



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

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2015 RM'000	Comparative quarter ended 30.09.2014 RM'000	Current six months ended 30.09.2015 RM'000	Comparative six months ended 30.09.2014 RM'000
Revenue	85,708	77,294	154,598	207,038
Cost of sales	(55,464)	(22,565)	(99,248)	(87,010)
Gross profit	30,244	54,729	55,350	120,028
Other income	40,259	21,500	63,182	25,754
Administrative expenses	(21,774)	(20,028)	(41,731)	(38,490)
Selling and marketing expenses	(7,731)	(4,013)	(14,158)	(7,529)
Other expenses	(11,250)	(12,721)	(19,759)	(20,482)
Operating profit	29,748	39,467	42,884	79,281
Finance costs	(14,501)	(8,618)	(27,889)	(16,663)
Share of results of an associate	198	129	20,918	263
Share of results of joint ventures	10,971	411	15,106	1,716
Profit before tax	26,416	31,389	51,019	64,597
Income tax expense	(2,078)	(9,201)	(3,339)	(21,841)
Profit for the period	24,338	22,188	47,680	42,756
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Foreign currency translation	(1,709)	121	(2,019)	101
Other comprehensive income for the period	(1,709)	121	(2,019)	101
Total comprehensive income for the period	22,629	22,309	45,661	42,857
Profit attributable to:				
Owners of the parent	24,447	21,238	47,706	40,198
Non-controlling interests	(109)	950	(26)	2,558
	24,338	22,188	47,680	42,756
Total comprehensive income attributable to:				
Owners of the parent	22,738	21,359	45,687	40,299
Non-controlling interests	(109)	950	(26)	2,558
	22,629	22,309	45,661	42,857
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	1.99	1.74	3.89	3.29
Diluted (sen)	1.98	1.72	3.86	3.25

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

EASTERN & ORIENTAL BERHAD (555-K)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015 (Unaudited)**

	AS AT 30.09.2015 RM'000	AS AT 31.03.2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	343,511	350,355
Land held for property development	717,264	492,868
Investment properties	422,868	389,397
Intangible assets	382	468
Investment in associate	6,917	17,149
Investment in joint ventures	104,374	89,774
Investment securities	2,298	2,853
Deferred tax assets	5,572	5,388
Trade and other receivables	15,232	2,455
	<u>1,618,418</u>	<u>1,350,707</u>
Current assets		
Property development costs	1,126,594	946,894
Inventories	206,624	208,477
Trade and other receivables	187,328	203,516
Prepayments	3,713	3,395
Tax recoverable	8,955	906
Accrued billings in respect of property development costs	5,815	155,413
Cash and bank balances	300,490	201,192
	<u>1,839,519</u>	<u>1,719,793</u>
TOTAL ASSETS	<u>3,457,937</u>	<u>3,070,500</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	150,074	464,665
Provisions	30,750	31,153
Trade and other payables	130,625	150,913
Provision for retirement benefits	27	7
Income tax payable	2,422	6,386
	<u>313,898</u>	<u>653,124</u>
Net current assets	<u>1,525,621</u>	<u>1,066,669</u>

EASTERN & ORIENTAL BERHAD (555-K)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015 (Unaudited)**

	AS AT 30.09.2015 RM'000	AS AT 31.03.2015 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Provision for retirement benefits	489	463
Loans and borrowings	1,379,013	699,524
Provisions	675	295
Trade and other payables	24,573	25,112
Deferred tax liabilities	44,418	44,895
	<u>1,449,168</u>	<u>770,289</u>
TOTAL LIABILITIES	<u>1,763,066</u>	<u>1,423,413</u>
Net assets	<u>1,694,871</u>	<u>1,647,087</u>
Equity attributable to owners of the parent		
Share capital	1,259,784	1,252,095
Share premium	33,985	32,446
Treasury stock units	(27,720)	(27,720)
Reserves	381,735	343,153
	<u>1,647,784</u>	<u>1,599,974</u>
Non-controlling interests	47,087	47,113
Total Equity	<u>1,694,871</u>	<u>1,647,087</u>
TOTAL EQUITY AND LIABILITIES	<u>3,457,937</u>	<u>3,070,500</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>1.34</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 6-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	RM'000
6-Month financial period ended 30 September 2015									
At 1 April 2015	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 period	-	-	-	-	-	47,706	47,706	(26)	47,680
Other comprehensive income	-	-	-	-	(2,019)	-	(2,019)	-	(2,019)
Total comprehensive income for the financial period	-	-	-	-	(2,019)	47,706	45,687	(26)	45,661
Transactions with owners									
Issue of ordinary stock units:									
- Pursuant to LTIP	7,689	1,539	-	(9,228)	-	-	-	-	-
Award of LTIP to employees	-	-	-	2,123	-	-	2,123	-	2,123
Total transactions with owners	7,689	1,539	-	(7,105)	-	-	2,123	-	2,123
At 30 September 2015	1,259,784	33,985	(27,720)	7,474	(3,264)	377,525	1,647,784	47,087	1,694,871

