



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2015 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2015 RM'000	Comparative quarter ended 30.06.2014 RM'000	Current three months ended 30.06.2015 RM'000	Comparative three months ended 30.06.2014 RM'000
Revenue	68,890	129,744	68,890	129,744
Cost of sales	(43,784)	(64,445)	(43,784)	(64,445)
Gross profit	25,106	65,299	25,106	65,299
Other income	22,923	4,254	22,923	4,254
Administrative expenses	(19,957)	(18,462)	(19,957)	(18,462)
Selling and marketing expenses	(6,427)	(3,516)	(6,427)	(3,516)
Other expenses	(8,509)	(7,761)	(8,509)	(7,761)
Operating profit	13,136	39,814	13,136	39,814
Finance costs	(13,388)	(8,045)	(13,388)	(8,045)
Share of results of an associate	20,720	134	20,720	134
Share of results of joint ventures	4,135	1,305	4,135	1,305
Profit before tax	24,603	33,208	24,603	33,208
Income tax expense	(1,261)	(12,640)	(1,261)	(12,640)
<b>Profit for the period</b>	<b>23,342</b>	<b>20,568</b>	<b>23,342</b>	<b>20,568</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Foreign currency translation	(310)	(20)	(310)	(20)
<b>Other comprehensive income for the period</b>	<b>(310)</b>	<b>(20)</b>	<b>(310)</b>	<b>(20)</b>
<b>Total comprehensive income for the period</b>	<b>23,032</b>	<b>20,548</b>	<b>23,032</b>	<b>20,548</b>
<b>Profit attributable to:</b>				
Owners of the parent	23,259	18,960	23,259	18,960
Non-controlling interests	83	1,608	83	1,608
	23,342	20,568	23,342	20,568
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	22,949	18,940	22,949	18,940
Non-controlling interests	83	1,608	83	1,608
	23,032	20,548	23,032	20,548
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	1.90	1.56	1.90	1.56
Diluted (sen)	1.88	1.53	1.88	1.53

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

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



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015 (Unaudited)**

	<b>AS AT 30.06.2015 RM'000</b>	<b>AS AT 31.03.2015 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	345,892	350,355
Land held for property development	514,948	492,868
Investment properties	398,869	389,397
Intangible assets	425	468
Investment in associate	37,869	17,149
Investment in joint ventures	93,723	89,774
Investment securities	2,532	2,853
Deferred tax assets	5,484	5,388
Trade and other receivables	3,043	2,455
	<u>1,402,785</u>	<u>1,350,707</u>
<b>Current assets</b>		
Property development costs	1,022,642	946,894
Inventories	208,445	208,477
Trade and other receivables	187,965	203,516
Prepayments	4,660	3,395
Tax recoverable	2,169	906
Accrued billings in respect of property development costs	102,692	155,413
Cash and bank balances	299,991	201,192
	<u>1,828,564</u>	<u>1,719,793</u>
<b>TOTAL ASSETS</b>	<u>3,231,349</u>	<u>3,070,500</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	234,542	464,665
Provisions	30,750	31,153
Trade and other payables	131,261	150,913
Provision for retirement benefits	15	7
Income tax payable	2,769	6,386
	<u>399,337</u>	<u>653,124</u>
<b>Net current assets</b>	<u>1,429,227</u>	<u>1,066,669</u>

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



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015 (Unaudited)**

	<b>AS AT 30.06.2015 RM'000</b>	<b>AS AT 31.03.2015 RM'000 (Audited)</b>
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Non-current liabilities</b>		
Provision for retirement benefits	478	463
Loans and borrowings	1,092,413	699,524
Provisions	663	295
Trade and other payables	22,772	25,112
Deferred tax liabilities	44,283	44,895
	<u>1,160,609</u>	<u>770,289</u>
<b>TOTAL LIABILITIES</b>	<u>1,559,946</u>	<u>1,423,413</u>
<b>Net assets</b>	<u>1,671,403</u>	<u>1,647,087</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,252,095	1,252,095
Share premium	32,446	32,446
Treasury stock units	(27,720)	(27,720)
Reserves	367,386	343,153
	<u>1,624,207</u>	<u>1,599,974</u>
<b>Non-controlling interests</b>	47,196	47,113
<b>Total Equity</b>	<u>1,671,403</u>	<u>1,647,087</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,231,349</u>	<u>3,070,500</u>
<b>Net assets per stock unit attributable to owners of the parent (RM)</b>	<u>1.33</u>	<u>1.31</u>

