EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2013 (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Comparative quarter ended	Current year ended	Comparative year ended (Restated)
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Revenue	164,763	210,549	605,570	492,151
Cost of sales	(68,335)	(128,480)	(326,108)	(300,391)
Gross profit	96,428	82,069	279,462	191,760
Other income	17,165	6,664	38,359	86,301
Administrative expenses	(25,500)	(19,587)	(74,243)	(73,673)
Selling and marketing expenses	(17,633)	(8,082)	(34,032)	(16,964)
Other expenses	(10,529)	(6,660)	(25,291)	(20,327)
Operating profit	59,931	54,404	184,255	167,097
Finance costs	(8,977)	(6,430)	(29,911)	(30,145)
Share of results of associate	116	90	80	177
Share of results of jointly controlled entities	8,252	6,546	32,863	34,043
Profit before tax	59,322	54,610	187,287	171,172
Income tax expense	(18,884)	(10,428)	(50,426)	(43,433)
Profit for the period	40,438	44,182	136,861	127,739
Other comprehensive income:				
Foreign currency translation	(165)	(125)	421	(116)
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income for the period	(165)	(125)	421	(116)
Total comprehensive income for the period	40,273	44,057	137,282	127,623
Profit attributable to:				
Owners of the parent	37,986	42,206	129,650	123,296
Non-controlling interests	2,452	1,976	7,211	4,443
	40,438	44,182	136,861	127,739
Total comprehensive income attributable to:				
Owners of the parent	37,821	42,081	130,071	123,180
Non-controlling interests	2,452	1,976	7,211	4,443
	40,273	44,057	137,282	127,623
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	3.43	3.82	11.72	11.27
Diluted (sen)	3.43	3.82	11.72	11.25

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013 (Unaudited)

	AS AT 31.03.2013 RM'000	AS AT 31.03.2012 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	364,559	296,634
Land held for property development	622,183	666,101
Investment properties	411,246	281,651
Intangible assets	316	3,231
Investment in associate	17,006	16,926
Investment in jointly controlled entities	96,739	57,658
Investment securities	2,114	2,405
Deferred tax assets	4,372	1,651
	1,518,535	1,326,257
Current assets		
Property development costs	225,690	297,755
Inventories	109,899	37,938
Trade and other receivables	111,187	87,153
Prepayments	3,913	8,214
Tax recoverable	25,787	27,630
Accrued billings in respect of property development costs	200,288	124,837
Cash and bank balances	283,146	268,535
	959,910	852,062
TOTAL ASSETS	2,478,445	2,178,319
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	281,102	276,362
Provisions	162	183
Trade and other payables	211,948	197,757
Retirement benefits	12	-
Income tax payable	22,468	12,974
	515,692	487,276
Net current assets	444,218	364,786

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013 (Unaudited)

	AS AT 31.03.2013 RM'000	AS AT 31.03.2012 RM'000 (Restated)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Loans and borrowings	490,912	328,463
Provisions	523	468
Retirement benefits	304	-
Deferred tax liabilities	45,060	43,808
	536,799	372,739
TOTAL LIABILITIES	1,052,491	860,015
Net assets	1,425,954	1,318,304
Equity attributable to owners of the parent		
Share capital	1,135,622	1,133,463
Treasury stock units	(27,720)	(27,720)
Reserves	282,061	183,781
	1,389,963	1,289,524
Non-controlling interests	35,991	28,780
Total Equity	1,425,954	1,318,304
TOTAL EQUITY AND LIABILITIES	2,478,445	2,178,319
Net assets per stock unit attributable to owners of the parent (RM)	1.26	1.17

Based on number of stock units net of treasury stock units

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (Unaudited)