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 (Unaudited)

	Attributable to owners of the parent								
	Non-Distributable					Distributable		Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Stock Units	LTIP Reserve	Foreign Currency Translation Reserve	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6-Month financial period ended 30 September 2014									
At 1 April 2014	1,135,622	142,145	(27,720)	14,558	(769)	211,076	1,474,912	42,535	1,517,447
Profit for the financial period	-	-	-	-	-	40,198	40,198	2,558	42,756
Other comprehensive income	-	-	-	-	101	-	101	-	101
Total comprehensive income for the financial period	-	-	-	-	101	40,198	40,299	2,558	42,857
Transactions with owners									
Issue of ordinary stock units - pursuant to LTIP vested	5,323	2,156	-	(7,479)	-	-	-	-	-
Award of LTIP to employees	-	-	-	3,306	-	-	3,306	-	3,306
Total transactions with owners	5,323	2,156	-	(4,173)	-	-	3,306	-	3,306
At 30 September 2014	1,140,945	144,301	(27,720)	10,385	(668)	251,274	1,518,517	45,093	1,563,610

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 6-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (Unaudited)

	Six months ended 30.09.2015 RM'000	Six months ended 30.09.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	51,019	64,597
Adjustments for:-		
Impairment loss on financial assets:		
trade receivables	180	286
Amortisation of intangible assets	86	52
Depreciation of property, plant and equipment	10,090	11,030
Bad debts written off	-	4
Recovery of bad debts	-	(13)
Interest expense	25,166	16,234
Property, plant and equipment written off	146	159
Reversal of impairment loss on:		
trade receivables	(46)	(186)
Net (gain)/loss on disposal of:		
property, plant and equipment	(22)	71
Unrealised (gain)/loss on foreign exchange	(47,643)	698
Gain from fair value movement of investment properties	-	(12,199)
Unwinding of discounts - net	2,494	(791)
Fair value loss on investment securities	555	60
Interest income	(5,396)	(3,092)
Dividend income	-	(498)
Share of results of an associate	(20,918)	(263)
Share of results of joint ventures	(15,106)	(1,716)
Award of Long-term Stock Incentive Plan to employees	2,424	3,965
Provision for retirement benefits	46	46
Operating profit before changes in working capital	<u>3,075</u>	<u>78,444</u>
Changes in working capital:-		
Land held for property development	(224,298)	540
Property development cost	(172,855)	(49,283)
Inventories	1,853	7,372
Receivables	186,137	(39,533)
Payables	<u>67,609</u>	<u>(14,056)</u>
Cash flows used in operations	(138,479)	(16,516)
Interest received	4,327	3,747
Interest paid	(25,392)	(19,968)
Income taxes refunded	567	19,537
Income taxes paid	<u>(16,725)</u>	<u>(18,115)</u>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(175,702)	(31,315)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (Unaudited)**

	Six months ended 30.09.2015 RM'000	Six months ended 30.09.2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,545)	(2,220)
Purchase of intangible assets	-	(5)
Purchase of investment properties: - subsequent expenditure	(19,410)	(3,496)
Proceeds from disposal of property, plant and equipment	26	148
Profit distribution from a joint ventures		9,935
Additional investment in a joint ventures	(56)	-
Dividends received	31,150	498
NET CASH FLOW FROM INVESTING ACTIVITIES	9,165	4,860
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	499,549	7,030
Repayment of borrowings	(241,204)	(43,809)
Repayment of obligations under finance lease	(280)	(226)
Withdrawal of deposits with licensed banks	1,186	37
NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES	259,251	(36,968)
Effects of exchange rate changes on cash and cash equivalents	(2,019)	101
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	90,695	(63,322)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	165,954	259,419
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER	256,649	196,097

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

Cash and bank balances	300,490	224,006
Bank overdrafts	(11,291)	(10,199)
Less: Restricted cash and bank balances	(32,550)	(17,710)
	256,649	196,097

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 a few announcements of deferment since 19 November 2011, on 28 October 2015, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2018.

