

EASTERN & ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2008 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2008 RM'000	Comparative quarter ended 31.03.2007 RM'000 (Restated)	Current year to date 31.03.2008 RM'000	Comparative year to date 31.03.2007 RM'000 (Restated)
Revenue	88,520	137,622	515,120	519,219
Cost of sales	(45,611)	(97,683)	(326,599)	(362,810)
Gross profit	42,909	39,939	188,521	156,409
Other operating income	6,970	34,739	115,577	40,667
Selling and marketing expenses	(4,295)	(1,375)	(11,938)	(6,416)
Administrative expenses	(13,322)	(13,592)	(45,793)	(39,696)
Other operating expenses	(8,535)	(4,798)	(20,636)	(14,165)
Profit from operations	23,727	54,913	225,731	136,799
Finance cost	(7,547)	(8,596)	(29,019)	(38,383)
Share of results of associates	(1,610)	(31)	(2,326)	(6,772)
Share of results of jointly controlled entity	(536)	(26)	(579)	(26)
Profit before tax	14,034	46,260	193,807	91,618
Income tax expense	(2,680)	(7,180)	(35,057)	(22,686)
Profit for the period from continuing operations	11,354	39,080	158,750	68,932
Discontinued Operation				
Profit for the period from discontinued operation	-	11,252	20,677	35,774
Profit for the period	11,354	50,332	179,427	104,706
Attributable to:				
Equity holders of the Company	8,919	30,944	128,503	61,178
Minority interest	2,435	19,388	50,924	43,528
	11,354	50,332	179,427	104,706
Earnings per stock unit (sen):				
Basic				
- profit from continuing operations	1.67	6.33	22.28	10.69
- profit from discontinued operation	-	1.13	1.84	4.05
	1.67	7.46	24.12	14.74
Diluted				
- profit from continuing operations	1.58	5.89	20.98	9.95
- profit from discontinued operation	-	1.05	1.73	3.77
	1.58	6.94	22.71	13.72

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2007 and accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)**CONDENSED CONSOLIDATED BALANCE SHEETS****AS AT 31 MARCH 2008 (Unaudited)**

	AS AT 31.03.2008 RM'000	AS AT 31.3.2007 RM'000 (Restated)
Non-current assets		
Property, plant and equipment	195,669	153,466
Land held for property development	953,423	1,038,849
Investment properties	12,196	4,678
Prepaid lease payments	989	1,187
Intangible assets	2,568	750
Investments in associates	31,325	24,670
Investments in joint controlled entities	-	99
Other investments	18,999	35,330
Long term receivables	-	2,822
Deferred tax assets	14,295	14,181
	<u>1,229,464</u>	<u>1,276,032</u>
Current assets		
Property development costs	281,387	263,268
Inventories	13,654	40,592
Receivables	163,088	409,593
Tax recoverable	11,311	13,858
Amount due from customers on construction work	-	30,382
Accrued billings in respect of property development costs	20,229	68,664
Cash and cash equivalents	454,706	344,882
	<u>944,375</u>	<u>1,171,239</u>
Non-current assets classified as held for sale	4,667	14,205
	<u>949,042</u>	<u>1,185,444</u>
TOTAL ASSETS	<u>2,178,506</u>	<u>2,461,476</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	419,061	358,961
8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011	83,991	101,455
Treasury Stock Units	(5,110)	(749)
Reserves	231,081	147,066
	<u>729,023</u>	<u>606,733</u>
Minority interests	356,401	390,525
Total Equity	<u>1,085,424</u>	<u>997,258</u>

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 MARCH 2008 (Unaudited)

	AS AT 31.03.2008 RM'000	AS AT 31.3.2007 RM'000 (Restated)
Non-current liabilities		
Provision for retirement benefits	39	39
8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011	34,226	49,731
Borrowings	578,532	506,143
Deferred tax liabilities	57,449	78,339
	<u>670,246</u>	<u>634,252</u>
Current liabilities		
Payables	136,265	422,935
Amount due to customers on construction works	-	7,331
Progress billing in respect of property development costs	-	7,711
Provisions	644	31,641
Provision for retirement benefits	-	38
Borrowings	248,837	347,483
Taxation	21,678	12,827
Dividend payable	15,412	-
	<u>422,836</u>	<u>829,966</u>
Total Liabilities	<u>1,093,082</u>	<u>1,464,218</u>
TOTAL EQUITY AND LIABILITIES	<u>2,178,506</u>	<u>2,461,476</u>
Net assets per stock unit attributable to ordinary equity holders of the Company (RM)	<u>1.55</u>	<u>1.41</u>

