EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014 (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Comparative quarter ended	Current year ended	Comparative year ended
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
				(Audited)
Revenue	229,687	164,729	497,141	605,536
Cost of sales	(109,539)	(68,196)	(231,440)	(325,969)
Gross profit	120,148	96,533	265,701	279,567
Other income	11,914	18,199	61,269	39,393
Administrative expenses	(29,015)	(25,726)	(83,239)	(74,469)
Selling and marketing expenses	(4,887)	(17,816)	(14,672)	(34,215)
Other expenses	(13,361)	(10,505)	(37,088)	(25,267)
Operating profit	84,799	60,685	191,971	185,009
Finance costs	(7,818)	(8,819)	(34,726)	(29,753)
Share of results of associate	133	116	538	80
Share of results of jointly controlled entities	2,824	7,324	10,487	31,935
Profit before tax	79,938	59,306	168,270	187,271
Income tax expense	(25,267)	(18,963)	(48,300)	(50,505)
Profit for the period	54,671	40,343	119,970	136,766
Other comprehensive income:				
Foreign currency translation	(654)	(165)	(1,637)	421
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income for the period	(654)	(165)	(1,637)	421
Total comprehensive income for the period	54,017	40,178	118,333	137,187
Profit attributable to:				
Owners of the parent	50,685	37,892	113,425	129,556
Non-controlling interests	3,986	2,451	6,545	7,210
	54,671	40,343	119,970	136,766
Total comprehensive income attributable to:				
Owners of the parent	50,031	37,727	111,788	129,977
Non-controlling interests	3,986	2,451	6,545	7,210
	54,017	40,178	118,333	137,187
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	4.58	3.43	10.25	11.71
Diluted (sen)	4.51	3.38	10.09	11.56

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 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 2014 (Unaudited)

	AS AT 31.03.2014 RM'000	AS AT 31.03.2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	353,529	364,249
Land held for property development	604,116	622,183
Investment properties	484,337	411,060
Intangible assets	215	316
Investment in associate	17,108	17,006
Investment in jointly controlled entities	78,222	95,998
Investment securities	3,697	2,114
Deferred tax assets	1,816	4,372
Trade and other receivables	17,178	3,422
	1,560,218	1,520,720
Current assets		
Property development costs	264,455	222,346
Inventories	86,872	109,894
Trade and other receivables	79,961	111,428
Prepayments	2,478	3,905
Tax recoverable	22,442	25,877
Accrued billings in respect of property development costs	171,537	200,288
Cash and bank balances	277,051	283,413
	904,796	957,151
TOTAL ASSETS	2,465,014	2,477,871
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	184,090	281,359
Provisions	30,750	162
Trade and other payables	104,679	182,166
Provision for retirement benefits	39	12
Income tax payable	7,416	22,468
	326,974	486,167
Net current assets	577,822	470,984

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (Unaudited)

	AS AT 31.03.2014 RM'000	AS AT 31.03.2013 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Loans and borrowings	543,993	490,655
Provisions	822	500
Trade and other payables	28,348	29,158
Provision for retirement benefits	346	304
Deferred tax liabilities	46,812	45,229
	620,321	565,846
TOTAL LIABILITIES	947,295	1,052,013
Net assets	1,517,719	1,425,858
Equity attributable to owners of the parent		
Share capital	1,135,622	1,135,622
Treasury stock units	(27,720)	(27,720)
Reserves	367,282	281,966
	1,475,184	1,389,868
Non-controlling interests	42,535	35,990
Total Equity	1,517,719	1,425,858
TOTAL EQUITY AND LIABILITIES	2,465,014	2,477,871
Net assets per stock unit attributable to owners of the parent (RM)	1.33	1.26

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (Unaudited)