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 2015 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 QUARTER ENDED 30 JUNE 2015 (Unaudited)

	Attributable to owners of the parent								
	Non-Distributable				Foreign Currency Translation Reserve	Distributable		Non- controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Stock Units	LTIP Reserve		Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Financial quarter ended 30 June 2015</b>									
<b>At 1 April 2015</b>	1,252,095	32,446	(27,720)	14,579	(1,245)	329,819	1,599,974	47,113	1,647,087
Profit for the financial quarter	-	-	-	-	-	23,259	23,259	83	23,342
Other comprehensive income	-	-	-	-	(310)	-	(310)	-	(310)
Total comprehensive income for the financial quarter	-	-	-	-	(310)	23,259	22,949	83	23,032
<b>Transactions with owners</b>									
Award of LTIP to employees	-	-	-	1,284	-	-	1,284	-	1,284
Total transactions with owners	-	-	-	1,284	-	-	1,284	-	1,284
<b>At 30 June 2015</b>	1,252,095	32,446	(27,720)	15,863	(1,555)	353,078	1,624,207	47,196	1,671,403

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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
<b>Financial quarter ended 30 June 2014</b>									
<b>At 1 April 2014</b>	1,135,622	142,145	(27,720)	14,558	(769)	211,076	1,474,912	42,535	1,517,447
Profit for the financial quarter	-	-	-	-	-	18,960	18,960	1,608	20,568
Other comprehensive income	-	-	-	-	(20)	-	(20)	-	(20)
Total comprehensive income for the financial quarter	-	-	-	-	(20)	18,960	18,940	1,608	20,548
<b>Transactions with owners</b>									
Award of LTIP to employees	-	-	-	1,509	-	-	1,509	-	1,509
Total transactions with owners	-	-	-	1,509	-	-	1,509	-	1,509
<b>At 30 June 2014</b>	1,135,622	142,145	(27,720)	16,067	(789)	230,036	1,495,361	44,143	1,539,504

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUATER ENDED 30 JUNE 2015 (Unaudited)**

	Quarter ended 30.06.2015 RM'000	Quarter ended 30.06.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	24,603	33,208
Adjustments for:-		
Impairment loss on financial assets:		
trade receivables	128	149
Amortisation of intangible assets	43	27
Depreciation of property, plant and equipment	5,147	5,440
Bad debts written off	-	4
Recovery of bad debts	-	(13)
Interest expense	12,457	8,001
Property, plant and equipment written off	146	33
Reversal of impairment loss on:		
trade receivables	-	(186)
Net (gain)/loss on disposal of:		
property, plant and equipment	(5)	(40)
Unrealised (gain)/loss on foreign exchange	(15,717)	(428)
Unwinding of discounts - net	770	(606)
Fair value loss on investment securities	321	14
Interest income	(2,643)	(1,309)
Provision for foreseeable losses	-	1,091
Share of results of an associate	(20,720)	(134)
Share of results of joint ventures	(4,135)	(1,305)
Award of Long-term Stock Incentive Plan to employees	1,396	1,760
Provision for retirement benefits	23	22
Operating profit before changes in working capital	<u>1,814</u>	<u>45,728</u>
Changes in working capital:-		
Land held for property development	(22,061)	(295)
Property development cost	(72,491)	(10,736)
Inventories	32	3,425
Receivables	78,274	(37,690)
Payables	<u>12,672</u>	<u>(1,581)</u>
Cash flows used in operations	(1,760)	(1,149)
Interest received	1,657	2,302
Interest paid	(11,767)	(9,546)
Income taxes refunded	567	19,537
Income taxes paid	<u>(7,458)</u>	<u>(6,742)</u>
<b>NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(18,761)</b>	<b>4,402</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUATER ENDED 30 JUNE 2015 (Unaudited)**