Based on number of stock units net of treasury stock units

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2007 and accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2008 (Unaudited)

	Attributable to Equity Holders of the Company								Minority Interests	Total Equity	
	Share Capital	Non-Distributable		Distributable		Share Option Reserve	Exchange Reserve	Retained Earnings			Total
		ICULS 2006/2011	Share Premium	Treasury Stock Units	Revaluation Reserve						
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Year ended 31 March 2007											
At 1 April 2006	232,472	-	129,212	(6,281)	26,757	-	66	(35,105)	347,121	214,242	561,363
Currency translation differences	-	-	-	-	-	-	20	-	20	-	20
Net profit for the year	-	-	-	-	-	-	-	61,178	61,178	43,528	104,706
Total recognised income and expenses for the year	-	-	-	-	-	-	20	61,178	61,198	43,528	104,726
Issuance of ordinary stock units											
- Right issue	80,557	-	(52,362)	-	-	-	-	-	28,195	-	28,195
- Pursuant to ESOS	4,497	-	-	-	-	-	-	-	4,497	-	4,497
- Special bumiputra issue	33,709	-	-	-	-	-	-	-	33,709	-	33,709
- Warrants exercised	595	-	-	-	-	-	-	-	595	-	595
Issuance of ICULS 2006/2011	-	106,321	-	-	-	-	-	-	106,321	-	106,321
- Conversion of ICULS (equity portion)	4,866	(4,866)	-	-	-	-	-	-	-	-	-
- Conversion of ICULS (liability portion)	2,265	-	80	-	-	-	-	-	2,345	-	2,345
Sale of treasury stock units	-	-	3,061	6,066	-	-	-	-	9,127	-	9,127
Purchase of treasury stock units	-	-	-	(534)	-	-	-	-	(534)	-	(534)
Shares issuance costs	-	-	(3,725)	-	-	-	-	-	(3,725)	-	(3,725)
Dilution arising from additional shares issued by subsidiaries	-	-	-	-	-	-	-	(427)	(427)	12,427	12,000
Realignment of reserves due to changes in group structure	-	-	-	-	-	-	-	20,994	20,994	133,103	154,097
Acquisition of remaining equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	6,890	6,890
Share options granted under EOB ESOS	-	-	-	-	-	2,017	-	-	2,017	-	2,017
Share options granted under PPB ESOS	-	-	-	-	-	-	-	-	-	918	918
Transfer from revaluation reserve	-	-	-	-	(2,244)	-	-	2,244	-	-	-
Dividend paid	-	-	-	-	-	-	-	(4,700)	(4,700)	(20,583)	(25,283)
At 31 March 2007	358,961	101,455	76,266	(749)	24,513	2,017	86	44,184	606,733	390,525	997,258

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2008 (Unaudited)

	Attributable to Equity Holders of the Company								Minority Interests	Total Equity	
	Share Capital	ICULS 2006/2011	Share Premium	Non-Distributable		Distributable		Total			
				Treasury Stock Units	Revaluation Reserve	Share Option Reserve	Exchange Reserve				Retained Earnings
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Year ended 31 March 2008											
At 1 April 2007	358,961	101,455	76,266	(749)	24,513	2,017	86	44,184	606,733	390,525	997,258
Currency translation differences	-	-	-	-	-	-	(8)	-	(8)	-	(8)
Net profit for the period	-	-	-	-	-	-	-	128,503	128,503	50,924	179,427
Total recognised income and expenses for the period	-	-	-	-	-	-	(8)	128,503	128,495	50,924	179,419
Issuance of ordinary stock units											
- Pursuant to ESOS	2,697	-	-	-	-	-	-	-	2,697	-	2,697
- Warrants exercised	31,806	-	-	-	-	-	-	-	31,806	-	31,806
Conversion of ICULS (equity portion)	17,464	(17,464)	-	-	-	-	-	-	-	-	-
Conversion of ICULS (liability portion)	8,133	-	(867)	-	-	-	-	-	7,266	-	7,266
Purchase of treasury stock units	-	-	-	(4,361)	-	-	-	-	(4,361)	-	(4,361)
Shares issuance costs	-	-	(113)	-	-	-	-	-	(113)	-	(113)
Transfer from revaluation reserve	-	-	-	-	(24,513)	-	-	24,513	-	-	-
Accretion arising from additional shares issued by subsidiaries	-	-	-	-	-	-	-	9,653	9,653	35,571	45,224
Realignment of reserves due to changes in group structure	-	-	-	-	-	-	-	(25,587)	(25,587)	(24,188)	(49,775)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	731	731
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(91,280)	(91,280)
Share options granted under EOB ESOS lapsed	-	-	-	-	-	(3)	-	-	(3)	-	(3)
Share options granted under EOB ESOS exercised	-	-	720	-	-	(720)	-	-	-	-	-
Share options granted under PPB ESOS exercised	-	-	-	-	-	-	-	-	-	(368)	(368)
Dividend	-	-	-	-	-	-	-	(27,563)	(27,563)	(5,514)	(33,077)
At 31 March 2008	419,061	83,991	76,006	(5,110)	-	1,294	78	153,703	729,023	356,401	1,085,424