	Attributable to owners of the parent								
	<--------------	Non-Distributable		------------->	Distributable				
	Share Capital	Share Premium	Treasury Stock Units	Share Option/ LTIP Reserve	Foreign Currency Translation Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial year ended 31 March 2013</u>									
At 1 April 2012	1,133,463	141,481	(27,720)	891	533	40,366	1,289,014	28,780	1,317,794
Effects of adopting the amendments to FRS 112	-	-	-	-	-	510	510	-	510
At 1 April 2012 (restated)	1,133,463	141,481	(27,720)	891	533	40,876	1,289,524	28,780	1,318,304
Total comprehesive income for the financial year	-	-	-	-	421	129,650	130,071	7,211	137,282
Transactions with owners									
Issue of ordinary stock units:									
- Pursuant to ESOS	2,159	33	-	-	-	-	2,192	-	2,192
Share options lapsed under ESOS	-	-	-	(260)	-	-	(260)	-	(260)
Share options granted under ESOS exercised	-	631	-	(631)	-	-	-	-	-
Long-term stock incentive plan expense	-	-	-	3,696	-	-	3,696	-	3,696
Dividend on ordinary stock units	-	-	-	-	-	(35,260)	(35,260)	-	(35,260)
Total transactions with owners	2,159	664	-	2,805	-	(35,260)	(29,632)	-	(29,632)
At 31 March 2013	1,135,622	142,145	(27,720)	3,696	954	135,266	1,389,963	35,991	1,425,954

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012 (Restated)

	Attributable to owners of the parent										
	<--------------------------------		Non-Distributable		------------------------------->			Distributable			
	Share Capital	ICULS 2006/2011	ICSLS 2009/2019	Share Premium	Treasury Stock Units	Share Option Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)/ Retained Profits	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>**Financial year ended 31 March 2012**</u>											
At 1 April 2011	842,592	1,345	71,133	241,699	(27,645)	1,726	649	(73,931)	1,057,568	24,337	1,081,905
Effects of adopting the amendments to FRS 112	-	-	-	-	-	-	-	670	670	-	670
At 1 April 2011 (restated)	842,592	1,345	71,133	241,699	(27,645)	1,726	649	(73,261)	1,058,238	24,337	1,082,575
Total comprehesive income for the financial year	-	-	-	-	-	-	(116)	123,296	123,180	4,443	127,623
Transactions with owners											
Issue of ordinary stock units:											
- Pursuant to ESOS	4,185	-	-	249	-	-	-	-	4,434	-	4,434
- Warrants exercised	29,833	-	-	-	-	-	-	-	29,833	-	29,833
- Conversion of ICULS	1,970	(1,345)	-	(624)	-	-	-	-	1	-	1
- Conversion of ICSLS	254,883	-	(76,739)	(100,850)	-	-	-	-	77,294	-	77,294
Purchase of treasury stock units	-	-	-	-	(75)	-	-	-	(75)	-	(75)
Sale of ICSLS	-	-	5,606	-	-	-	-	4,272	9,878	-	9,878
Share options granted under ESOS	-	-	-	-	-	197	-	-	197	-	197
Share options lapsed under ESOS	-	-	-	-	-	(25)	-	-	(25)	-	(25)
Share options granted under ESOS exercised	-	-	-	1,007	-	(1,007)	-	-	-	-	-
Dividend on ordinary stock units	-	-	-	-	-	-	-	(13,431)	(13,431)	-	(13,431)
Total transactions with owners	290,871	(1,345)	(71,133)	(100,218)	(75)	(835)	-	(9,159)	108,106	-	108,106
At 31 March 2012	1,133,463	-	-	141,481	(27,720)	891	533	40,876	1,289,524	28,780	1,318,304

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (Unaudited)

	year ended 31.03.2013 RM'000	year ended 31.03.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	187,287	171,172
Adjustments for:-		
Impairment loss on financial assets:		
trade receivables	489	743
other receivables	-	5
Amortisation of:		
intangible assets	113	90
land use rights	-	7
Depreciation of property, plant and equipment	14,899	13,071
Bad debts written off	224	99
Inventories written off	30	-
Inventories written down	-	290
Waiver of debts	(6)	-
Recovery of bad debts	(93)	-
Impairment loss on property, plant and equipment	-	524
Interest expense	29,263	29,891
Property, plant and equipment written off	24	59
Intangible assets written off	2,914	-
Reversal of impairment loss on other receivables	(635)	(17)
Net (gain)/loss on disposal of:		
property, plant and equipment	(92)	60
a subsidiary	(7,601)	-
land use rights	-	269
Unrealised loss/(gain) on foreign exchange	1,141	(100)
Gain from fair value adjustment of investment properties	(9,484)	(64,538)
Net fair value adjustment	269	(2,026)
Fair value loss on investment securities	229	645
Interest income	(5,709)	(10,220)
Dividend income	(368)	(196)
Short term accumulating compensated absences	-	(120)
Share of results of associate	(80)	(177)
Share of results of jointly controlled entities	(32,863)	(34,043)
Long-term stock incentive plan expense	3,696	-
Share options granted under ESOS	-	197
Share options lapsed under ESOS	(260)	(25)
Operating profit before changes in working capital	183,387	105,660
Changes in working capital:-		
Land held for property development	(38,006)	(4,946)
Property development cost	7,144	19,489
Inventories	1,105	2,471
Receivables	(56,991)	(90,561)
Payables	20,263	47,523
Cash flows from operations	116,902	79,636
Interest received	5,860	10,309
Interest paid	(37,458)	(49,397)
Income taxes refunded	6,513	4,962
Income taxes paid	(49,956)	(34,502)
Real property gains tax paid	(40)	(791)
NET CASH FLOWS FROM OPERATING ACTIVITIES	41,821	10,217