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 2019.

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

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

Adoption of the above standard does not has 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

		Effective for annual periods beginning on or after
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 6-month financial period ended 30 September 2015.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the 6-month financial period ended 30 September 2015.



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

7. Debt and equity securities

Save for the following, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company during the 6-month financial period ended 30 September 2015.

Long-Term Stock Incentive Plan (LTIP)

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 Performance-based Restricted Stock Unit Incentive Plan ("PSU Award") and Restricted Stock Unit Incentive Plan ("RSU Award").

8. Dividends paid

On 29 September 2015, the stockholders have approved a first and final dividend of one (1) treasury stock unit for every fifty (50) existing ordinary stock units of RM1.00 each held in the Company in respect of the financial year ended 31 March 2015, at book closure date on 6 October 2015. The dividends have been credited into the entitled depositors' securities accounts on 27 October 2015.

9. Segmental information by business segment

<u>6-month ended</u> <u>30 September 2015</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	97,306	55,954	1,338	-	154,598
Inter-segment sales	479	-	1,375	(1,854)	-
Total revenue	<u>97,785</u>	<u>55,954</u>	<u>2,713</u>		<u>154,598</u>
RESULTS					
Segment results	8,135	1,269	32,169	1,311	42,884
Share of results of an associate	20,918	-	-	-	20,918
Share of results of joint ventures	15,106	-	-	-	15,106
Finance cost					(27,889)
Profit before tax					<u>51,019</u>

<u>6-month ended</u> <u>30 September 2014</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	151,084	54,014	1,940	-	207,038
Inter-segment sales	885	-	60	(945)	-
Total revenue	<u>151,969</u>	<u>54,014</u>	<u>2,000</u>		<u>207,038</u>
RESULTS					
Segment results	98,442	(535)	(13,516)	(5,110)	79,281
Share of results of an associate	263	-	-	-	263
Share of results of joint ventures	1,716	-	-	-	1,716
Finance cost					(16,663)
Profit before tax					<u>64,597</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



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

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

Segment performance for the 6-month financial period as compared to the previous corresponding financial period

(i) Property

The property segment recorded a revenue of RM97.306 million for the 6-month financial period ended 30 September 2015 as compared to RM151.084 million achieved for the 6-month financial period ended 30 September 2014, a decrease of RM53.778 million or 35.59%. The decrease in revenue is due to lower revenue recognition following the completion of 2 blocks of the Andaman Condominium in Seri Tanjung Pinang in the previous financial year. The revenue recognised in the current 6-month financial period reflected the steady progress work from the on-going projects in Seri Tanjung Pinang namely, first tower of The Tamarind, Amaris and Link Villa and the Princes House project in the United Kingdom.

The joint venture ("JV") projects, namely The Mews and Avira Garden Terraces contributed a total revenue of RM97.995 million for the 6-month financial period ended 30 September 2015 as compared to total revenue of RM29.452 million for the 6-month financial period ended 30 September 2014. The higher revenue contributed was due to higher percentage recognition from the locked-in sales and the stage of development during the financial period.

After incorporating revenue recognised from the joint ventures ("JV"), the Group's property segment recorded an adjusted revenue of RM195.301 million for the 6-month financial period ended 30 September 2015 as compared to an adjusted revenue of RM180.536 million in the 6-month financial period ended 30 September 2014.

The property segment recorded an operating profit of RM8.135 million for the 6-month financial period ended 30 September 2015 as compared to the operating profit of RM98.442 million for the 6-month financial period ended 30 September 2014. This represented a decrease of RM90.307 million or 91.74%. The higher operating profit in the previous 6-month financial period ended 30 September 2014, included a fair value gain of RM12.199 million on the investment properties and downward adjustment of development costs for those projects nearing completion. In addition, higher sales and marketing costs were incurred for the current financial period ended 30 September 2015.

The JV contributed RM15.106 million profit for the 6-month financial period ended 30 September 2015 as compared to the 6-month financial period ended 30 September 2014 of RM1.716 million, an increase of RM13.390 million reflecting higher percentage of work in progress on the JV projects.

The share of results of an associate contributed RM20.918 million for the 6-month financial period ended 30 September 2015 as compared to RM263,000 in the 6-month financial period ended 30 September 2014 an increase of RM20.655 million due to the gain from sale of a piece of land held for development.