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2007 and accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008 (Unaudited)**

	12 mths ended 31.03.2008 RM'000	12 mths ended 31.03.2007 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
Continuing operations	193,807	91,618
Discontinued operation	28,185	48,938
Adjustments for:		
Depreciation and amortisation	12,995	9,313
Non-cash items	(109,302)	(22,748)
Non-operation items	15,586	32,949
Operating profit before working capital changes	<u>141,271</u>	<u>160,070</u>
Changes in working capital:		
Land held for property development	(175,717)	(87,170)
Property development cost	143,484	87,665
Changes in inventories	19,324	3,969
Changes in receivables	36,856	(159,859)
Changes in payables	(80,587)	72,225
Interest received	11,830	4,426
Interest paid	(57,009)	(72,551)
Payment for retirement benefits	-	(747)
Income tax refund	1,416	2,455
Income tax paid	<u>(51,531)</u>	<u>(35,929)</u>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(10,663)	(25,446)
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	74,089	97,428
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	44,215	102,092
Exchange translation differences	(8)	20
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>107,633</u>	<u>174,094</u>
CASH AND CASH EQUIVALENTS AT 1 APRIL	<u>344,583</u>	<u>170,489</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u><u>452,216</u></u>	<u><u>344,583</u></u>

For purpose of cash flow statements, cash and cash equivalents comprised of the follow:

Continuing Operations

Deposits with financial institutions	324,166	102,770
Cash on hand and at banks	130,540	173,285
Bank overdrafts	(2,490)	(299)
	<u>452,216</u>	<u>275,756</u>

Discontinued Operation

Deposits with financial institutions	-	29,133
Cash on hand and at banks	-	39,694
	<u>-</u>	<u>68,827</u>
	<u>452,216</u>	<u>344,583</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial Statements for the financial year ended 31 March 2007 and accompanying explanatory notes attached to the interim financial statements.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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 Financial Reporting Standard ("FRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2007 and the explanatory notes. These explanatory 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 2007.

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 audited financial statements for the financial year ended 31 March 2007 except for the adoption of the following new and revised FRSs that are effective for the Groups financial period.

- | | |
|--|---|
| (i) FRS 117 | Leases |
| (ii) FRS 124 | Related Party Disclosures |
| (iii) Amendment to FRS 119 ₂₀₀₄ | Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures |

Apart from the effect of change in accounting policies resulting from the adoption of FRS 117 below, the adoption of the other new and revised FRSs above do not have significant financial impact on the Group.

FRS 117 : Leases

Prior to 1 April 2007, leasehold land and building held for own use was classified as property, plant and equipment was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leasehold land and building. Leases of land and building are classified as operating or finance leases in the same way as leases of other assets. The land and building elements are considered separately for the purposes of lease classification. The upfront payments of leasehold interests are allocated between the land and buildings elements in proportion to their relative values at the inception of the leases. The upfront-payments made for leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the remaining lease term.

Upon adoption of the revised FRS 117 at 1 April 2007, the unamortised amounts of leasehold land are retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparative amounts as at 31 March 2007 have been restated as in Note 3 (i) of Part A.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

3. Comparative

- (i) The following comparatives have been restated due to the adoption of new and revised FRSs as disclosed in Note 2 of Part A above which have retrospective impact on the preceding periods financial statements:

Condensed Consolidated Balance Sheet

	<-----As At 31.3.2007 ----->		
	As Previously Stated RM'000	Adoption of FRS 117 RM'000	As Restated RM'000
At 31 March 2007			
Property, plant and equipment	154,653	(1,187)	153,466
Prepaid lease payments	-	1,187	1,187
	-	1,187	1,187

- (ii) As disclosed in Note 10 of Part A, in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, Putrajaya Perdana Berhad is a disposal group held for sale and accordingly was classified as Discontinued Operation. The comparatives of the Discontinued Operation in the preceding year corresponding quarter and year to date have been reclassified and restated as follow:

Condensed Consolidated Income Statements

(a) Individual Quarter Ended 31.03.2007

	As Previously Stated RM'000	Reclassi- fication RM'000	As Restated RM'000
Revenue	318,422	(180,800)	137,622
Cost of sales	(259,102)	161,419	(97,683)
Gross profit	59,320	(19,381)	39,939
Other operating income	35,658	(919)	34,739
Selling and marketing expenses	(1,383)	8	(1,375)
Administrative expenses	(18,798)	5,206	(13,592)
Other operating expenses	(4,885)	87	(4,798)
Profit from operations	69,912	(14,999)	54,913
Finance cost	(8,616)	20	(8,596)
Share of results of associates	(31)	-	(31)
Share of results of jointly controlled entity	(26)	-	(26)
Profit before tax	61,239	(14,979)	46,260
Income tax expense	(10,907)	3,727	(7,180)
Profit for the period from continuing operations	50,332	(11,252)	39,080
Profit for the period from discontinued operation	-	11,252	11,252
Profit for the period	50,332	-	50,332

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

3. Comparative (contd)

(ii) **Condensed Consolidated Income Statements (contd)**

(b) **Cumulative Quarter Ended 31.03.2007**

	As Previously Stated RM'000	Reclassi- fication RM'000	As Restated RM'000
Revenue	1,056,476	(537,257)	519,219
Cost of sales	(840,066)	477,256	(362,810)
Gross profit	216,410	(60,001)	156,409
Other operating income	44,793	(4,126)	40,667
Selling and marketing expenses	(6,451)	35	(6,416)
Administrative expenses	(54,315)	14,619	(39,696)
Other operating expenses	(14,666)	501	(14,165)
Profit from operations	185,771	(48,972)	136,799
Finance cost	(38,417)	34	(38,383)
Share of results of associates	(6,772)	-	(6,772)
Share of results of jointly controlled entity	(26)	-	(26)
Profit before tax	140,556	(48,938)	91,618
Income tax expense	(35,850)	13,164	(22,686)
Profit for the period from continuing operations	104,706	(35,774)	68,932
Profit for the period from discontinued operation	-	35,774	35,774
Profit for the period	104,706	-	104,706

4. Auditors' report on preceding audited financial statements

The auditors' report for the annual financial statements of the Group for the financial year ended 31 March 2007 was not subject to any qualification.

5. 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.

6. Material and unusual items

There were no material or unusual items during the current financial year ended 31 March 2008 except for the restatement of comparatives due to changes in accounting policies as disclosed in Note 2 of Part A above.

7. Changes in estimates

There were no material changes in estimates that have had a material effect in the current financial quarter.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

8. Debt and equity securities

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

a) Employee Share Options Scheme ("ESOS")

During the financial year ended 31 March 2008, the Company ("EOB") issued 2,697,345 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) Warrants

During the financial year ended 31 March 2008, 31,806,172 units of warrant were converted into ordinary stock units at the exercise price of RM1.00 per ordinary stock unit. The number of outstanding warrants as at 31 March 2008 was 40,560,921.

c) 8% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2006/2011

As of 31 March 2008, a total of 25,596,696 ICULS at nominal value of RM1.00 each were converted into 25,596,696 new ordinary stock units of RM1.00 each. The balance of outstanding ICULS in issue as at 31 March 2008 was 123,107,350.

d) Treasury Shares

During the financial year ended 31 March 2008, the Company bought back 1,757,400 of its issued ordinary stock units in the open market for a consideration of RM4,361,645.

9. Dividends paid

On 28 September 2007, the stockholders have approved the payment of a first and final dividend of 4.0% less 27% income tax amounting to approximately RM12.151 million in respect of the financial year ended 31 March 2007. The dividend was paid on 22 November 2007.

10. Discontinued Operation

The Company has on 8 August 2007 entered into a conditional Sale and Purchase Agreement with Swan Symphony Sdn Bhd to divest its entire equity interest of 68,604,274 ordinary shares of RM0.50 each in Putrajaya Perdana Berhad ("PPB") as disclosed in Note 14(iii) of Part A below.