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (Unaudited)

	year ended 31.03.2013 RM'000	year ended 31.03.2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(82,656)	(50,115)
Purchase of intangible assets	(112)	(94)
Purchase of investment properties:		
- additions	(101,988)	(20,361)
- subsequent expenditure	(18,706)	(5,545)
Proceeds from disposal of an investment property	-	134,000
Proceeds from disposal of property, plant and equipment	224	1,025
Proceeds from disposal of a subsidiary	41,289	-
Proceeds from disposal of other investment	62	-
Proceeds from disposal of land use rights	-	400
Profit distribution from a jointly controlled entity	-	1,337
Investment in jointly controlled entity	-	(6,500)
Dividends received	365	192
NET CASH FLOW (USED IN)/ FROM INVESTING ACTIVITIES	(161,522)	54,339
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of ESOS	2,192	4,434
Proceeds from exercise of warrants	-	29,833
Purchase of treasury stock units	-	(75)
Proceeds from sale of ICSLS	-	12,697
Drawdown of borrowings	274,870	97,302
Repayment of borrowings	(107,136)	(239,998)
Repayment of obligations under finance lease	(592)	(835)
Dividends paid	(35,260)	(13,431)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	134,074	(110,073)
Effects of exchange rate changes on cash and cash equivalents	421	(116)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14,794	(45,633)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	240,769	286,402
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	255,563	240,769

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:-

Cash and bank balances	283,146	268,535
Bank overdrafts	(27,583)	(27,766)
	255,563	240,769

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

A. Explanatory Notes Pursuant to FRS 134

1. Basis of preparation

The interim financial statements have been prepared on the historical cost convention except for investment properties and investment securities which have been stated at fair value.

This interim financial 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 Main Market 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 2012 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 2012.

2. Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: Agriculture and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015.

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 2012, except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and Issues Committee ("IC") Interpretations which are applicable for the Group's financial period beginning 1 April 2012, as disclosed below:

Adoption of FRSs, Amendments to FRSs and IC Interpretations

		Effective for annual periods beginning on or after
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124	Related Party Disclosures	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012

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

2. Changes in Accounting Policies (cont'd)

Adoption of the above standards and interpretations do not have any significant effect on the financial performance and position of the Group except for those discussed below:

Amendments to FRS 7: Transfers of Financial Assets

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140: Investment Property should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116: Property, Plant and Equipment to be always measured on a sale basis of that asset.

The effects arising from the adoption of this Standard have been accounted for retrospectively by adjusting the opening balance of retained profits/(accumulated losses) as follows:

	Increase/(decrease)	
	As at 31.03.2012 RM'000	As at 01.04.2011 RM'000
Consolidated statement of financial position		
Non-current assets		
Deferred tax assets	(3,081)	(3,081)
Non-current liabilities		
Deferred tax liabilities	(3,591)	(3,751)
Equity		
Retained profits	510	-
Accumulated losses	-	(670)

	Year ended 31.03.2012 RM'000	Year ended 01.04.2011 RM'000
Statement of comprehensive income		
Income tax expense	160	-
Profit for the financial year	(160)	-

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

2. Changes in Accounting Policies (cont'd)

Standards issued but not yet effective

		Effective for annual periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments	1 January 2015

At the date of authorisation of these interim financial report, the above FRSs, Amendment to FRSs, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group for the financial year ended 31 March 2013. These standards will not have material impact on the financial statements in the period of initial application, except as discussed as follow:

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139: Financial Instruments - Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities.

FRS 10: Consolidated financial statements

FRS 10 replaces the portion of FRS 127: Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 11: Joint Arrangements

FRS 11 replaces FRS 131: Interests in Joint Ventures and IC Interpretation 113: Jointly-controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will not have significant impact on the financial position of the Group as the Group has adopted equity accounting.