	Attributable to owners of the parent								
	<--------------	Non-Distributable		-------------->	Distributable				
	Share Capital	Share Premium	Treasury Stock Units	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 2014</u>									
At 1 April 2013	1,135,622	142,145	(27,720)	3,696	954	135,171	1,389,868	35,990	1,425,858
Total comprehesive income for the financial year	-	-	-	-	(1,637)	113,425	111,788	6,545	118,333
Transactions with owners									
Award of LTIP to employees	-	-	-	10,862	-	-	10,862	-	10,862
Dividend on ordinary stock units	-	-	-	-	-	(37,334)	(37,334)	-	(37,334)
Total transactions with owners	-	-	-	10,862	-	(37,334)	(26,472)	-	(26,472)
At 31 March 2014	1,135,622	142,145	(27,720)	14,558	(683)	211,262	1,475,184	42,535	1,517,719

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)

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

	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
Financial year ended 31 March 2013									
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	-	-	-	-	-	509	509	-	509
At 1 April 2012 (restated)	1,133,463	141,481	(27,720)	891	533	40,875	1,289,523	28,780	1,318,303
Total comprehesive income for the financial year	-	-	-	-	421	129,556	129,977	7,210	137,187
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)	-	-	-	-	-
Award of Long-term Stock Incentive Plan ("LTIP") to employees	-	-	-	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	135,171	1,389,868	35,990	1,425,858

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 2013 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 2014 (Unaudited)

	Year ended 31.03.2014 RM'000	Year ended 31.03.2013 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	168,270	187,271
Adjustments for:-		
Impairment loss on financial assets:		
- trade receivables	407	508
- other receivables	-	14
Amortisation of intangible assets	106	113
Depreciation of property, plant and equipment	23,543	14,827
Bad debts written off	400	224
Inventories written off	4	47
Recovery of bad debts	(46)	-
Impairment loss on intangible assets	-	2,911
Interest expense	33,577	29,146
Property, plant and equipment written off	858	25
Intangible assets written off	-	3
Impairment loss on property, plant and equipment	2,537	-
Reversal of impairment loss on trade receivables	-	(761)
Investment written off	-	63
Gain on disposal of :		
- a subsidiary	(353)	(7,601)
- property, plant and equipment	(214)	(75)
Unrealised (gain)/loss on foreign exchange	(6,362)	1,127
Gain from fair value movement of investment properties	(33,227)	(9,484)
Write back of bad debts	(662)	-
Net fair value adjustment	521	228
Fair value (gain)/loss on investment securities	(1,583)	227
Interest income	(9,327)	(5,709)
Dividend income	(22)	(368)
Share of results of associate	(538)	(80)
Share of results of jointly controlled entities	(10,487)	(31,935)
Award of Long-term Stock Incentive Plan to employees	10,862	3,696
Provision for retirement benefits	69	316
Share options lapsed under ESOS	-	(260)
Operating profit before changes in working capital	178,333	184,473
Changes in working capital:-		
Land held for property development	(9,195)	(37,831)
Property development cost	30,951	11,058
Inventories	7,672	1,093
Receivables	39,185	(23,550)
Payables	(69,744)	17,461
Cash flows from operations	177,202	152,704
Interest received	6,900	5,860
Interest paid	(39,427)	(36,798)
Income taxes refunded	6,319	6,513
Income taxes paid	(62,160)	(49,957)
Real property gains tax paid	-	(40)
NET CASH FLOWS FROM OPERATING ACTIVITIES	88,834	78,282

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (Unaudited)

	Year ended 31.03.2014 RM'000	Year ended 31.03.2013 RM'000 (Audited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,307)	(82,292)
Purchase of intangible assets	(5)	(112)
Purchase of investment properties:		
- additions	-	(100,906)
- subsequent expenditure	(17,904)	(24,165)
Proceeds from disposal of property, plant and equipment	303	207
Net cash inflow from disposal of a subsidiary	164	4,811
Profits distribution from jointly controlled entities	53,263	-
Additional investment in a jointly controlled entity	(25,000)	-
Dividends received	19	365
NET CASH FLOW USED IN INVESTING ACTIVITIES	(5,467)	(202,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of ESOS	-	2,192
Drawdown of borrowings	114,551	274,870
Repayment of borrowings	(137,285)	(102,760)
Repayment of obligations under finance lease	(441)	(592)
Dividends paid	(37,334)	(35,260)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(60,509)	138,450
Effects of exchange rate changes on cash and cash equivalents	(1,637)	421
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,221	15,061
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	255,830	240,769
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	277,051	255,830

