



**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2009 RM'000	Comparative quarter ended 30.06.2008 RM'000	Current year to date 30.06.2009 RM'000	Comparative year to date 30.06.2008 RM'000
Revenue	73,915	88,693	73,915	88,693
Cost of sales	(51,894)	(59,731)	(51,894)	(59,731)
Gross profit	22,021	28,962	22,021	28,962
Other income	6,425	7,548	6,425	7,548
Administrative expenses	(8,941)	(9,224)	(8,941)	(9,224)
Selling and marketing expenses	(795)	(1,367)	(795)	(1,367)
Other expenses	(3,431)	(3,271)	(3,431)	(3,271)
Operating profit	15,279	22,648	15,279	22,648
Finance costs	(5,745)	(7,320)	(5,745)	(7,320)
Share of profit/(loss) of associates	42	(70)	42	(70)
Share of (loss)/profit of jointly controlled entities	(78)	231	(78)	231
Profit before tax	9,498	15,489	9,498	15,489
Income tax expense	(3,771)	(931)	(3,771)	(931)
<b>Profit for the period</b>	<b>5,727</b>	<b>14,558</b>	<b>5,727</b>	<b>14,558</b>
Attributable to:-				
Equity holders of the Company	5,050	10,844	5,050	10,844
Minority interests	677	3,714	677	3,714
	<b>5,727</b>	<b>14,558</b>	<b>5,727</b>	<b>14,558</b>
Earnings per stock units attributable to equity holders of the Company:-				
Basic (sen)	0.71	2.01	0.71	2.01
Diluted (sen)	0.71	1.93	0.71	1.93

**The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009 and accompanying explanatory notes attached to the interim financial statements.**

**EASTERN & ORIENTAL BERHAD (555-K)**



**CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT 30 JUNE 2009 (Unaudited)**

	<b>AS AT 30.06.2009 RM'000</b>	<b>AS AT 31.03.2009 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	363,160	341,590
Land held for property development	675,039	676,760
Investment properties	15,007	15,048
Prepaid lease payments	956	960
Intangible assets	2,131	2,169
Investments in associates	27,258	27,216
Investments in joint controlled entities	252	260
Other investments	11,338	8,937
Deferred tax assets	18,419	18,419
	<u>1,113,560</u>	<u>1,091,359</u>
<b>Current assets</b>		
Property development costs	410,553	420,442
Inventories	79,671	96,191
Receivables	94,530	105,913
Accrued billings in respect of property development costs	2,742	5,799
Cash and cash equivalents	262,724	245,316
	<u>850,220</u>	<u>873,661</u>
Non-current assets classified as held for sale	-	6,851
	<u>850,220</u>	<u>880,512</u>
<b>TOTAL ASSETS</b>	<u>1,963,780</u>	<u>1,971,871</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	600,707	591,995
8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011	78,048	83,991
Treasury Stock Units	(9,954)	(9,954)
Reserves	152,317	148,339
	<u>821,118</u>	<u>814,371</u>
Minority interests	22,214	21,537
<b>Total Equity</b>	<u>843,332</u>	<u>835,908</u>

EASTERN & ORIENTAL BERHAD (555-K)



CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT 30 JUNE 2009 (Unaudited)

	AS AT 30.06.2009 RM'000	AS AT 31.03.2009 RM'000 (Audited)
<b>Non-current liabilities</b>		
8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011	25,260	26,653
Borrowings	581,779	494,289
Provisions	290	290
Deferred tax liabilities	46,681	46,763
	<u>654,010</u>	<u>567,995</u>
<b>Current liabilities</b>		
Payables	120,640	167,747
Provisions	162	179
Borrowings	341,607	397,469
Taxation	4,029	2,573
	<u>466,438</u>	<u>567,968</u>
<b>Total Liabilities</b>	<u>1,120,448</u>	<u>1,135,963</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,963,780</u>	<u>1,971,871</u>
<b>Net assets per stock unit attributable to ordinary equity holders of the Company (RM)</b>	<u>1.25</u>	<u>1.25</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 2009 and accompanying explanatory notes attached to the interim financial statements.



EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008 (Unaudited)

	Attributable to Equity Holders of the Company							Minority Interests	Total Equity	
	<----- Non-Distributable ----->				Distributable					
	Share Capital	ICULS 2006/2011	Share Premium	Treasury Stock Units	Share Option Reserve	Exchange Reserve	Retained Profits			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Financial period ended 30 June 2008</b>										
<b>At 1 April 2008</b>	419,061	83,991	76,006	(5,110)	1,294	390	154,054	729,686	357,075	1,086,761
Currency translation differences	-	-	-	-	-	7	-	7	-	7
Profit for the financial period	-	-	-	-	-	-	10,844	10,844	3,714	14,558
Total recognised income and expenses for the financial period	-	-	-	-	-	7	10,844	10,851	3,714	14,565
Issue of ordinary stock units:										
- Warrants exercised	35	-	-	-	-	-	-	35	-	35
<b>At 30 June 2008</b>	<b>419,096</b>	<b>83,991</b>	<b>76,006</b>	<b>(5,110)</b>	<b>1,294</b>	<b>397</b>	<b>164,898</b>	<b>740,572</b>	<b>360,789</b>	<b>1,101,361</b>



EASTERN & ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009 (Unaudited)**

	Attributable to Equity Holders of the Company							Minority Interests	Total Equity	
	Non-Distributable				Distributable					
	Share Capital	ICULS 2006/2011	Share Premium	Treasury Stock Units	Share Option Reserve	Exchange Reserve	Retained Profits/ (Accumulated Losses)	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Financial period ended 30 June 2009</b>										
<b>At 1 April 2009</b>	591,995	83,991	294,657	(9,954)	1,292	501	(148,111)	814,371	21,537	835,908
Currency translation differences	-	-	-	-	-	(219)	-	(219)	-	(219)
Profit for the financial period	-	-	-	-	-	-	5,050	5,050	677	5,727
Total recognised income and expenses for the financial period	-	-	-	-	-	(219)	5,050	4,831	677	5,508
Issue of ordinary stock units:										
- Conversion of ICULS (equity portion)	5,943	(5,943)	-	-	-	-	-	-	-	-
- Conversion of ICULS (liability portion)	2,769	-	(853)	-	-	-	-	1,916	-	1,916
<b>At 30 June 2009</b>	600,707	78,048	293,804	(9,954)	1,292	282	(143,061)	821,118	22,214	843,332

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 2009 and accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009 (Unaudited)**

	<b>3 mths ended 30.06.2009 RM'000</b>	<b>3 mths ended 30.06.2008 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,498	15,489
Adjustments for:-		
Depreciation and amortisation	3,187	2,997
Non-cash items	(2,751)	(266)
Non-operation items	4,065	3,464
Operating profit before working capital changes	<u>13,999</u>	<u>21,684</u>
Working capital changes:-		
Non-current asset classified as held for sale	-	(527)
Land held for property development	5,947	(21)
Property development costs	(6,086)	(5,763)
Inventories	16,519	2,072
Receivables	15,951	(15,499)
Payables	(48,808)	(4,473)
Cash used in operations	<u>(2,478)</u>	<u>(2,527)</u>
Interest received	954	3,539
Interest paid	(6,992)	(7,198)
Income tax refunded	260	1,523
Income tax paid	<u>(3,282)</u>	<u>(10,116)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(11,538)</b>	<b>(14,779)</b>
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<b>(2,301)</b>	<b>2,962</b>
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>30,592</b>	<b>(5,472)</b>
Effects of exchange translation differences	(219)	(29)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b><u>16,534</u></b>	<b><u>(17,318)</u></b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>234,590</b>	<b>452,495</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b><u><u>251,124</u></u></b>	<b><u><u>435,177</u></u></b>

**The condensed consolidated cash flow statement should be read in conjunction with the audited financial Statements for the financial year ended 31 March 2009 and accompanying explanatory notes attached to the interim financial statements.**



**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 2009 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 2009.

**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 2009.

At the date of authorisation of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:-

<b>FRSs and Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the interim financial statements of the Group upon their initial application, except for the changes in disclosure arising from the adoption of FRS 7 and FRS 8.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

**3. 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 2009 was not subject to any qualification.

**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.



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

5. Material and unusual items

There were no material or unusual items during the current financial quarter ended 30 June 2009.

6. Changes in estimates

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

7. 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) 8% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2006/2011

During the financial quarter ended 30 June 2009, a total of 8,711,796 ICULS at nominal value of RM1.00 each were converted into 8,711,796 new ordinary stock units of RM1.00 each. The balance of outstanding ICULS in issue as at 30 June 2009 was 114,395,554.