	Quarter ended 30.06.2015 RM'000	Quarter ended 30.06.2014 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(467)	(1,113)
Purchase of intangible assets	-	(1)
Purchase of investment properties:		
- subsequent expenditure	(4,462)	(3,269)
Proceeds from disposal of property, plant and equipment	10	40
Additional investment in a joint ventures	(56)	-
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<u>(4,975)</u>	<u>(4,343)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	363,435	-
Repayment of borrowings	(240,312)	(33,405)
Repayment of obligations under finance lease	(133)	(110)
Withdrawal of deposits with licensed banks	2,529	2,567
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>125,519</u>	<u>(30,948)</u>
Effects of exchange rate changes on cash and cash equivalents	(310)	(20)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>101,473</u>	<u>(30,909)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<u>165,954</u>	<u>259,419</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER</b>	<u><u>267,427</u></u>	<u><u>228,510</u></u>

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

Cash and bank balances	299,991	244,789
Bank overdrafts	(1,357)	(1,099)
Less: Restricted cash and bank balances	(31,207)	(15,180)
	<u>267,427</u>	<u>228,510</u>

**The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 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 2015 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 2015.

**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").

After few announcements of deferment since 19 November 2011, on 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

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 2018.

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 2015, 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 2015, as disclosed below:

**Adoption of FRSs, Amendments to FRSs and IC Interpretations**

	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 119 : Defined Benefit Plans: Employee Contributions	1 July 2014

Adoption of the above standard do not have any significant effect on the financial performance and position of the Group.



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

**2. Changes in Accounting Policies (cont'd)**

**Standards and interpretations issued but not yet effective**

		<b>Effective for annual periods beginning on or after</b>
FRS 10 and FRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 10, FRS 12 and FRS 128	: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 11	: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
FRS 14	: Regulatory Deferral Accounts	1 January 2016
FRS 101	: Disclosure Initiative	1 January 2016
FRS 116 and FRS 138	: Clarification of Acceptable Methods of Depreciation and amortisation	1 January 2016
FRS 127	: Equity Method in Separate Financial Statements	1 January 2016
FRS 9	: Financial Instruments	1 January 2018

At the date of authorisation of these interim financial reports, 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 ending 31 March 2016. The Group expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application, other than FRS 9 as discussed below:

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 2015 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.

**5. Exceptional or unusual items**

There were no unusual items during the financial quarter ended 30 June 2015.

**6. Changes in estimates**

There were no material changes in estimates that have had a material effect in the current financial quarter ended 30 June 2015.

**7. Debt and equity securities**

There was no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company for the financial quarter ended 30 June 2015.

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

8. Dividends paid

No dividend was paid during the current financial quarter.

9. Segmental information by business segment

<u>Quarter ended</u> <u>30 June 2015</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
External sales	41,958	26,155	777	-	68,890
Inter-segment sales	240	-	667	(907)	-
Total revenue	<u>42,198</u>	<u>26,155</u>	<u>1,444</u>		<u>68,890</u>
<b>RESULTS</b>					
Segment results	18,703	72	(2,511)	(3,128)	13,136
Share of results of an associate	20,720	-	-	-	20,720
Share of results of joint ventures	4,135	-	-	-	4,135
Finance cost					(13,388)
Profit before tax					<u>24,603</u>

<u>Quarter ended</u> <u>30 June 2014</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
External sales	102,710	26,515	519	-	129,744
Inter-segment sales	444	-	30	(474)	-
Total revenue	<u>103,154</u>	<u>26,515</u>	<u>549</u>		<u>129,744</u>
<b>RESULTS</b>					
Segment results	46,038	82	(3,695)	(2,611)	39,814
Share of results of an associate	134	-	-	-	134
Share of results of joint ventures	1,305	-	-	-	1,305
Finance cost					(8,045)
Profit before tax					<u>33,208</u>

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

**Segment performance for the current financial quarter as compared to the previous period's corresponding financial quarter**

(i) **Property**

The property segment recorded a revenue of RM41.958 million for the financial quarter ended 30 June 2015 as compared to RM102.710 million achieved for the financial quarter ended 30 June 2014, a decrease of RM60.752 million or 59.15%. The decrease in revenue is due to lower revenue recognition following the completion of 2 blocks of the Quayside Andaman Condominium in Seri Tanjung Pinang in the previous financial year. Although, sales from the newly launched project, the Tamarind has been encouraging, its contribution is minimal as the construction work is at their early stages of development.

