,169,400 ordinary stock units of RM1.00 each for cash pursuant to the Company's ESOS at an exercise price of RM1.05 per ordinary stock unit.

b) Special Bumi Issue

On 26 May 2006, the Company allotted and issued 8.3 million new ordinary stock units of RM1.00 each out of the approved 33.709 million new ordinary stock units, at an issue price of RM1.00 per new ordinary stock unit.

c) EOB Fund Raising Exercise

The Company completed the EOB Fund Raising Exercise which comprise of:

- i) Renounceable two-call rights issue of 80,556,964 new ordinary stock units of RM1.00 each in EOB ("Rights Stock Units") at an issue price of RM1.00 each ("Rights Issue") together with an offer for sale of 80,556,964 E & O Property Development Berhad ("E&OPROP") shares by EOB at an offer price of RM0.65 per share on the basis of one (1) Rights Stock Unit and one (1) E&OPROP share for every three (3) existing stock units held;
- ii) Renounceable rights issue of RM120,835,446 nominal value of ICULS in EOB at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS for every two (2) existing E&O stock units held.
- iii) Restricted Issue of RM35,000,000 nominal value of ICULS to the eligible management staff of EOB at 100% of its nominal value.

Pursuant to the EOB Fund Raising Exercise, the Company allotted and issued 80,556,964 Rights Stock Units and issued 155,835,446 of 5 year 8% ICULS at nominal value of RM1.00 each. The Company also issued 11,786,357 additional warrants pursuant to adjustments arising from the Exercise.

The new securities of 80,556,964 Rights Stock Units, 155,835,446 ICULS and an additional 11,786,357 new warrants issued were granted listing and quotation on the 3 August 2006.

EASTERN AND ORIENTAL BERHAD (555-K)
For the Six-Month Period Ended 30 September 2006

A. Explanatory Notes Pursuant to FRS 134 (cont'd)

7. Debt and equity securities (cont'd)

d) Warrants Issued by the Company

On 29 May 2006, 10,000 units of warrant were converted into ordinary stock units at the exercise price of RM1.03 per ordinary stock unit. The number of outstanding warrants after the conversion was 61,166,298. On 9 June 2006, an additional 11,786,357 new warrants were issued and allotted to each entitled warrant holder pursuant to adjustment arising from the EOB Fund Raising Exercise. The number of outstanding warrants as at 30 September 2006 after the adjustment was 72,952,655. The new exercise price was adjusted to RM1.00 per ordinary stock unit.

e) Treasury Shares

During the financial period ended 30 September 2006, the Company bought back 439,900 of its issued ordinary stock units and sold 7,920,400 units of its treasury stock units in the open market for a consideration of RM431,276 and RM9,128,716 respectively.

f) Warrants Issued by the Company's listed subsidiary, E & O Property Development Berhad ("E&OPROP")

During the financial period ended 30 September 2006, a total of 83,284,655 warrants were converted into E&OPROP ordinary shares of RM0.50 each. The number of shares in issue after the conversion was 1,220,532,463 ordinary shares of RM0.50 each.

On 12 September 2006, E&OPROP implemented its proposal to consolidate its entire share capital of 1,220,532,463 ordinary shares of RM0.50 each to 610,266,231 ordinary shares of RM1.00 each.

After the conversion of 83,284,655 warrants into shares, the balance number of warrants in issue was 32,715,345. This was adjusted to 16,357,660 due to the share consolidation of ordinary shares of par value of RM0.50 to RM1.00 each.

8. Dividends paid

There were no dividends paid in the current financial period.

9. Segmental information

<u>6 month ended</u> <u>30 September 2006</u> RM'000	Construction and related activities	Properties	Hotel Operations	Investment Holding and others	Total	Elimination	Consolidated
REVENUE							
External sales	208,272	226,633	12,390	885	448,180	-	448,180
Inter-segment sales	4,675	-	-	67,087	71,762	(71,762)	-
Total revenue	<u>212,947</u>	<u>226,633</u>	<u>12,390</u>	<u>67,972</u>	<u>519,942</u>		<u>448,180</u>
RESULT							
Segment profit	22,483	61,338	(121)	62,899	146,599	(71,175)	75,424
Finance cost							(21,224)
Share of net profit of associated companies							<u>(1,368)</u>
Profit before tax							<u>52,832</u>

EASTERN AND ORIENTAL BERHAD (555-K)
For the Six-Month Period Ended 30 September 2006

A. Explanatory Notes Pursuant to FRS 134 (cont'd)

9. Segmental information (cont'd)

<u>6 month ended</u> <u>30 September 2005</u> RM'000	Construction and related activities	Properties	Hotel Operations	Investment Holding and others	Total	Elimination	Consolidated
REVENUE							
External sales	8,681	29,509	10,790	-	48,980	-	48,980
Inter-segment sales	5,675	-	144	5,249	11,068	(11,068)	-
Total revenue	<u>14,356</u>	<u>29,509</u>	<u>10,934</u>	<u>5,249</u>	<u>60,048</u>		<u>48,980</u>
RESULT							
Segment profit	976	7,313	167	4,219	12,675	(6,616)	6,059
Finance cost							(7,765)
Share of net profit of associated companies							<u>6,761</u>
Profit before tax							<u>5,055</u>

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

10. 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.