8. Dividends paid

No dividend was paid during the current financial quarter under review.

9. Segmental information by business segment

<u>3-month ended</u> <u>30 June 2009</u> RM'000	Properties	Hospitality	Investment Holding and others	Elimination	Total
<b>REVENUE</b>					
External sales	58,874	12,688	2,353	-	73,915
Inter-segment sales	182	-	163	(345)	-
Total revenue	<u>59,056</u>	<u>12,688</u>	<u>2,516</u>		<u>73,915</u>
<b>RESULTS</b>					
Segment results	16,033	140	(38)	(856)	15,279
Share of profit of associates					42
Share of loss of jointly controlled entities					(78)
Finance cost					<u>(5,745)</u>
Profit before tax					<u>9,498</u>

<u>3-month ended</u> <u>30 June 2008</u> RM'000	Properties	Hospitality	Investment Holding and others	Elimination	Total
<b>REVENUE</b>					
External sales	76,914	11,779	-	-	88,693
Inter-segment sales	-	-	424	(424)	-
Total revenue	<u>76,914</u>	<u>11,779</u>	<u>424</u>		<u>88,693</u>
<b>RESULTS</b>					
Segment results	26,422	(882)	(2,544)	(348)	22,648
Share of loss of associates					(70)
Share of profit of jointly controlled entities					231
Finance cost					<u>(7,320)</u>
Profit before tax					<u>15,489</u>

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





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

**10. Material subsequent event**

There were no material event subsequent to the end of the financial period ended 30 June 2009.

**11. Changes in composition of the Group**

There were no changes to the composition of the Group during the financial period under review.

**12. Contingent Liabilities**

Details of contingent liabilities as at 21 August 2009 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:-

	RM'000
i) Corporate guarantees issued by the Company for banking facilities granted to subsidiaries: - Secured	<u>177,989</u>
ii) Contingent liability arising from investment in a subsidiary in respect of balance of purchase consideration subject to the subsidiary attaining certain profit target within three financial years immediately following the completion of the acquisition - Unsecured	<u>1,060</u>

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

**1. Review of performance**

The Group achieved a revenue of RM73.915 million for the financial period ended 30 June 2009 as compared to RM88.693 million recorded in the previous year corresponding period ended 30 June 2008. The decrease in revenue by RM14.778 million was mainly due to fewer launches.

The Group posted a profit before tax of RM9.498 million compared to the pre-tax profit of RM15.489 million in the previous year corresponding period. The pre-tax profit was mainly attributable to lower contribution from the property division on the back of lower revenue achieved.

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

The Group recorded a revenue of RM73.915 million and a profit before tax of RM9.498 million as compared to the immediate preceding quarter where the Group revenue was RM79.755 million and a loss before tax of RM48.017 million. The pre-tax loss for the preceding quarter was mainly attributable to loss on disposal of an associate of RM19.977 million, provision for impairment loss of investments of RM10.239 million and share of loss of associates of RM2.298 million.

The results in the current quarter reflected marked improvement due to higher gross profit achieved, lower selling and marketing expenses and lower finance costs.



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

**3. Current year prospects**

The Group expects an improved environment with the return of positive sentiments in the property market. We expect the property development projects which are in their launch and near launch phases such as St. Mary Residences in Kuala Lumpur, condominiums project at Seri Tanjung Pinang and existing developments in Penang to contribute positively to the group's earnings.

Upon completion of the Proposed Rights Issue (per Note B8), the Group will be positioned on a strong footing to consolidate its earning drivers.

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

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

**5. Taxation**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	3,940	7,018	3,940	7,018
- in respect of prior years	-	2	-	2
Deferred tax	(169)	(6,089)	(169)	(6,089)
	<u>3,771</u>	<u>931</u>	<u>3,771</u>	<u>931</u>

The effective tax rate for the current quarter was higher than the statutory rate of 25% mainly due to certain expenses which was not deductible for tax purposes.

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

During the financial period ended 30 June 2009, the Group has disposed of an unquoted investment with net carrying amount of RM29,000 for a cash consideration of RM29,000, which has no gain and no loss at group level.