The joint venture ("JV") projects, namely The Mews and Avira Garden Terraces contributed a total revenue of RM49.968 million for the financial quarter ended 30 June 2015 as compared to total revenue of RM14.763 million for the financial quarter ended 30 June 2014. The higher revenue contributed was due to higher percentage recognition from the current locked-in sales, steady development progress and new sales during the financial quarter.



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

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

**Segment performance for the current financial quarter as compared to the previous period's corresponding financial quarter (cont'd)**

**(i) Property (cont'd)**

After incorporating revenue recognised for the joint ventures ("JV"), the Group's property segment recorded an adjusted revenue of RM91.926 million for the financial quarter ended 30 June 2015 as compared to an adjusted revenue of RM117.473 million in the financial quarter ended 30 June 2014.

The property segment recorded an operating profit of RM18.703 million for the financial quarter ended 30 June 2015 as compared to the operating profit of RM46.038 million in the financial quarter ended 30 June 2014. This represented a decrease of RM27.335 million or 59.37%. The lower operating profit recorded is due to lower revenue recognised during the current financial quarter.

The JV contributed RM4.135 million profit for the financial quarter ended 30 June 2015 as compared to the corresponding period of financial quarter ended 30 June 2014 of RM1.305 million, an increase of RM2.830 million or 216.86% due to higher revenue recognition on the on-going projects.

The share of results of an associate contributed RM20.720 million for the financial quarter ended 30 June 2015 as compared to RM134,000 in the financial quarter ended 30 June 2014 due to sale of a piece of land held for development.

**(ii) Hospitality**

The hospitality segment has negligible fluctuation in its revenue by recording a revenue of RM26.155 million for the financial quarter ended 30 June 2015 as compared to RM26.515 million in the financial quarter ended 30 June 2014. The division reported an operating profit of RM72,000 for the financial quarter ended 30 June 2015 as compared to RM82,000 for the financial quarter ended 30 June 2014.

**(iii) Investments and others**

The investments and others segment recorded an operating loss of RM2.511 million for the financial quarter ended 30 June 2015 as compared to RM3.695 million in the financial quarter ended 30 June 2014. The lower operating loss recognised mainly due to lower operating costs incurred.

**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 until either the fair value becomes reliably determinable or construction is completed.

There is no significant and indicative change in value of the said investment properties from the last financial year end.



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

**11. Material subsequent events**

Issuance of shares pursuant to the LTIP

On 5 August 2015, the Company issued 7,689,080 ordinary stock units of RM1.00 each pursuant to the vesting of LTIP under the second tranche of financial year 2012/13 PSU and RSU Award.

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

On 9 June 2015, Hammersmith Properties Limited acquired one (1) ordinary share of £1, at par value, representing 100% equity interest in Hammersmith Development (UK) Limited ("HDUK").

HDUK was incorporated on 5 January 2015 as a private limited company in England and Wales and has been dormant since incorporation. It has an issued and paid-up capital of £1 comprising 1 ordinary share of £1. The proposed business activity of HDUK is provision of property development and management services.

**13. Contingent Liabilities**

There were no contingent liabilities as at 17 August 2015 (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:

	<b>RM'000</b>
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries:	
- Secured	<u>857,368</u>

**14. Capital Commitments**

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

	<b>As at 30.06.2015 RM'000</b>	<b>As at 31.03.2015 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for		
Investment property under construction	89,700	91,795
Acquisition of freehold land	<u>215,820</u>	<u>215,820</u>
Approved but not contracted for		
Property, plant and equipment	<u>11,573</u>	<u>12,034</u>
Share of joint venture's capital commitments in relation to:		
- Acquisition of land	125,241	125,241
- Property, plant and equipment	<u>2,211</u>	<u>2,334</u>



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

**15. Significant Related Party Transactions**

Recurrent related party transactions conducted during the current financial quarter ended 30 June 2015 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 RM68.890 million for the financial quarter ended 30 June 2015 as compared to RM129.744 million recorded in the financial quarter ended 30 June 2014. This represented a decrease of RM60.854 million or 46.90%. The decrease in revenue was mainly from the property segment which registered a decrease of RM60.752 million. The overall drop in revenue was mitigated by revenue recognised from joint ventures as earlier explained in Note A9(i).

After incorporating revenue recognised for the joint ventures projects, the Group recorded an adjusted revenue of RM118.858 million as compared to the financial quarter ended 30 June 2014 of RM144.507 million, a decrease of RM25.649 million.