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

2. Changes in Accounting Policies (cont'd)

Standards issued but not yet effective (cont'd)

FRS 12: Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128: Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128: Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

Amendments to FRS 7: Disclosure - Offsetting Financial Assets and Financial Liabilities

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

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 2012 was not subject to any qualification.

4. Seasonality or cyclicality 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. Exceptional or unusual items

There were no unusual items during the financial year ended 31 March 2013.

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

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the current financial year ended 31 March 2013.

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:

Employees' Share Option Scheme ("ESOS")

During the financial period from 1 April 2012 to 28 April 2012, the Company issued 2,158,500 ordinary stock units of RM1.00 each for cash pursuant to the Company's ESOS, of which 551,500 ordinary stock units were issued from the exercise of 551,500 ESOS units at an exercise price of RM1.06 per unit and 1,607,000 ordinary stock units were issued from the exercise of 1,607,000 ESOS units at an exercise price of RM1.00 per unit.

The ESOS has expired on 28 April 2012.

Long-term Stock Incentive Plan ("LTIP")

On 15 March 2013, the Company announced that the eligible employees and executive directors of the Company and its subsidiaries are entitled to the award of stock units under the LTIP, which was approved by the stockholders on 27 September 2012.

The LTIP comprises of performance-based restricted stock unit incentive plan ("PSU Award") and the restricted stock unit incentive plan ("RSU Award"). The details of LTIP are set out in the table below:

Description	PSU Award	RSU Award
Date of award	15 March 2013	15 March 2013
Number of LTIP stock units awarded		
(a) Executive Directors	444,000	1,796,000
(b) Eligible Employees	1,055,000	10,883,100
	1,499,000	12,679,100
Closing market price of the Company's stock units as at date of award	RM1.57	RM1.57
First vesting period	15 March 2013 to 31 July 2015	15 March 2013 to 31 July 2014
Second vesting period	-	15 March 2013 to 31 July 2015

The LTIP stock units under the PSU Award and RSU Award may be settled by an issuance of new stock units, acquisition of stock units from the market, payment by cash or a combination of any of the above.

The vesting of the LTIP stock units granted under the PSU Award is contingent upon the satisfaction and fulfillment of the vesting condition at the end of the vesting period.

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

8. Dividends paid

On 27 September 2012, the stockholders have approved the payment of a first and final dividend of 4.25 sen per stock unit less income tax of 25% on the ordinary stock units in issue at book closure date on 10 October 2012 in respect of the financial year ended 31 March 2012. The dividend amounting to RM35.260 million was paid on 2 November 2012.

9. Segmental information by business segment

12 months ended 31 March 2013 RM'000	Properties	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	519,539	83,940	2,091	-	605,570
Inter-segment sales	1,318	-	46,204	(47,522)	-
Total revenue	520,857	83,940	48,295		605,570
RESULTS					
Segment results	212,307	(4,140)	31,063	(54,975)	184,255
Share of results of associate	-	-	80	-	80
Share of results of jointly controlled entities	33,446	-	-	(583)	32,863
Finance cost					(29,911)
Profit before tax					187,287

12 months ended 31 March 2012 RM'000	Properties	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	406,288	82,192	3,671	-	492,151
Inter-segment sales	1,363	-	45,151	(46,514)	-
Total revenue	407,651	82,192	48,822		492,151
RESULTS					
Segment results	199,501	42	24,299	(56,745)	167,097
Share of results of associate	-	-	177	-	177
Share of results of jointly controlled entities	34,673	-	-	(630)	34,043
Finance cost					(30,145)
Profit before tax					171,172

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

9. Segmental information by business segment (cont'd)

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Properties - development and investment in residential and commercial properties
(ii) Hospitality - management and operation of hotels and restaurants
(iii) Investments and others

Segment performance for the current financial year as compared to the preceding financial year

(i) Properties

The properties segment recorded revenue of RM519.539 million for the financial year ended 31 March 2013 as compared to RM406.288 million achieved for the financial year ended 31 March 2012, an increase of RM113.251 million or 28%.

After incorporating revenue recognised for the jointly-controlled entities, the Group's properties segment recorded adjusted revenue of RM816.894 million for the financial year ended 31 March 2013 as compared to adjusted revenue of RM761.892 million in the preceding financial year ended 31 March 2012.