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

Cash and bank balances	277,051	283,413
Bank overdrafts	-	(27,583)
	277,051	255,830

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 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 2013 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 2013.

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 were firstly allowed to defer the adoption of the new MFRS Framework for two years whereby, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. On 7 August 2013, MASB further extended the transitional period for Transition Entities for another one year.

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 2016.

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 2013, 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 2013, as disclosed below:

Adoption of FRSs, Amendments to FRSs and IC Interpretations

		Effective for annual periods beginning on or after
Amendments to FRS 101	: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 101	: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
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
Amendments to FRS 7	: Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1	: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013

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

2. Changes in Accounting Policies (cont'd)

Adoption of FRSs, Amendments to FRSs and IC Interpretations (cont'd)

		Effective for annual periods beginning on or after
Amendments to FRS 1	: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116	: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132	: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134	: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10	: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11	: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12	: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

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:

<u>Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)</u>

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, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which would never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

<u>FRS 10: Consolidated financial statements</u>

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.

<u>FRS 11: Joint Arrangements</u>

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

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

2. Changes in Accounting Policies (cont'd)

FRS 11: Joint Arrangements

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.

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 119: Employee Benefits

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to FRS 119 require retrospective application with certain exceptions. The application of the amendments will not have any material impact to the financial position of the Group.

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.

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

2. Changes in Accounting Policies (cont'd)

Standards and interpretations issued but not yet effective

		Effective for annual periods beginning on or after
Amendments to FRS 132	: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127	: Investment Entities	1 January 2014
Amendments to FRS 136	: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 119	: Defined Benefit Plans: Employee Contributions	1 July 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 2014. 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 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarifies 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 clarifies 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.

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.

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 2013 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 2014.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the financial year ended 31 March 2014.

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

7. Debt and equity securities

There was no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company for the current year under review.

8. Dividends paid

On 26 September 2013, the stockholders have approved the payment of a first and final dividend of 4.50 sen per stock unit less income tax of 25% on the ordinary stock units in issue at book closure date on 10 October 2013 in respect of the financial year ended 31 March 2013. The dividend amounting to RM37.334 million was paid on 7 November 2013.

9. Segmental information by business segment

12 months ended 31 March 2014 RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	371,928	113,081	12,132	-	497,141
Inter-segment sales	1,559	-	75,647	(77,206)	-
Total revenue	373,487	113,081	87,779		497,141
RESULTS					
Segment results	205,922	(20,949)	89,010	(82,012)	191,971
Share of results of associate	-	-	538	-	538
Share of results of jointly controlled entities	10,487	-	-		10,487
Finance cost					(34,726)
Profit before tax					168,270

12 months ended 31 March 2013 RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	518,447	83,906	3,183	-	605,536
Inter-segment sales	1,318	-	17,104	(18,422)	-
Total revenue	519,765	83,906	20,287		605,536
RESULTS					
Segment results	219,730	(4,160)	(7,499)	(23,062)	185,009
Share of results of associate	-	-	80	-	80
Share of results of jointly controlled entities	32,705	-	-	(770)	31,935
Finance cost					(29,753)
Profit before tax					187,271

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

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

(i) Property

The property segment recorded a revenue of RM371.928 million for the financial year ended 31 March 2014 as compared to RM518.447 million achieved for the financial year ended 31 March 2013, a decrease of RM146.519 million or 28%. The lower revenue in the current financial year was mainly due to lower revenue recognition as its current project namely Andaman at Quayside condominiums is at its early stage of development.