11. Material subsequent event

There were no material events subsequent to the end of the financial period ended 30 September 2006 other than the completion of the listing of Putrajaya Perdana Berhad ("PPB"), a subsidiary of E&OPROP which in turn is a subsidiary of the Company. The listing of PPB entails amongst others the following:-

- i) The voluntary liquidation of K.L. Land Development Sdn Bhd, a subsidiary of E&OPROP. A special resolution for the voluntary liquidation has been passed and the process of liquidation is still in progress.
- ii) The distribution of a special dividend by E&OPROP of its entire holding of 58,920,000 ordinary shares of RM0.50 each in PPB based on the offer price of PPB shares of RM1.80, amounting to net dividend of RM106.05 million.

On 4 October 2006, the Company and its subsidiary, Dynamic Degree Sdn Bhd received 33,306,021 and 10,218,253 ordinary shares of RM0.50 each in Putrajaya Perdana Berhad ("PPB Shares") pursuant to the implementation of a special dividend by E&OPROP, a subsidiary of the Company that a holder of 100 ordinary shares of RM0.50 each in E&OPROP would entitle to 4.8274 PPB shares. Consequently, the Company shall have a direct interest of 24.7% and an indirect interest of 26.1% in PPB.

On 18 October 2006, the entire paid-up and issued share capital of PPB were granted listing and quotation on the Main Board of Bursa Malaysia Securities Berhad.

EASTERN AND ORIENTAL BERHAD (555-K)
For the Six-Month Period Ended 30 September 2006

A. Explanatory Notes Pursuant to FRS 134 (cont'd)

12. Changes in composition of the Group

- i) KCB Holdings Sdn Bhd ("KCB Holdings"), a wholly-owned subsidiary of E&OPROP had on 3 April 2006 entered into a Share Sale Agreement for the acquisition of the remaining 150,000 ordinary shares of RM1.00 each representing 30% equity interest in KCB Geotechnics Sdn Bhd ("KCB Geotechnics"), a subsidiary of E&OPROP for a cash consideration of RM145,000 and accordingly, KCB Geotechnics became a wholly-owned subsidiary of KCB Holdings.
- ii) E&OPROP 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") 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 ("RPS") in TMSB at an issue price of RM1,000 per RPS. TMSB and SPSB are wholly-owned subsidiary companies of the E&OPROP.
- iii) Ribuan Imbang Sdn Bhd ("RISB"), a wholly-owned subsidiary of E&OPROP has on 16 May 2006 entered into a conditional Joint Venture Agreement for Joint Venture Company with Lion Courts Sdn Bhd ("LCSB") to establish Mergexcel Property Development Sdn Bhd ("MPDSB") on a 50:50 basis. Accordingly, MPDSB ceased to be a subsidiary of E&OPROP.

13. Contingent Liabilities

Details of contingent liabilities as at 23 November 2006 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	Company	
	23/11/06	31/03/06
	RM'000	RM'000
i) Guarantees issued to financial institutions for banking facilities granted to subsidiaries:		
- Secured	32,216	34,346

B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements

1. Review of performance

The Group achieved a revenue of RM448.180 million for the 6 months period ended 30 September 2006 compared to RM48.980 million recorded in the previous year corresponding period ended 30 September 2005.

The substantial increase in revenue of RM399.200 million was largely due to the consolidation of revenue generated by E & O Property Development Berhad ("E&OPROP") which became a subsidiary since 6 September 2005. The hotel division generated a 14.8% increase in revenue compared to the previous year corresponding quarter.

The Group recorded a profit before tax of RM52.832 million which represented an increase of RM47.777 million for the 6 months period ended 30 September 2006 compared to the previous year corresponding period. This is primarily due to contribution from its subsidiary, E&OPROP. Prior to 6 September 2005, E&OPROP was accounted for as an associated company.

2. Variation of results against preceding quarter

For the second quarter ended 30 September 2006, the Group recorded a revenue of RM255.343 million and a profit before tax of RM29.470 million as compared to the immediate preceding quarter where Group revenue was RM192.837 million and a profit before tax of RM23.362 million.

The pre-tax profit of the Group has increased by RM6.108 million or 26.14% as compared to the pre-tax profit of the immediate preceding quarter mainly due the increase in contribution from both the property development and construction division.