The Group posted profit before tax of RM24.603 million for the financial quarter ended 30 June 2015 compared to profit before tax of RM33.208 million in the financial quarter ended 30 June 2014. This represented a decrease in profit before tax of RM8.605 million or 25.91%. The lower profit in the current financial quarter was mainly due to the lower revenue recognised and higher finance costs which was partly mitigated with higher contributions from share of results of an associate and share of results of joint ventures.

Further 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 a revenue of RM68.890 million and profit before tax of RM24.603 million for the current financial quarter ended 30 June 2015 as compared to the preceding financial quarter ended 31 March 2015 where the Group achieved a revenue of RM143.040 million and profit before tax of RM120.992 million. This reflected a decrease in revenue of RM74.150 million or 51.84% and decrease in profit before tax of RM96.389 million or 79.67%. The higher revenue and profit recognition in the preceding financial quarter was mainly due to gain recorded from disposal of 49% equity interest in a subsidiary.

**3. Current year prospects**

Given the current signs of a global slowdown affecting investor sentiment and consumer demand, Malaysia is experiencing significant challenges that will impact the overall economic climate and outlook going forward.

Within the Malaysian context, it has been reported that the latest housing figures show an overall dampening in demand, with the Penang Housing Price Index in particular, registering a drastic slowdown with 1Q2015 showing a growth rate of 4.9% in comparison to 16% in the same period last year. It has also been highlighted that with the Ringgit's continued downward slide, investments have depreciated due to the weakening value of the Ringgit vis-à-vis other currencies, undermining investment appetite further.

This negative scenario has invariably affected the Company's current year prospects. However, the Company will be vigilant in mitigating such impact and the Group will have to remain agile and responsive in the face of such weak market conditions.



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

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

The Group did not issue any profit forecast/profit guarantee for the current financial quarter ended 30 June 2015.

**5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2015 RM'000	Comparative quarter ended 30.06.2014 RM'000	Current three months ended 30.06.2015 RM'000	Comparative three months ended 30.06.2014 RM'000
Malaysian income tax				
- current	1,969	13,155	1,969	13,155
- in respect of prior years	-	90	-	90
Deferred tax	(708)	(605)	(708)	(605)
	<u>1,261</u>	<u>12,640</u>	<u>1,261</u>	<u>12,640</u>

The effective tax rate of the Group for the current financial quarter ended 30 June 2015 under review is higher than the statutory rate of 24% mainly due to certain expenses of the group are not deductible.

**6. Retained profits**

	As at 30.06.2015 RM'000	As at 31.03.2015 RM'000
Total accumulated losses of the Company and its subsidiaries		
Realised	170,377	165,044
Unrealised	45,563	46,560
	<u>215,940</u>	<u>211,604</u>
Share of retained profits of an associate		
Realised	21,059	339
Share of retained profits from joint ventures		
Realised	14,569	10,016
Unrealised	4	422
	<u>251,572</u>	<u>222,381</u>
Add: Consolidated adjustments	101,506	107,438
Total Group's retained profits as per consolidated accounts	<u>353,078</u>	<u>329,819</u>

**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	Comparative	Current	Comparative
	quarter ended	quarter ended	three months ended	three months ended
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	2,643	1,309	2,643	1,309
Reversal of/(Impairment) loss on receivables	(128)	37	(128)	37
Recovery of bad debts	-	13	-	13
Interest expense	(12,457)	(8,001)	(12,457)	(8,001)
Depreciation and amortisation	(5,190)	(5,467)	(5,190)	(5,467)
Bad debts written off	-	(4)	-	(4)
Property, plant and equipment written off	(146)	(33)	(146)	(33)
Unrealised gain on foreign exchange	15,717	428	15,717	428
Net gain on disposal of property, plant and equipment	5	40	5	40
Unwinding of discounts - net	(770)	606	(770)	606
Fair value loss on investment securities	(321)	(14)	(321)	(14)

**8. Status of Corporate Proposals**

- a) This was the corporate proposal announced but was not completed as at 17 August 2015.