After incorporating revenue recognised for the jointly controlled entities ("JVE"), the Group's property segment recorded an adjusted revenue of RM465.639 million for the financial year ended 31 March 2014 as compared to an adjusted revenue of RM815.802 million for the financial year ended 31 March 2013. The lower revenue was due to lower revenue recognition from the current projects which are at their early stages of development, following the completion of St Mary Residences in Kuala Lumpur, Villas by-the-sea and four blocks of Quayside Condominiums in Penang ("Projects") in the preceding financial year.

The property segment recorded an operating profit of RM205.922 million for the financial year ended 31 March 2014 as compared to the operating profit of RM219.730 million for the financial year ended 31 March 2013. This represented a decrease of RM13.808 million or 6%. The lower operating profit recorded is due to lower revenue recognised during the current financial year following the completion of the Projects. Recently launched project, The Mews, has made minimal contributions as construction work has only just commenced although sales have been encouraging.

The JVE contributed RM10.487 million profit for the financial year ended 31 March 2014 as compared to the corresponding financial year ended 31 March 2013 of RM31.935 million, a decrease of RM21.448 million or 67% due to lower revenue.

(ii) Hospitality

The hospitality segment recorded a revenue of RM113.081 million for the financial year ended 31 March 2014 as compared to RM83.906 million for the financial year ended 31 March 2013, an increase of RM29.175 million or 35%. The higher revenue in the current financial year was contributed by E&O Residences Kuala Lumpur which opened in December 2012 and Victory Annexe of the Eastern & Oriental Hotel in March 2013.

Whilst the contribution from a higher room inventory as a result of the completion of Victory Annexe, as well as the contribution from E&O Residences Kuala Lumpur had resulted in improvement in the Hotel segment, the overall division reported an operating loss of RM20.949 million for the financial year ended 31 March 2014 as compared to a loss of RM4.160 million for the year ended 31 March 2013. The increase in losses are mainly due to higher depreciation costs on the completed Victory Annexe and costs associated with the restructuring and downsizing in the Food & Beverage segment.

(iii) Investments and others

The revenue for the "investments and others" segment comprise mainly dividend income and management fees. This segment is where the head office's administration and operation costs are grouped.

The "investments and others" segment recorded an operating profit of RM89.010 million for the financial year ended 31 March 2014 as compared to an operating loss of RM7.499 million in the corresponding financial year ended 31 March 2013. The higher operating profit in the current financial year is due to higher dividend income from subsidiaries which amounted to approximately RM70.684million (31 March 2013: RM12.315 million) and lower operating expenses.

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

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, there was an indicative change in the value of three investment properties from the last financial year end. The investment properties as at 31 March 2014 are measured at total fair value of RM484.3 million, resulting in a fair value gain of RM33.2 million which is recognised as profit in the statement of comprehensive income.

11. Material subsequent events

There were no material events subsequent at the end of the financial year ended 31 March 2014.

12. Changes in composition of the Group

(i) The Company has incorporated a company, Oriental Light (UK) Limited ("OLUK") in England and Wales on 9 January 2014 as a wholly-owned subsidiary of Oriental Light (Guernsey) Limited, which in turn is a wholly-owned subsidiary of Eastern & Oriental Properties (Guernsey) Limited (ñEOPGò). EOPG is a wholly-owned subsidiary of Eastern & Oriental Berhad ("E&O"). The issued share capital of OLUK is one (1) ordinary share of £1 and the principal activity of OLUK is property development.

(ii) The Company's three dormant subsidiaries namely Hexon Housing Development Sdn. Bhd., E&O Leisure Sdn. Bhd. and E&O Limousine Services Sdn. Bhd. have on 20 February 2014, received notices dated 7 February 2014 and 12 February 2014 from the Companies Commission of Malaysia informing that the names of these subsidiaries have been struck off the Register pursuant to Section 308 (4) of the Companies Act, 1965. These companies have ceased to be subsidiaries of E&O.