The higher revenue was due to a higher percentage of recognition reflecting higher sales for both existing and new property development projects. In the current financial year ended 31 March 2013, the Group had launched another 169 units of Andaman at Quayside Condominiums in Seri Tanjung Pinang.

The properties segment recorded an operating profit of RM212.307 million for the current financial year ended 31 March 2013 as compared to the operating profit of RM199.501 million in the preceding financial year ended 31 March 2012. This represented an increase of RM12.806 million or 6.4%.

The operating profit in the current financial year reflected a gain of RM7.60 million on a disposal of 49% equity interest in a subsidiary as disclosed in Note A12(ii). It also recorded a fair value gain of RM9.484 million as disclosed in Note A10 on a newly completed investment property as compared to a fair value gain of RM64.538 million in the preceding financial year ended 31 March 2012.

Notably, the exclusion of the fair value gain on the investment property in the current and previous years would reflect a higher operating profit of RM67.860 million for the current financial year as compared to the preceding financial year ended 31 March 2012. The higher operating profit is attributable to the higher contribution from completed projects i.e. the four blocks of Quayside Seafront Resort Condominiums, which in turn is a result of a higher percentage of revenue recognition.

The jointly-controlled entities contributed RM32.863 million of profits for the financial year ended 31 March 2013 as compared to corresponding period of the financial year ended 31 March 2012 of RM34.043 million, a decrease of RM1.180 million or 3.47%. The results reflected the contribution from the St Mary Residences project and the second phase of Villas by-the-sea bungalows in Penang, which were completed recently.

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

9. Segmental information by business segment (cont'd)

Segment performance for the current financial year as compared to the preceding financial year (cont'd)

(ii) Hospitality

The hospitality segment recorded revenue of RM83.940 million for the current financial year ended 31 March 2013 (preceding financial year ended 31 March 2012: RM82.192 million).

Despite the slight increase in revenue, the division reported an operating loss of RM4.140 million. This was mainly due to pre-operating expenses incurred for the newly-opened Delicious outlet in St. Mary Residences and the E&O Residences Kuala Lumpur which opened in December 2012.

(iii) Investments and others

The investments and others segment recorded an operating profit of RM31.063 million for the financial year ended 31 March 2013 (preceding financial year ended 31 March 2012: RM24.299 million). However, after eliminating the inter-company income and expenses, the investments and others segment recorded operating loss of RM23.912 million as compared to an operating loss of RM32.446 million for the preceding financial year ended 31 March 2012. The lower operating loss in the current year was due to lower operating expenses.

10. Valuation of investment properties

The Group adopts the fair value model for its investment properties. Investment properties under construction are classified as investment properties and are measured at cost. When the properties under construction are completed, they will become completed investment properties and are measured at fair value.

During the financial year, an investment property under construction was completed. The newly-completed investment property is measured at a fair value of RM35.241 million, resulting in a fair value gain of RM9.484 million which is recognised as profit in the statement of comprehensive income.

11. Material subsequent events

There were no material events subsequent to the end of the financial year ended 31 March 2013.

12. Changes in composition of the Group

(i) On 8 October 2012, Eastern & Oriental Berhad acquired the remaining 49% equity interest in E&O Ventures Sdn Bhd ("EOV") comprising of 49 ordinary shares of RM1.00 each for a cash consideration of RM49. Following the said acquisition, EOV is now a wholly-owned subsidiary of the Company.

(ii) KCB Holdings Sdn Bhd ("KCBH"), an indirect wholly-owned subsidiary of Eastern & Oriental Berhad, had on 20 March 2013 entered into a sale and purchase agreement for the disposal of 49% equity interest in its wholly-owned subsidiary, KCB Trading Sdn Bhd ("KCBT") to Sea Investment Three Pte Ltd ("SEAI3") for a total cash consideration of RM41,288,608.

A shareholders' agreement has been entered into on 20 March 2013 between KCBH, SEAI3 and KCBT to regulate KCBH's and SEAI's equity participation in KCBT of 51% and 49% respectively, to jointly develop the residential project known as "The Mews" over the land owned by KCBT.