The disposal of PPB was completed on 31 October 2007 and resulted in PPB ceasing to be a subsidiary of the Group. Accordingly, the results arising from PPB Group of companies are presented as discontinued operation.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

10. Discontinued Operation (contd.)

An analysis of the results of discontinued operation is as follows:

	Current year To-date 31.03.2008 RM'000
Revenue	241,867
Expenses	<u>(213,682)</u>
Profit before tax from discontinued operation	28,185
Income tax expense	<u>(7,508)</u>
Profit for the period from discontinued operation	<u>20,677</u>

The cash flows attributed to the discontinued operation are as follows: -

Operating cash flows	(41,833)
Investing cash flows	(5,138)
Financing cash flows	<u>(3,404)</u>
	<u>(50,375)</u>

The discontinued operation had the following effects on the financial position of the Group as at the end of the financial year:-

	Current year To-date 31.03.2008 RM'000
Net assets attributable to discontinued operation	190,292
Less: Minority interests	<u>(91,280)</u>
Net assets disposed	99,012
Add: Gain on disposal of PPB	<u>98,941</u>
Sales proceeds net of transaction costs	197,953
Less: Cash and cash equivalents of PPB disposed of	<u>(18,452)</u>
Net cash inflow on disposal of PPB	<u>179,501</u>

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

11. (a) Segmental information by business segment

<u>12-month ended</u> <u>31 March 2008</u>	Properties	Hospitality	Investment Holding and others	Elimination	Total	Discontinued Operation	Consolidated
RM'000							
REVENUE							
External sales	466,223	44,789	4,108	-	515,120	241,867	756,987
Inter-segment sales	-	-	1,841	(1,841)	-	-	-
Total revenue	466,223	44,789	5,949		515,120	241,867	756,987
RESULT							
Segment profit	140,210	1,094	85,456	(1,029)	225,731	28,217	253,948
Finance cost					(29,019)	(32)	(29,051)
Share of results of associates					(2,326)	-	(2,326)
Share of results of jointly controlled entity					(579)	-	(579)
Profit before tax					193,807	28,185	221,992

<u>12-month ended</u> <u>31 March 2007</u>	Properties	Hospitality	Investment Holding and others	Elimination	Total	Discontinued Operation	Consolidated
RM'000							
REVENUE							
External sales	488,852	28,557	1,810	-	519,219	537,257	1,056,476
Inter-segment sales	-	-	1,564	(1,564)	-	-	-
Total revenue	488,852	28,557	3,374		519,219	537,257	1,056,476
RESULT							
Segment profit	126,799	77	12,229	(2,306)	136,799	48,972	185,771
Finance cost					(38,383)	(34)	(38,417)
Share of results of associates					(6,772)	-	(6,772)
Share of results of jointly controlled entity					(26)	-	(26)
Profit before tax					91,618	48,938	140,556

Analysis of geographical location is not applicable as the Group operates principally within Malaysia.

12. 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.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

13. Material subsequent event

There were no material event subsequent to the end of the financial year ended 31 March 2008.

14. Changes in composition of the Group

- (i) E&O Property Development Berhad ("E&OProp") had on 12 March 2007, entered into a Share Sale Agreement with Mechmar Corporation (Malaysia) Berhad for the acquisition of 900,000 ordinary shares of RM1.00 each representing 18% equity interest in Permaisjara Ribu (M) Sdn Bhd ("PRSB") for the purchase consideration of RM22,500,000. Following the full settlement of the purchase consideration on 10 September 2007, the equity interest in PRSB held by E&OProp has increased from 50.4% to 68.4%.
- (ii) On 12 April 2007, E&O Restaurants Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a share sale agreement with Mr. Benjamin Yong Kwet Yue for the acquisition of 51,000 ordinary shares of RM1.00 each representing 51% equity interest in The Delicious Group Sdn Bhd (formerly known as Delicious by Ms Read (M) Sdn Bhd) ("DGM") for a purchase consideration of up to RM3,060,000. The said acquisition of DGM was completed on 16 July 2007 and accordingly, DGM became a 51% owned subsidiary of the Company.
- (iii) On 8 August 2007, the Company has entered into a conditional Sale and Purchase Agreement ("SPA") with Swan Symphony Sdn Bhd to dispose of 68,604,274 ordinary shares of RM0.50 each in Putrajaya Perdana Berhad ("PPB") at RM2.90 per PPB Share for a total cash consideration of RM198,952,394. The disposal price, which was arrived at on a willing-buyer and willing-seller basis, represents a premium of 6.65% to the 5-Days volume weighted average market price of PPB Shares up to 7 August 2007 (being the market day immediately prior to the date of the SPA) of RM2.7191 per share. The disposal of PPB was completed on 31 October 2007 and accordingly, PPB ceased to be a subsidiary of the Company.
- (iv) On 26 October 2007, Ribuan Imbang Sdn Bhd ("RISB") a wholly-owned subsidiary of E&OProp, which in turn is a subsidiary of the Company, acquired one "A" class ordinary share of RM1.00 each in Mergexcel Property Development Sdn Bhd ("MPDSB") from Lion Courts Sdn Bhd for a cash consideration of RM1.00. The paid-up share capital of MPDSB is RM250,000 comprising 125,000 "A" class of ordinary shares of RM1.00 each and 125,000 "B" class ordinary shares of RM1.00 each. Following the said acquisition, RISB now holds one "A" class ordinary share and 125,000 "B" class ordinary shares in MPDSB. Hence, MPDSB is now a subsidiary of E&OProp which in turn is a subsidiary of the Company.
- (v) On 29 May 2007, Kamunting Management Services Sdn Bhd, a wholly-owned subsidiary of E&OProp has entered into a Share Sale Agreement with North Zest Sdn Bhd for the acquisition of 24 ordinary shares of RM1.00 each representing 24% equity interest in Bridgecrest Resources Sdn Bhd ("BRSB") for the purchase consideration of RM25 million. Following the completion of the acquisition on 13 November 2007, the equity interest in BRSB held by E&OProp has increased from 70% to 94%.
- (vi) On 12 December 2007, E&OProp has acquired two (2) ordinary shares of RM1.00 each at par, representing 100% equity interest in the capital of Twenty First Century Realty Sdn Bhd for a cash consideration of RM2.00.
- (vii) On 27 March 2008, E&O Restaurants Sdn Bhd, a wholly-owned subsidiary of the Company, acquired the remaining 30% equity interest in Eminent Pedestal Sdn Bhd ("EPSB") comprising of 30 ordinary shares of RM1.00 each for a cash consideration of RM1.00. Following the said acquisition, EPSB is now a wholly-owned subsidiary of the Company.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