(ii) Hospitality

The hospitality segment recorded a revenue of RM55.954 million for the 6-month financial period ended 30 September 2015 as compared to RM54.014 million in the 6-month financial period ended 30 September 2014. The division reported an operating profit of RM1.269 million for the 6-month financial period ended 30 September 2015 as compared to an operating loss of RM535,000 for the 6-month financial period ended 30 September 2014. The increase in operating profit is mainly due to higher revenue recognised on the hotel segment, coupled with lower operating expenses.

(iii) Investments and others

The investments and others segment recorded an operating profit of RM32.169 million for the 6-month financial period ended 30 September 2015 as compared to an operating loss of RM13.516 million in the 6-month financial period ended 30 September 2014. The higher operating profit is mainly due to unrealised foreign exchange gain recognised and lower operating costs.



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 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.

11. Material subsequent events

There were no material events subsequent at the end of the 6-month financial period ended 30 September 2015.

12. Changes in composition of the Group

There were no changes in the composition of the Group at the end of the 6-month financial period ended 30 September 2015.

13. Contingent Liabilities

There were no contingent liabilities as at 20 November 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:

	RM'000
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries:	
- Secured	<u>1,051,228</u>

14. Capital Commitments

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

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Capital expenditure		
Approved and contracted for		
Investment property under construction	74,768	91,795
Acquisition of freehold land	<u>47,045</u>	<u>215,820</u>
Approved but not contracted for		
Property, plant and equipment	<u>9,746</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>1,516</u>	<u>2,334</u>

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the 6-month financial period ended 30 September 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 RM154.598 million for the 6-month financial period ended 30 September 2015 as compared to RM207.038 million recorded in the 6-month financial period ended 30 September 2014. This represented a decrease of RM52.440 million or 25.33%. The decrease in revenue was mainly due to lower revenue from the property segment which registered a decrease of RM53.778 million.

After incorporating revenue recognised for the JV projects, the Group recorded an adjusted revenue of RM252.593 million as compared to the 6-month financial period ended 30 September 2014 of RM236.490 million, an increase of RM16.103 million or 6.81%.

The Group posted profit before tax of RM51.019 million for the 6-month financial period ended 30 September 2015 compared to profit before tax of RM64.597 million in the 6-month financial period ended 30 September 2014. This represented a decrease in profit before tax of RM13.578 million or 21.02%. The lower profit in the current financial period 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 RM85.708 million and profit before tax of RM26.416 million for the current financial quarter ended 30 September 2015 as compared to the preceding financial quarter ended 30 June 2015 where the Group achieved a revenue of RM68.890 million and profit before tax of RM24.603 million. This reflected an increase in revenue of RM16.818 million or 24.41% and increase in profit before tax of RM1.813 million or 7.37%. Although the revenue recognised in the current financial quarter reflected the higher work progress from the on-going projects in the Group and JV, the increase in the profit before tax was tampered by the lower contribution from an associate which sold a piece of land in the preceding quarter.

3. Current year prospects

The property sector, already subdued following the spate of government cooling measures, is further impacted by domestic and global economic uncertainties, affecting the market sentiment.

Overall, we do not anticipate any marked change in the market situation for the short term. Nevertheless, we are cognisant of the cyclical nature of the property market which warrants a longer-term perspective and we are also aware that demand remains in niche locations and for projects by developers offering strong concept, branding and delivery.

In response, our upcoming phased launches include the second tower of The Tamarind (Penang) and the second phase of Avira Garden Terraces (Medini Iskandar), which have a steady flow of registrants being recorded.

Moving forward, our focus will be on ensuring that we are well-poised for future opportunities whilst ensuring that we maintain prudent cashflow management with sound financial planning to address current needs.



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 6-month financial period ended 30 September 2015.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current	Comparative	Current	Comparative
	quarter ended	quarter ended	six months ended	six months ended
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	959	8,908	2,928	22,062
- in respect of prior years	1,071	-	1,071	91
Deferred tax	48	293	(660)	(312)
	<u>2,078</u>	<u>9,201</u>	<u>3,339</u>	<u>21,841</u>

The effective tax rate of the Group for the 6-month financial period ended 30 September 2015 under review is lower than the statutory rate of 24% mainly due to certain income of the Group are not taxable.