3. Current year prospects

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 financial year ending 31 March 2007 with improvement in contribution from all its business activities which includes consolidation of a full year's earnings from its subsidiary, 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, other than the projected net profit of RM36 million by Putrajaya Perdana Berhad ("PPB") as disclosed in the prospectus of PPB pursuant to the listing and quotation of its entire paid up capital on the Main Board of Bursa Malaysia Securities Berhad on 18 October 2006. PPB is a subsidiary of the Company .

5. Taxation

	Current quarter ended 30/09/06 RM'000	Current financial year to date 30/09/06 RM'000
Malaysian income tax - current		
- Company and subsidiary companies	9,197	17,669
Deferred tax	<u>973</u>	<u>(260)</u>
	<u>10,170</u>	<u>17,409</u>

The effective tax rate for the current quarter and financial period was higher than the statutory tax rate of 27% mainly due to certain expenses which are not deductible for tax expenses.

EASTERN AND ORIENTAL BERHAD (555-K)
For the Six-Month Period Ended 30 September 2006

B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements (cont'd)

6. Sale of unquoted investments and or properties

During the current financial quarter, the Group disposed an investment property for a consideration of RM190,000 which give rise to a loss of RM62,000.

7. Investment in quoted securities

Particulars of investment in quoted securities:	Current quarter ended 30/09/06 RM'000	Current financial year to date 30/09/06 RM'000
(a) Purchases / disposals		
Total Purchases	-	-
Total Sale Proceeds	-	274
Total Profit/(Loss) on Disposal	-	(26)
(b) Balances as at 30 September 2006		
Total investments at cost		<u>51,422</u>
Total investments at carrying value/book value (after impairment loss)		<u>17,759</u>
Total investment at market value at end of reporting period		<u>18,221</u>

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 November 2006

i) EOB Proposed Special Issue

On 26 July 2004, Hwang-DBS Securities Berhad ("Hwang-DBS") on behalf of the Company announced that the Company proposed 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.

All relevant approvals have been obtained for the Proposed Special Issue except for the listing and quotation for the balance new stock units.

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. The approval is subject to the terms and conditions as mentioned in our announcement on 6 January 2005.

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. MITI had, vide a letter dated 1 September 2006 allocated the balance of 14,809,000 New Stock Units to Bumiputera investors which were fully subscribed for on 21 November 2006.

On 26 May 2006, the Company allotted and issued 8.3 million new ordinary stock units of RM1.00 each out of the approved 33.709 million new ordinary stock units, at an issue price of RM1.00 per new ordinary stock unit.

B. Explanatory Notes 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 as at 23 November 2006 (cont'd)

(ii) E&OPROP Proposed Special Issue

On 26 July 2004, Hwang-DBS Securities Berhad on behalf of the Company announced that the Company proposed to undertake a special issue of an aggregate of 95,000,000 new ordinary shares of RM0.50 each in the Company ("Special Issue Shares") representing approximately 8.52% of the issued and paid-up capital of the Company as at 30 June 2004 to identified Bumiputra investors at an issue price to be determined and announced later ("Proposed Special Issue").

The Proposed Special Issue involves 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 the Company to each of the following directors of the Company, Kamil Ahmad Merican and Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof, at an issue price to be determined and announced later pursuant to the Proposed Special Issue ("Proposed Allotment to Directors").

The Securities Commission ("SC") had vide a letter dated 3 January 2005 approved the proposed special issue. The SC had vide a letter dated 9 January 2006 approved an extension of time to 2 January 2007 for the Company to implement the Proposed Special Issue. On 28 September 2006, the shareholders have approved the renewal of the authority granted for the Proposed Special Issue and Proposed Allotment to Directors at the Annual General Meeting of the Company.

All relevant approvals have been obtained for the Proposed Special Issue and Proposed Allotment to Directors except for the approvals from Bursa Securities for the listing and quotation for the Special Issue Shares and Ministry of International Trade and Industry for the allocation of the Special Issue Shares to Bumiputra investors.

(iii) Joint Venture Between E & O Property (Penang) Sdn Bhd ("EOPP") and K.L.Park City Sdn Bhd ("KLPC")

On 21 September 2006, the Company announced that its subsidiary, EOPP has entered into a Joint Venture Agreement ("JVA") with KLPC for the establishment of an unincorporated joint-venture shared on a 50:50 basis to develop 82 plots of bungalow land beneficially owned by EOPP and forming part of Phase 1 of Seri Tanjung Pinang development in Penang.

The Joint Venture is not subject to any regulatory approval but the JVA is conditional upon the shareholders' agreement between CMREF 1 Sdn Bhd and Al Salam Bank- Bahrain B.S.C., shareholders of KLPC procuring the requisite approvals from the Foreign Investment Committee, Bank Negara Malaysia and any other relevant authorities, if required. Further details of the Joint Venture are in the announcement made to the Bursa Securities on 21 September 2006.