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

(viii) On 31 March 2008, the Company has acquired two (2) ordinary shares of RM1.00 each at par, representing 100% equity interest in the capital of E&O Trading Sdn Bhd for a cash consideration of RM2.00.

As disclosed in Note 14 (ii) of Part A above, the acquisition of DGM had the following effects on the Group's results for the period:

	RM'000
Revenue	13,847
Net loss for the period	<u>(1,377)</u>

The fair values of the assets acquired and liabilities assumed from the acquisition (equivalent to acquiree's carrying amount) are as follows:

	RM'000
Non-current assets	2,656
Current assets	782
Current liabilities	<u>(3,146)</u>
Fair value of total net assets	292
Less: Minority interest	(143)
Goodwill on acquisition	<u>1,851</u>
Cost of investment	<u>2,000</u>

Purchase consideration satisfied by:

Cash	2,000
Balance payable (Note a)	<u>1,060</u>
Proposed purchase consideration	<u>3,060</u>

Cash outflow arising from acquisition:

Purchase consideration satisfied by cash	2,000
Cash and cash equivalents of subsidiary acquired	<u>(242)</u>
Net cash outflow from the group	<u>1,758</u>

Note (a):

Balance payable subject to attaining an audited profit after tax from operations of no less than RM1.2 million in any of the three financial years ending immediately following the completion of the Proposed Acquisition.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

15. Contingent Liabilities

Details of contingent liabilities as at 22 May 2008 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	Company	
	22.5.2008	31.3.2007
	RM'000	RM'000
i) Guarantees issued to financial institutions for banking facilities granted to subsidiaries:		
- Secured	31,411	30,135
	31,411	30,135

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

1. Review of performance

As explained in Note 10 of Part A, in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, PPB is a disposal group held for sale and accordingly was classified as Discontinued Operation.

(a) Continuing Operations

Continuing operations of the Group comprised the property, hospitality and investment holding divisions. The Group achieved a revenue of RM515.120 million for the financial year ended 31 March 2008 as compared to RM519.219 million recorded in the previous year ended 31 March 2007.

The profit before tax of the Group has increased by RM102.189 million to RM193.807 million for the financial year ended 31 March 2008 compared to the profit before tax of RM91.618 million in the preceding year corresponding period. This is primarily due to higher contribution from the property division resulted from higher profit recognised from certain completed development projects and gain arising from the disposal of Putrajaya Perdana Berhad.

(b) Discontinued Operation

The discontinued operation of the Group comprised the construction and related activities from Putrajaya Perdana Berhad Group ("PPB Group"). The contribution from the PPB Group up to the date of completion of its disposal on 31 October 2007 are disclosed in Note 10 of Part A above.

