



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2016 RM'000	Comparative quarter ended 31.03.2015 RM'000	Current year ended 31.03.2016 RM'000	Comparative year ended 31.03.2015 RM'000 (Audited)
Revenue	149,033	143,040	421,216	449,497
Cost of sales	(87,484)	(77,257)	(258,631)	(222,770)
Gross profit	61,549	65,783	162,585	226,727
Other income	(8,345)	104,815	57,858	138,273
Administrative expenses	(25,680)	(26,706)	(84,515)	(87,602)
Selling and marketing expenses	(6,345)	(9,236)	(27,556)	(21,400)
Other expenses	(13,049)	(5,616)	(44,358)	(30,855)
Operating profit	8,130	129,040	64,014	225,143
Finance costs	(12,133)	(9,785)	(52,471)	(35,363)
Share of results of an associate	64	143	21,062	539
Share of results of joint ventures	3,492	1,288	21,758	11,817
(Loss)/Profit before tax	(447)	120,686	54,363	202,136
Income tax expense	(13,183)	(19,038)	(15,926)	(45,470)
(Loss)/Profit for the year	(13,630)	101,648	38,437	156,666
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Foreign currency translation	792	(973)	(214)	(476)
Other comprehensive income for the year	792	(973)	(214)	(476)
Total comprehensive income for the year	(12,838)	100,675	38,223	156,190
(Loss)/Profit attributable to:				
Owners of the parent	(14,784)	100,500	36,803	152,088
Non-controlling interests	1,154	1,148	1,634	4,578
	(13,630)	101,648	38,437	156,666
Total comprehensive income attributable to:				
Owners of the parent	(13,992)	99,527	36,589	151,612
Non-controlling interests	1,154	1,148	1,634	4,578
	(12,838)	100,675	38,223	156,190
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	(1.18)	8.22	2.97	12.45
Diluted (sen)	(1.17)	8.13	2.95	12.30

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 31 MARCH 2016 (Unaudited)**

	AS AT 31.03.2016 RM'000	AS AT 31.03.2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	334,987	350,355
Land held for property development	1,082,575	492,868
Investment properties	495,391	389,397
Intangible assets	366	468
Investment in associate	7,061	17,149
Investment in joint ventures	107,647	89,774
Investment securities	2,382	2,853
Deferred tax assets	5,252	5,388
Trade and other receivables	19,672	2,455
	<u>2,055,333</u>	<u>1,350,707</u>
Current assets		
Property development costs	1,014,617	946,894
Inventories	212,620	208,477
Trade and other receivables	76,115	203,516
Prepayments	17,326	3,395
Tax recoverable	17,839	906
Accrued billings in respect of property development costs	116,256	155,413
Cash and bank balances	248,477	201,192
	<u>1,703,250</u>	<u>1,719,793</u>
TOTAL ASSETS	<u>3,758,583</u>	<u>3,070,500</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	203,043	464,665
Provisions	15,603	31,153
Trade and other payables	135,940	150,913
Provision for retirement benefits	96	7
Income tax payable	554	6,386
	<u>355,236</u>	<u>653,124</u>
Net current assets	<u>1,348,014</u>	<u>1,066,669</u>

EASTERN & ORIENTAL BERHAD (555-K)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016 (Unaudited)**

	AS AT 31.03.2016 RM'000	AS AT 31.03.2015 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Provision for retirement benefits	405	463
Loans and borrowings	1,315,299	699,524
Provisions	526	295
Trade and other payables	354,600	25,112
Deferred tax liabilities	44,727	44,895
	<u>1,715,557</u>	<u>770,289</u>
TOTAL LIABILITIES	<u>2,070,793</u>	<u>1,423,413</u>
Net assets	<u>1,687,790</u>	<u>1,647,087</u>
Equity attributable to owners of the parent		
Share capital	1,259,784	1,252,095
Share premium	10,821	32,446
Treasury stock units	(4,557)	(27,720)
Reserves	372,995	343,153
	<u>1,639,043</u>	<u>1,599,974</u>
Non-controlling interests	<u>48,747</u>	<u>47,113</u>
Total Equity	<u>1,687,790</u>	<u>1,647,087</u>
TOTAL EQUITY AND LIABILITIES	<u>3,758,583</u>	<u>3,070,500</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>1.31</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 YEAR ENDED 31 MARCH 2016 (Unaudited)