The Company had on 4 July 2014 announced that Eastern & Oriental Express Sdn Bhd, an indirect wholly-owned subsidiary of Eastern & Oriental Berhad ("E&O"), together with E&O, had entered into a sale and purchase agreement with Sime Darby Elmina Development Sdn Bhd ("SDED"), an indirect wholly-owned subsidiary of Sime Darby Berhad, to acquire a parcel of freehold land to be carved out of the approximately 843-acre plot of land held under Geran 31447, Lot 368, Mukim Sungai Buloh, Daerah Petaling, Selangor measuring approximately 135 acres from SDED at a purchase consideration of RM239.80 million ("Proposed Acquisition"). Subsequently, the Company had on 19 September 2014 announced that the approval from the stockholders of E&O for the Proposed Acquisition was obtained at an EGM held on 19 September 2014.

- b) On 25 May 2015, the Group announced the proposed admission of the entire issued ordinary shares and warrants of Eastern & Oriental Plc (formerly known as Eastern & Oriental Property (UK) Ltd), a wholly-owned subsidiary of the Company on the Alternative Investment Market of the London Stock Exchange (the "Proposed Admission").

The Proposed Admission is subject to the approval of the Board and the Shareholders and the relevant regulators in Malaysia and United Kingdom.

Upon the completion of the Proposed Admission, the net gearing of E&O will improve arising from the deconsolidation of the Eastern & Oriental Plc group of companies from the financial results of E&O.

- c) Utilisation of proceeds from corporate proposals as at 17 August 2015.

**RCMTNs- A Issue**

The cash proceeds of approximately RM285.264 million arising from issuance of RCMTNs- A Issue was partially utilised as follows:

	Utilised to date
	RM'000
Working capital	8,150
RCMTN issue costs	1,249
Acquisition of properties	162,080
	<u>171,479</u>



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

**9. Group Borrowings**

a) The Group borrowings were as follows:-

	<b>As at 30.06.2015 RM'000</b>
Short Term - Secured	234,542
Long Term - Secured	1,092,413

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

Short Term - Secured Denominated in Pound Sterling (£'000)	20,000
Long Term - Secured Denominated in Pound Sterling (£'000)	56,000

**10. Material Litigation**

There were no material litigation which affect the financial position or business of the Group as at 17 August 2015.

**11. Dividend**

The Board of Directors do not recommend any interim dividend for the financial quarter ended 30 June 2015.

At the forthcoming Annual General Meeting, a first and final dividend, in respect of financial year ended 31 March 2015, by way of distribution of treasury stock units as share dividend at the ratio of one (1) treasury stock unit for every fifty (50) ordinary stock units of RM1 each held in the Company will be proposed for stockholders' approval.

**12. Earnings Per Stock Unit**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current quarter ended 30.06.2015</b>	<b>Comparative quarter ended 30.06.2014</b>	<b>Current three months ended 30.06.2015</b>	<b>Comparative three months ended 30.06.2014</b>
<b>a) Basic earnings per stock unit</b>				
Profit attributable to owners of the parent (RM'000)	23,259	18,960	23,259	18,960
Weighted average number of ordinary stock units in issue (unit '000)	1,222,655	1,217,332	1,222,655	1,217,332
Adjusted weighted average number of ordinary stock units (unit '000)	1,222,655	1,217,332	1,222,655	1,217,332
Basic earnings per stock unit for the quarter (sen)	1.90	1.56	1.90	1.56





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 30.06.2015	Comparative quarter ended 30.06.2014	Current three months ended 30.06.2015	Comparative three months ended 30.06.2014
<b>b) Diluted earnings per stock unit</b>				
Profit attributable to owners of the parent (RM'000)	23,259	18,960	23,259	18,960
Weighted average number of ordinary stock units in issue (unit '000)	1,222,655	1,217,332	1,222,655	1,217,332
Effect of dilution of LTIP (unit '000)	13,271	18,624	13,271	18,624
	1,235,926	1,235,956	1,235,926	1,235,956
Diluted earnings per stock unit for the quarter (sen)	1.88	1.53	1.88	1.53

The outstanding warrants and Redeemable Convertible Medium Term Notes ("RCMTNs") have been excluded from the computation of fully diluted earnings per stock unit as the exercise of warrants and RCMTNs to ordinary stock units would be anti-dilutive.

BY ORDER OF THE BOARD

Ang Hong Mai  
Company Secretary

Kuala Lumpur  
24 August 2015