Overall, the Group achieved a profit before tax of RM221.992 million from the continuing and discontinued operations as compared to RM140.556 million achieved during the previous year corresponding period. This represents an increase of 58%.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

2. Variation of results against preceding quarter

The Group recorded a revenue of RM88.520 million and a profit before tax of RM14.034 million as compared to the immediate preceding quarter where Group revenue was RM110.219 million and a profit before tax of RM107.325 million (contributed by continuing and discontinued operations).

The pre-tax profit of the Group has decreased by RM93.291 million or 87% as compared to the pre-tax profit of the immediate preceding quarter. The higher profit in the previous quarter was mainly attributable to gain arising from disposal of PPB.

3. Current year prospects

The Company has on 13 May 2008 obtained the sanction of the High Court for the Proposed Exchange as disclosed in Note 8(a)(ii) of Part B below. The Group expects to consolidate the full results of E&OProp Group after the completion of the Proposed Exchange.

The Group also plans to establish a Property Investment Division with the core mandate to acquire select landbanks and properties that will provide the Group with steady, recurring income through rental contribution and opportunities for capital appreciation in the longer term.

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the financial year under review.

5. Taxation

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	4,353	10,203	43,964	27,840
- in respect of prior years	(681)	(1,376)	(966)	(1,344)
Deferred tax	(992)	(1,686)	(7,941)	(3,849)
Real property gains tax	-	39	-	39
	<u>2,680</u>	<u>7,180</u>	<u>35,057</u>	<u>22,686</u>

The effective tax rate of the Group for the financial year under review is lower than the statutory tax rate of 26% mainly due to certain gain of the Group that is not subject to income tax.

6. Sale of unquoted investments and or properties

During the financial year ended 31 March 2008, the Group have disposed of unquoted investments and investment property for a cash consideration of RM18 million and RM5.5 million respectively.

The gain on disposal of unquoted investments and investment property for the current quarter and financial year to date as follows:-

	Current quarter ended 31.03.2008 RM'000	Current financial year to date 31.03.2008 RM'000
Net gain on disposal of unquoted investments	2,275	2,275
Net gain on disposal of investment properties	<u>-</u>	<u>110</u>

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

7. Investment in quoted securities

Particulars of investment in quoted securities:	Current quarter ended 31.03.2008 RM'000	Current financial year to date 31.03.2008 RM'000
(a) Purchases / disposals		
Total Sale Proceeds	-	782
Total Profit/(Loss) on Disposal	-	537
(b) Balances as at 31 March 2008		
Total investments at cost		<u>27,260</u>
Total investments at carrying value/book value (after impairment loss)		<u>14,167</u>
Total investment at market value at end of reporting period		<u>16,816</u>

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

Status of corporate proposals announced but not completed as at 22 May 2008

i) E&OProp Proposed Private Placement of Up To 61,026,623 New Ordinary Shares of RM1.00 Each

On 11 January 2007, AmInvestment Bank Berhad ("AmInvestment") on behalf of E&OProp, a subsidiary of the Company announced that E&OProp proposed to undertake a private placement of up to 61,026,623 new ordinary shares of RM1.00 each in E&OProp, representing up to 10% of the issued and paid-up share capital of E&OProp as at 28 September 2006, being the date when E&OProp's shareholders approved the resolution for the empowerment of the Directors of E&OProp to allot and issue the E&OProp's shares not exceeding 10% of the total issued capital of E&OProp. The issue price of the Placement Shares will be determined based on market-based principles and shall be determined by the Board of E&OProp at a price-fixing date after all relevant approvals for the Proposed Private Placement have been obtained.

As of 3 April 2007, the first tranche of 36,000,000 new ordinary shares of RM1.00 each in E&OProp has been issued pursuant to the Proposed Private Placement. Details of the first tranche of the Proposed Private Placement are in the announcement made to the Bursa Securities on 26 March 2007.

On 19 July 2007, AmInvestment on behalf of E&OProp announced that Securities Commission has via its letter dated 18 July 2007, approved the application of E&OProp for an extension of time of six months up to 21 January 2008 for placement of the balance up to 25,026,623 Placement Shares ("Remaining Shares").

On 21 January 2008, the Securities Commission has approved E&OProp's application for an extension of time of six months up to 21 July 2008 for the Remaining Shares.