**7. Investment in quoted securities**

Particulars of investment in quoted securities:	Current financial quarter to date
(a) Purchases / disposals	30.06.2009
	RM'000
Total sale proceeds	35
Total profit/(loss) on disposal	(79)
(b) Balances as at 30 June 2009	
Total investments at cost	<u>26,571</u>
Total investments at carrying value/book value (after impairment loss)	<u>11,276</u>
Total investment at market value at end of reporting period	<u>12,149</u>



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

**8. Status of Corporate Proposals**

Status of corporate proposal announced but not completed as at 21 August 2009:-

On 26 May 2009, Affin Investment Bank Berhad ("AIBB") on behalf of EOB announced that the Company proposed to undertake the following proposals:-

- (a) Proposed Renounceable Rights Issue of up to RM244,574,033 nominal value Ten (10)-Year Irredeemable Convertible Secured Loan Stocks 2009/2019 of RM0.65 each ("ICSLS 2009/2019") in EOB on the basis of one (1) new ICSLS 2009/2019 for every two (2) ordinary stock units of RM1.00 each in EOB at an issue price to be determined by the Board later ("Proposed Rights Issue"); and
- (b) Proposed increase in the authorised share capital of the Company from the existing RM1,000,000,000 comprising 1,000,000,000 EOB stock units to RM1,200,000,000 comprising 1,200,000,000 EOB stock units by the creation of an additional 200,000,000 EOB stock units (Proposed Increase in Capital).

On 7 July 2009, AIBB announced on behalf of EOB that the maximum nominal value of ICSLS 2009/2019 to be issued pursuant to the Proposed Rights Issue has been revised from RM244,574,033 to RM246,896,158.

AIBB had on 9 July 2009 submitted the following applications:-

- (i) Securities Issues Department of the Securities Commission ("SC") in relation to the Proposed Rights Issue; and
- (ii) Private Debt Securities Department of the SC in relation to the issuance of ICSLS 2009/2019 arising from the Proposed Rights Issue.

The Company had obtained the approval of its stockholders for the Proposed Rights Issue and Proposed Increase in Capital at the Extraordinary General Meeting held on 21 August 2009. The Company had also obtained the approval of its holders of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") for the Proposed Rights Issue at the ICULS holders' meeting held on the same date. The Group expects to complete the Proposed Rights Issue exercise in the third quarter of the current financial year.

**9. Group Borrowings**

a) The Group borrowings were as follows:-

	<b>As at 30.06.2009 RM'000</b>
Short Term - Secured	340,107
- Unsecured	1,500
Long Term - Secured	581,779

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 21 August 2009.

**11. Material Litigation**

There was no material litigation which affects the financial position or business of the Group as at 21 August 2009.

**12. Dividend**

The Board of Directors do not recommend any dividend for the financial quarter ended 30 June 2009.



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 30.06.2009	Comparative quarter ended 30.06.2008	Current year to date 30.06.2009	Comparative year to date 30.06.2008
<b>a) Basic earnings per stock unit</b>				
Profit attributable to equity holders of the Company (RM'000)	5,050	10,844	5,050	10,844
Weighted average number of ordinary stock units in issue (unit '000)	591,174	416,566	591,174	416,566
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	115,998	123,107	115,998	123,107
Adjusted weighted average number of ordinary stock units (unit '000)	707,172	539,673	707,172	539,673
Basic earnings per stock unit for the period (sen)	0.71	2.01	0.71	2.01
<b>b) Diluted earnings per stock unit</b>				
Profit attributable to equity holders of the Company (RM'000)	5,050	10,844	5,050	10,844
Weighted average number of ordinary stock units in issue (unit '000)	591,174	416,566	591,174	416,566
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	115,998	123,107	115,998	123,107
Effect of dilution of ESOS (unit '000)	-	2,033	-	2,033
Effect of dilution of Warrants (unit '000)	-	18,960	-	18,960
Diluted earnings per stock unit for the period (sen)	0.71	1.93	0.71	1.93

The fully diluted earnings per stock unit is the same as the basic earnings per stock unit for current financial period under review, as the effects of ESOS and Warrants are ignored as they are anti-dilutive in calculating the diluted earnings per stock unit in accordance with FRS 133 on Earnings per share.

BY ORDER OF THE BOARD

Ang Hong Mai  
Company Secretary

Kuala Lumpur  
27 August 2009