(iii) Eastern & Oriental Property (UK) Ltd., a wholly-owned subsidiary of E&O Property Development Berhad which in turn is a wholly-owned subsidiary of E&O, has on 31 March 2014 disposed of its entire equity interest in Goldtap Services Limited (ñGoldtapò) comprising of one (1) ordinary share of £1 representing the entire issued and paid-up share capital of Goldtap for a cash consideration of £30,000.00. Accordingly, Goldtap ceased to be a subsidiary of E&O.

(iv) Minat Ganda Sdn Bhd ("MGSB"), an indirect wholly-owned subsidiary of E&O has received letter a dated 7 May 2014 from the Companies Commission of Malaysia informing that MGSB has been struck off the Register and dissolved on 19 March 2014 pursuant to Section 308 of the Companies Act, 1965. This company has ceased to be a subsidiary of E&O.

13. Contingent Liabilities

There were no contingent liabilities as at 16 May 2014 (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	515,588

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

14. Capital Commitments

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

	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
Capital expenditure		
Approved and contracted for		
Property, plant and equipment	142	13,941
Approved but not contracted for		
Property, plant and equipment	5,857	12,828
Share of joint venture's capital commitments in relation to acquisition of land	155,500	170,500

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the financial year ended 31 March 2014 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 a revenue of RM497.141 million for the financial year ended 31 March 2014 as compared to RM605.536 million recorded in the previous financial year ended 31 March 2013. This represented a decrease of RM108.395 million or 18%.

The decrease in revenue was mainly from the property segment which registered a decrease of RM146.519 million. The lower revenue in the property segment was due to lower revenue recognition as current projects are at their early stages of development. This was mitigated by the increase in revenue in hospitality segment and investments and others segments of RM29.175 million and RM8.949 million, respectively.

The jointly-controlled projects namely St Mary Residences, Villas by-the-sea bungalows and The Mews projects recognised a total revenue of RM93.711 million for the financial year ended 31 March 2014 (financial year ended 31 March 2013: RM297.355 million) which was not included in the group consolidated revenue. The revenue recognised was lower following the completion of the two projects namely, St Mary Residences and Villas by-the-sea bungalows, mitigated by the maiden revenue recognition from The Mews project which had just commenced development in the second financial quarter.

After incorporating revenue recognised for the jointly-controlled projects, the Group recorded an adjusted revenue of RM590.852 million (financial year ended 31 March 2013: RM902.891 million).

The Group posted a profit before tax of RM168.270 million for the financial year ended 31 March 2014 as compared to a profit before tax of RM187.271 million for the financial year ended 31 March 2013. This represented a decrease in profit before tax of RM19.001 million or 10%. The lower profit in the current financial year was due to lower revenue recognised from the property segment, higher loss in the hospitality segment, lower share of profits from JVE and higher finance costs.

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

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 RM229.687 million and profit before tax of RM79.938 million for the current financial quarter ended 31 March 2014 as compared to the preceding financial quarter ended 31 December 2013 where the Group achieved a revenue of RM97.788 million and a profit before tax of RM28.468 million. This represented an increase in revenue of RM131.899 million or 135% and profit before tax of RM51.470 million or 181%, which was mainly contributed by higher percentage recognition from higher development progress of on-going projects and effective cost management.

3. Current year prospects

Following the announcement of several tightening measures on the property sector in the 2014 Budget and other fiscal policies such as credit facilities related to interest absorption schemes, we saw an impact on the property market sentiment, with a slow down of investment decisions. We anticipate the current market sentiment to continue over the next 6 months of the new financial year as the investors absorb the measures. Barring any unforeseen circumstances, we expect the property market will recover and sustain growth over the medium-to-long term.

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the financial year ended 31 March 2014.