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

Status of corporate proposals announced but not completed as at 22 May 2008

- (ii) **Proposed Exchange of ordinary shares RM1.00 each in E&OProp with the new ordinary stock units of RM1.00 each in Eastern & Oriental Berhad ("E&O" or the "Company") and/or cash by way of a members' scheme of arrangement under section 176 of the Companies Act, 1965 between E&O and the shareholders of E&OProp other than E&O and Dynamic Degree Sdn Bhd ("E&OProp MIs") ("Proposed Exchange")**

On 27 November 2007, AmInvestment Bank Berhad ("AmInvestment") on behalf of the E&O Board announced that the Company presented a proposal for a members' scheme of arrangement under Section 176 of the Companies Act, 1965 for the exchange of the ordinary shares of RM1.00 each in E&OProp held by E&OProp MIs for new ordinary stock units of RM1.00 each in E&O and/ or cash.

The shareholders of the Company has approved the Proposed Exchange at an Extraordinary General Meeting held on 15 February 2008. Details of the proposal are in the announcements made to the Bursa Securities on 27 November 2007 and 27 December 2007.

The Securities Commission has via its letter dated 25 March 2008 approved the Proposed Exchange subject to certain terms and conditions, details of which are in the announcement made to the Bursa Securities on 26 March 2008.

On 13 May 2008, the Company has obtained the sanction of the High Court for the Proposed Exchange which is to be completed within four (4) months from 13 May 2008. On 21 May 2008, E&OProp announced that the books closing date for the Proposed Scheme is on 4 June 2008.

9. Group Borrowings

- a) The Group borrowings were as follows:-

	As at 31.03.2008 RM'000
Short Term - Secured	247,089
- Unsecured	1,748
Long Term - Secured	528,532
- Unsecured	50,000

- 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 22 May 2008.

11. Material Litigation

There was no material litigation which affects the financial position or business of the Group as at 22 May 2008.

12. Dividend

On 27 February 2008, the Board of Directors declared a special dividend of 5 sen per share less 26% income tax amounting to RM15.412 million in respect of the financial year ended 31 March 2008. The dividend was paid on 22 April 2008.

The Directors do not propose any final dividend for the current financial year ended 31 March 2008 (2007: 4%).

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

13. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2008	Comparative quarter ended 31.03.2007	Current year to date 31.03.2008	Comparative year to date 31.03.2007
a) Basic earnings per stock units				
(i) Profit from continuing operations attributable to equity holders of the Company (RM'000)	8,919	26,269	118,723	44,378
Weighted average number of ordinary stock units in issue (unit '000)	403,584	313,714	403,584	313,714
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	129,220	101,538	129,220	101,538
Adjusted weighted average number of ordinary stock units (unit '000)	532,804	415,252	532,804	415,252
Basic earnings per stock unit for profit from continuing operations for the period (sen)	1.67	6.33	22.28	10.69
(ii) Profit from discontinuing operation attributable to equity holders of the Company (RM'000)	-	4,675	9,780	16,800
Weighted average number of ordinary stock units in issue (unit '000)	-	313,714	403,584	313,714
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	-	101,538	129,220	101,538
Adjusted weighted average number of ordinary stock units (unit '000)	-	415,252	532,804	415,252
Basic earnings per stock unit for profit from discontinuing operation for the period (sen)	-	1.13	1.84	4.05

**EASTERN & ORIENTAL BERHAD (555-K)
FOR THE YEAR ENDED 31 MARCH 2008**

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

13. Earnings Per Stock Unit (contd.)

	Individual Quarter		Cumulative Quarter	
	Current	Comparative	Current	Comparative
	quarter ended 31.03.2008	quarter ended 31.03.2007	year to date 31.03.2008	year to date 31.03.2007
b) Diluted earnings per stock units				
(i) Profit from continuing operations attributable to equity holders of the Company (RM'000)	8,919	26,269	118,723	44,378
Weighted average number of ordinary stock units in issue (unit '000)	403,584	313,714	403,584	313,714
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	129,220	101,538	129,220	101,538
Effect of dilution of ESOS (unit '000)	3,434	4,101	3,434	4,101
Effect of dilution of Warrants (unit '000)	29,635	26,541	29,635	26,541
	565,873	445,894	565,873	445,894
Diluted earnings per stock unit for profit from continuing operations for the period (sen)	1.58	5.89	20.98	9.95
(ii) Profit from discontinuing operation attributable to equity holders of the Company (RM'000)	-	4,675	9,780	16,800
Weighted average number of ordinary stock units in issue (unit '000)	-	313,714	403,584	313,714
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	-	101,538	129,220	101,538
Effect of dilution of ESOS (unit '000)	-	4,101	3,434	4,101
Effect of dilution of Warrants (unit '000)	-	26,541	29,635	26,541
	-	445,894	565,873	445,894
Diluted earnings per stock unit for profit from discontinuing operation for the period (sen)	-	1.05	1.73	3.77

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
28 May 2008