(iv) Proposed Issue of, Offer for Subscription or Purchase of, or Invitation to subscribe for or Purchase, up to RM350 million nominal value Bank Guaranteed Commercial Papers/Medium Term Notes Programme ("BGCP/MTN Programme") by EOPP, a subsidiary of the Company

On 2 October 2006, the Company announced that its subsidiary, EOPP had, on 29 September 2006, acquired the approval from the Securities Commission ("SC") in relation to the proposed issuance of up to RM350million nominal value of Bank Guaranteed Commercial Papers/ Medium Term Notes Programme via the SC's letter dated 28 September 2006. The approval by the SC is subject to certain terms and conditions. Details of this proposal are in the announcement made to the Bursa Securities on 2 October 2006.

B. Explanatory Notes 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 as at 23 November 2006 (contd.)

(v) Proposed Acquisition Of 60% Equity Interest in KGN-PDC Holdings Sdn Bhd

On 11 October 2006, the Company announced that it has entered into a Share Sale Agreement with Koperasi Gabungan Negeri Pulau Pinang Berhad ("KGN") for the proposed acquisition of RM21,000 ordinary shares of RM1.00 each representing 60% of equity interest in KGN-PDC Holdings Sdn Bhd for a purchase consideration of RM37million. The purchase consideration is to be satisfied in cash of RM2million upon execution of the Share Sale Agreement and the balance of RM35million to be paid on completion of the Share Sale Agreement comprising of RM29million cash and RM6million by assuming KGN's indebtedness to Permaisjara Ribu (M) Sdn Bhd, a subsidiary of the Company.

The proposal is subject to the relevant conditions precedent. Details of the proposal are in the announcement made to the Bursa Securities on 11 October 2006.

b) Utilisation of proceeds from corporate proposals

i) EOB Fund Raising

As at 23 November 2006, cash proceeds amounting to RM236.392 million arising from completion of the EOB Fund Raising Exercise as disclosed in Note A7, partially utilised as follows:

	RM'000
Repayment of borrowings	153,500
Exercise of warrants in E&OPROP	52,394
Expenses for corporate proposal	3,254
Working capital	13,006
	<u>222,154</u>

ii) EOB Special Bumi Issue

As at 23 November 2006, the utilisation of the cash proceeds arising from the Special Bumi Issue of RM8.3 million are as follows:

	RM'000
Working capital:	
- Financing expenses	7,440
- Expenses for Corporate proposals	565
- Others	295
	<u>8,300</u>

9. Group Borrowings

a) The Group borrowings were as follows:-

	As at 30/09/06 RM'000
Short Term - Secured	337,516
- Unsecured	1,500
Long Term - Secured	443,480
- 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 RM115,531,000.

b) All the borrowings were denominated in Ringgit Malaysia

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B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements (cont'd)

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 23 November 2006.

11. Material Litigation

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

12. Dividend

On 28 September 2006, the stockholders have approved the payment of a first and final dividend of 2% less income tax of 27% on the ordinary stock unit in issue at book closure date on 20 October 2006 in respect of the financial year ended 31 March 2006. The dividend will be paid on 20 November 2006.

13. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current	Comparative	Current	Comparative
	quarter ended	quarter ended	year to date	year to date
	30/09/06	30/09/05	30/09/06	30/09/05
a) Basic earnings per stock units				
Profit from continuing operations attributable to equity holders of the parent (RM'000)	9,909	2,033	20,053	2,978
Weighted average number of ordinary stock units in issue (unit '000)	280,216	219,457	280,216	219,457
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	51,945	-	51,945	-
Adjusted weighted average number of ordinary stock units (unit '000)	332,161	219,457	332,161	219,457
Basic earnings per stock unit for profit from continuing operations for the period (sen)	2.98	0.93	6.04	1.36
b) Diluted earnings per stock units				
Profit from continuing operations attributable to equity holders of the parent (RM'000)	9,909	2,033	20,053	2,978
Weighted average number of ordinary stock units in issue (unit '000)	280,216	219,457	280,216	219,457
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	51,945	-	51,945	-
Effect of dilution of ESOS (unit '000)	1,305	1,981	1,305	1,981
Effect of dilution of Warrants (unit '000)	5,160	1,315	5,160	1,315
	-	-	-	-
	338,626	222,753	338,626	222,753
Diluted earnings per stock unit for profit from continuing operations for the period (sen)	2.93	0.91	5.92	1.34

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14. Net Assets Per Stock Unit

The net asset per stock unit is calculated based on the Group's net asset of RM515.785 million (31.3.2006 : RM347.121 million) over the outstanding stock units in issue of 321.788 million after deducting the 719,900 EOB shares bought back and held as treasury shares as at 30 September 2006 (31.3.2006 : 224.271 million).