5. Taxation

	Individual Quarter		**Cumulative Quarter**	
	Current quarter ended	**Comparative quarter ended**	**Current year ended**	**Comparative year ended**
	31.03.2014	**31.03.2013**	**31.03.2014**	**31.03.2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysian income tax				
- current	30,164	9,295	53,652	53,290
- in respect of prior years	(7,190)	10,436	(9,492)	(1,524)
Deferred tax	2,293	(768)	4,140	(1,301)
Real property gains tax	-	-	-	40
	25,267	18,963	48,300	50,505

The effective tax rate of the Group for the financial year ended 31 March 2014 under review is higher than the statutory rate of 25% mainly due to certain expenses are not deductible.

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

6. Retained profits

	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
Realised	56,266	(1,999)
Unrealised	40,632	(1,922)
	96,898	(3,921)
Share of retained profits of associate		
Realised	298	196
Share of retained profits from jointly controlled entities		
Realised	37,295	82,424
Unrealised	1,431	1,314
	135,922	80,013
Add: Consolidated adjustments	75,340	55,158
Total Group's retained profits as per consolidated accounts	211,262	135,171

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 31.03.2014 RM'000	Comparative quarter ended 31.03.2013 RM'000	Current year ended 31.03.2014 RM'000	Comparative year ended 31.03.2013 RM'000
Dividend income	11	11	22	368
Interest income	2,233	893	9,327	5,709
Reversal of/(Impairment) loss on receivables	11	(728)	407	(239)
Write back of bad debts	46	-	46	-
Impairment/write off of inventories	(3)	(45)	(4)	(47)
Interest expense	(8,304)	(8,496)	(33,577)	(29,146)
Depreciation and amortisation	(5,865)	(4,075)	(23,649)	(14,940)
Bad debts written off	(19)	(127)	(400)	(224)
Property, plant and equipment written off	(653)	(3)	(858)	(25)
Intangible assets written off	-	-	-	(3)
Impairment loss on property, plant and equipment	(2,537)	-	(2,537)	-
Unrealised gain/(loss) on foreign exchange	354	(1,093)	6,362	(1,127)
Gain on disposal of property, plant and equipment	207	(9)	214	75
Gain from fair value movement of investment properties	3,711	60	33,227	9,484
Net fair value adjustment	(52)	(77)	(521)	(228)
Fair value gain/(loss) on investment securities	1,470	(407)	1,583	(227)

8. Status of Corporate Proposals

There were no corporate proposal announced but not completed as at 16 May 2014.

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 31.03.2014 RM'000
Short Term - Secured	184,090
Long Term - Secured	543,993

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 16 May 2014.

11. Dividend

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 3.0 sen per stock unit on ordinary stock units in issue, in respect of financial year ended 31 March 2014, will be proposed for stockholders' approval.

12. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2014	Comparative quarter ended 31.03.2013	Current year ended 31.03.2014	Comparative year ended 31.03.2013
a) Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	50,685	37,892	113,425	129,556
Weighted average number of ordinary stock units in issue (unit '000)	1,106,182	1,106,182	1,106,182	1,106,182
Adjusted weighted average number of ordinary stock units (unit '000)	1,106,182	1,106,182	1,106,182	1,106,182
Basic earnings per stock unit for the quarter (sen)	4.58	3.43	10.25	11.71

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

12. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	**Comparative quarter ended**	**Current year ended**	**Comparative year ended**
	31.03.2014	**31.03.2013**	**31.03.2014**	**31.03.2013**
b) Diluted earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	50,685	37,892	113,425	129,556
Weighted average number of ordinary stock units in issue (unit '000)	1,106,182	1,106,182	1,106,182	1,106,182
Effect of dilution of LTIP (unit '000)	17,679	14,178	18,089	14,178
	1,123,861	1,120,360	1,124,271	1,120,360
Diluted earnings per stock unit for the quarter (sen)	4.51	3.38	10.09	11.56

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
23 May 2014