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

13. Contingent Liabilities

There were no contingent liabilities as at 20 May 2013 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report), except for the Company which has issued corporate guarantees to banks and financial institutions for banking facilities granted to certain subsidiaries as follows:

	RM'000
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries:	
- Secured	492,071

14. Capital Commitments

Capital commitments of the Group in respect of capital expenditure are as follows:

	As at 31.3.2013 RM'000	**As at 31.3.2012 RM'000**
Capital expenditure		
Approved and contracted for		
Property, plant and equipment	13,646	3,281
Approved but not contracted for		
Property, plant and equipment	12,828	51,453
Share of joint venture's capital commitments in relation to acquisition of land	170,500	170,500

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the current financial year ended 31 March 2013 are in accordance with the stockholders' mandate obtained at the last Annual General Meeting of the Company.

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

1. Review of performance

The Group achieved revenue of RM605.570 million for the financial year ended 31 March 2013 as compared to RM492.151 million recorded in the preceding financial year ended 31 March 2012. This represented an increase of RM113.419 million or 23%.

The increase in revenue was mainly from the properties segment which registered an increase of RM113.251 million. The hospitality segment also showed a slight increase of RM1.748 million, while the investments and others segment showed a decrease of RM1.580 million in revenue.

The jointly-controlled projects namely St Mary Residences and the second phase of the Villas by-the-sea bungalows in Penang recognised total revenue of RM297.355 million for the financial year ended 31 March 2013 (preceding financial year ended 31 March 2012: RM355.604 million) which was not included in the group consolidated revenue.

After incorporating revenue recognised for the jointly-controlled projects, the Group recorded adjusted revenue of RM902.925 million (preceding financial year ended 31 March 2012: RM847.755 million).

The Group posted profit before tax of RM187.287 million for the financial year ended 31 March 2013 compared to profit before tax of RM171.172 million in the preceding financial year ended 31 March 2012. This represented an increase in profit before tax of RM16.115 million or 9%. The higher profit in the current financial year ended 31 March 2013 was mainly due to higher profit recognition from the properties segment.

Futher explanatory comments on the performance of each of the Group's business segments are provided in Note A9.

2. Variation of results against preceding quarter

The Group recorded revenue of RM164.763 million and profit before tax of RM59.322 million for the current quarter ended 31 March 2013 as compared to the immediate preceding quarter ended 31 December 2012 where the Group achieved revenue of RM144.608 million and profit before tax of RM35.628 million. Revenue had increased by RM20.155 million or 14% and profit before tax had increased by RM23.694 million or 67%. The current quarter's higher revenue and profit recognition reflected the higher contribution from completed projects, ie. four blocks of Quayside Seafront Resort Condominiums at Seri Tanjung Pinang.

3. Current year prospects

In line with the growth of ASEAN economies, Malaysia has also proven resilient due to positive developments on the domestic front. With elections now over and as uncertainty dissipates, we believe interest in properties should gather pace as the property sector would be one of the major beneficiaries of the Economic Transformation Programme in the country.

We are upbeat on our exposure in Iskandar Malaysia through Avira wellness development in Medini which will be launched this year. Additionally, The Group will also launch the final block of Andaman condominiums at Quayside in Penang and The Mews in Klang Valley, a joint-development with Mitsui, Japan’s largest property company. We expect all these projects to contribute positively to the group's earnings.

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the current financial year ended 31 March 2013.

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

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2013 RM'000	Comparative quarter ended 31.03.2012 RM'000	Current year ended 31.03.2013 RM'000	Comparative year ended 31.03.2012 RM'000
Malaysian income tax				
- current	19,818	11,666	63,813	34,597
- in respect of prior years	2	103	(11,958)	(3,481)
Deferred tax	(936)	(1,341)	(1,469)	11,526
Real property gains tax	-	-	40	791
	18,884	10,428	50,426	43,433

The effective tax rate of the Group for the current financial year under review is higher than the statutory rate of 25% mainly due to certain Group expenses which are not tax deductible.