6. Retained profits

	As at	As at
	30.09.2015	31.03.2015
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries		
Realised	211,506	165,044
Unrealised	45,687	46,560
	<u>257,193</u>	<u>211,604</u>
Share of retained profits of an associate		
Realised	21,257	339
Share of retained profits from joint ventures		
Realised	24,980	10,016
Unrealised	2	422
	<u>303,432</u>	<u>222,381</u>
Add: Consolidated adjustments	74,093	107,438
Total Group's retained profits as per consolidated accounts	<u>377,525</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 quarter ended 30.09.2015 RM'000	Comparative quarter ended 30.09.2014 RM'000	Current six months ended 30.09.2015 RM'000	Comparative six months ended 30.09.2014 RM'000
Interest income	2,753	1,783	5,396	3,092
Reversal of/(Impairment) loss on receivables	(6)	(137)	(134)	(100)
Recovery of bad debts	-	-	-	13
Interest expense	(12,709)	(8,233)	(25,166)	(16,234)
Depreciation and amortisation	(4,986)	(5,615)	(10,176)	(11,082)
Bad debts written off	-	-	-	(4)
Property, plant and equipment written off	-	(126)	(146)	(159)
Unrealised gain on foreign exchange	31,926	(1,127)	47,643	(698)
Net gain on disposal of property, plant and equipment	17	(111)	22	(71)
Gain from fair value movement of investment properties	-	12,199	-	12,199
Unwinding of discounts - net	(1,724)	185	(2,494)	791
Fair value loss on investment securities	(234)	(46)	(555)	(60)

8. Status of Corporate Proposals

- a) This was the corporate proposal announced and was completed as at 20 November 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 ("Land") 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 Extraordinary General Meeting ("EGM") held on 19 September 2014.

On 28 September 2015, the Company announced that with the full payment for the cost of the Land, the Proposed Acquisition was completed.

- b) This was the corporate proposal announced but was not completed as at 20 November 2015.

On 25 May 2015, the Company announced the proposal to admit the entire issued and to be issued ordinary shares (with matching warrants) of Eastern & Oriental PLC ("E&O PLC") (formerly known as Eastern & Oriental Property (UK) Ltd), an indirect wholly-owned subsidiary of the Company, to trading on the Alternative Investment Market of the London Stock Exchange (the "Proposed Admission").

On 24 August 2015, the Company released further details of the Proposed Admission which entails the offer of new E&O PLC shares for subscription to the entitled stockholders of Eastern & Oriental Berhad ("Proposed Restricted Offer") and institutional and selected investors in Malaysia and United Kingdom ("Proposed Placings") and the offer of existing E&O PLC shares held by E&O Property Development Berhad to selected Directors and selected senior management of the E&O Group.

On 29 September 2015, the Company had obtained approval from the stockholders of E&O for the Proposed Admission at the EGM.

On 2 October 2015, in relation to the Proposed Admission, an application was submitted to the Securities Commission Malaysia for the Proposed Restricted Offer and Proposed Placings which was subsequently approved on 6 November 2015.

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

8. Status of Corporate Proposals (cont'd)

- c) Utilisation of proceeds from corporate proposals as at 20 November 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	1,535
Acquisition of properties	238,170
	<u>247,855</u>

9. Group Borrowings

- a) The Group borrowings were as follows:-

	As at
	30.09.2015
	RM'000
Short Term - Secured	150,074
Long Term - Secured	1,379,013

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

Long Term - Secured	
Denominated in Pound Sterling (£'000)	76,000

10. Material Litigation

There were no material litigation which affect the financial position or business of the Group as at 20 November 2015.

11. Dividend

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

12. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2015	Comparative quarter ended 30.09.2014	Current six months ended 30.09.2015	Comparative six months ended 30.09.2014
a) Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	24,447	21,238	47,706	40,198
Weighted average number of ordinary stock units in issue (unit '000)	1,230,344	1,222,655	1,226,499	1,219,993
Adjusted weighted average number of ordinary stock units (unit '000)	1,230,344	1,222,655	1,226,499	1,219,993
Basic earnings per stock unit for the quarter (sen)	1.99	1.74	3.89	3.29



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 30.09.2015	Comparative quarter ended 30.09.2014	Current six months ended 30.09.2015	Comparative six months ended 30.09.2014
b) Diluted earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	24,447	21,238	47,706	40,198
Weighted average number of ordinary stock units in issue (unit '000)	1,230,344	1,222,655	1,226,499	1,219,993
Effect of dilution of LTIP (unit '000)	6,859	14,034	10,046	15,543
	1,237,203	1,236,689	1,236,545	1,235,536
Diluted earnings per stock unit for the quarter (sen)	1.98	1.72	3.86	3.25

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.

Pursuant to the requirements of FRS 133: Earnings per Share, the weighted average number of ordinary stock units in issue have been restated to reflect the effect arising from the issuance of bonus stock units during the financial year ended 31 March 2015.

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
27 November 2015