6. Retained profits

	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000 (restated)
Total accumulated losses of the Company and its subsidiaries		
Realised	(2,765)	(79,454)
Unrealised	(1,873)	3,551
	(4,638)	(75,903)
Share of retained profits of associate		
Realised	196	116
Share of retained profits from jointly controlled entities		
Realised	83,007	49,096
Unrealised	889	1,937
	79,454	(24,754)
Add: Consolidated adjustments	55,812	65,630
Total Group's retained profits as per consolidated accounts	135,266	40,876

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

7. Additional disclosures

Included in the condensed consolidated statements of comprehensive income for the quarter are the followings:

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2013 RM'000	Comparative quarter ended 31.03.2012 RM'000	Current year ended 31.03.2013 RM'000	Comparative year ended 31.03.2012 RM'000
Dividend income	11	6	368	196
Interest income	893	2,205	5,709	10,220
Reversal of/(Impairment) loss on receivables	326	(731)	146	(731)
Recovery of bad debts	(576)	-	93	-
Impairment/write off of inventories	(28)	(290)	(30)	(290)
Interest expense	(8,613)	(6,290)	(29,263)	(29,891)
Depreciation and amortisation	(4,147)	(3,657)	(15,012)	(13,168)
Bad debts written off	(127)	-	(224)	(99)
Property, plant and equipment written off	(2)	(53)	(24)	(59)
Intangible assets written off	(2,911)	-	(2,914)	-
Impairment loss on land use rights	-	1	-	(269)
Impairment loss on property, plant and equipment	-	(524)	-	(524)
Unrealised (loss)/gain on foreign exchange	(1,107)	108	(1,141)	100
Net gain/(loss) on disposal of property, plant and equipment	8	12	92	(60)
Gain/(loss) from fair value adjustment of investment properties	60	(446)	9,484	64,538
Net fair value adjustment	(118)	1,410	(269)	2,026
Fair value loss on investment securities	(409)	(11)	(229)	(645)

8. Status of Corporate Proposals

a) There were no corporate proposal announced but not completed as at 20 May 2013.

b) Utilisation of proceeds from corporate proposals

8% Irredeemable Convertible Secured Loan Stocks 2009/2019

As at 15 November 2012, cash proceeds amounting to approximately RM235.62 million arising from issuance of Irredeemable Convertible Secured Loan Stocks was fully utilised as follows:

	Utilised todate **RM'000**
Repayment of bank borrowings	205,366
Acquisition of a property	27,754
ICSLS issue costs	2,500
	235,620

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

9. Group Borrowings

a) The Group borrowings were as follows:-

	As at 31.03.2013 RM'000
Short Term - Secured	281,102
Long Term - Secured	490,912

b) All the borrowings above were denominated in Ringgit Malaysia, except for the following:-

Long Term - Secured Denominated in Pound Sterling (£'000)	16,000

10. Material Litigation

There were no material litigation which affect the financial position or business of the Group as at 20 May 2013.

11. Dividend

At the forthcoming Annual General Meeting, a first and final dividend in respect of financial year ended 31 March 2013, of 4.5% less 25% income tax on the ordinary stock units in issue will be proposed for stockholders' approval.

12. Earnings Per Stock Unit

	Individual Quarter		**Cumulative Quarter**	
	Current quarter ended 31.03.2013	**Comparative quarter ended 31.03.2012**	**Current year ended 31.03.2013**	**Comparative year ended 31.03.2012**
a) Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	37,986	42,206	129,650	123,296
Weighted average number of ordinary stock units in issue (unit '000)	1,106,182	1,103,723	1,106,182	955,319
Weighted average number of ordinary stock units arising from conversion of ICULS 2006/2011 (unit '000)	-	-	-	491
Weighted average number of ordinary stock units arising from conversion of ICSLS 2009/2019 (unit '000)	-	-	-	137,865
Adjusted weighted average number of ordinary stock units (unit '000)	1,106,182	1,103,723	1,106,182	1,093,675
Basic earnings per stock unit for the quarter (sen)	3.43	3.82	11.72	11.27

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

12. Earnings Per Stock Unit (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2013	**Comparative quarter ended 31.03.2012**	**Current year ended 31.03.2013**	**Comparative year ended 31.03.2012**
b) Diluted earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	37,986	42,206	129,650	123,296
Weighted average number of ordinary stock units in issue (unit '000)	1,106,182	1,103,723	1,106,182	955,319
Weighted average number of ordinary stock units arising from conversion of ICULS 2006/2011 (unit '000)	-	-	-	491
Weighted average number of ordinary stock units arising from conversion of ICSLS 2009/2019 (unit '000)	-	-	-	137,865
Effect of dilution of ESOS (unit '000)	-	1,138	-	1,296
Effect of dilution of Warrants (unit '000)	-	-	-	857
	1,106,182	1,104,861	1,106,182	1,095,828
Diluted earnings per stock unit for the quarter (sen)	3.43	3.82	11.72	11.25

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
27 May 2013