	Attributable to owners of the parent					Capital Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
	Non-Distributable			Distributable						
	Share Capital	Share Premium	Treasury Stock Units	LTIP Reserve	Foreign Currency Translation Reserve					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 March 2016										
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 year	-	-	-	-	-	-	36,803	36,803	1,634	38,437
Other comprehensive income	-	-	-	-	(214)	-	-	(214)	-	(214)
Total comprehensive income for the financial year	-	-	-	-	(214)	-	36,803	36,589	1,634	38,223
Transactions with owners										
Issue of ordinary stock units:										
- Pursuant to LTIP	7,689	1,539	-	(9,228)	-	-	-	-	-	-
Purchase of treasury stock units	-	-	(1)	-	-	-	-	(1)	-	(1)
Redemption of preference shares	-	-	-	-	-	956	(956)	-	-	-
Award of LTIP to employees	-	-	-	2,481	-	-	-	2,481	-	2,481
Dividend on ordinary stock units	-	(23,164)	23,164	-	-	-	-	-	-	-
Total transactions with owners	7,689	(21,625)	23,163	(6,747)	-	956	(956)	2,480	-	2,480
At 31 March 2016	1,259,784	10,821	(4,557)	7,832	(1,459)	956	365,666	1,639,043	48,747	1,687,790

EASTERN & ORIENTAL BERHAD (555-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (Audited)

	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	
Financial year ended 31 March 2015									
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 year	-	-	-	-	-	152,088	152,088	4,578	156,666
Other comprehensive income	-	-	-	-	(476)	-	(476)	-	(476)
Total comprehensive income for the financial year	-	-	-	-	(476)	152,088	151,612	4,578	156,190
Transactions with owners									
Issue of ordinary stock units:									
- pursuant to LTIP vested	5,323	2,156	-	(7,479)	-	-	-	-	-
- bonus issue	111,150	(111,150)	-	-	-	-	-	-	-
Cost of bonus issue	-	(705)	-	-	-	-	(705)	-	(705)
Award of LTIP to employees	-	-	-	7,500	-	-	7,500	-	7,500
Dividend on ordinary stock units	-	-	-	-	-	(33,345)	(33,345)	-	(33,345)
Total transactions with owners	116,473	(109,699)	-	21	-	(33,345)	(26,550)	-	(26,550)
At 31 March 2015	1,252,095	32,446	(27,720)	14,579	(1,245)	329,819	1,599,974	47,113	1,647,087

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 YEAR ENDED 31 MARCH 2016 (Unaudited)**

	Year ended 31.03.2016 RM'000	Year ended 31.03.2015 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	54,363	202,136
Adjustments for:-		
Impairment loss on financial assets:		
trade receivables	421	680
other receivables	8	186
Amortisation of intangible assets	154	115
Depreciation of property, plant and equipment	20,180	20,636
Bad debts written off	11	93
Inventories written off	67	-
Impairment loss on property, plant and equipment	2,112	-
Interest expense	50,348	34,514
Property, plant and equipment written off	1,152	399
Reversal of impairment loss on:		
trade receivables	-	(186)
other receivables	(50)	(26)
Net (gain)/loss on disposal of:		
property, plant and equipment	(80)	62
a subsidiary	-	(100,738)
investment property	-	(6,198)
Unrealised gain on foreign exchange	(3,373)	(2,422)
Gain from fair value movement of investment properties	(20,434)	(7,836)
Unwinding of discounts - net	1,219	(668)
Fair value loss on investment securities at fair value through profit or loss	471	844
Interest income	(10,805)	(6,266)
Dividend income	(11)	(72)
Share of results of an associate	(21,062)	(539)
Share of results of joint ventures	(21,758)	(11,817)
Award of Long-term Stock Incentive Plan to employees	2,812	8,373
Provision for retirement benefits	45	79
Operating profit before changes in working capital	55,790	131,349
Changes in working capital:-		
Land held for property development	(585,978)	(4,359)
Property development cost	(65,289)	(642,531)
Inventories	7,974	2,470
Receivables	141,224	(88,694)
Payables	337,228	85,871
Cash flows used in operations	(109,051)	(515,894)
Interest received	11,784	5,732
Interest paid	(62,842)	(39,651)
Income taxes refunded	706	22,633
Income taxes paid	(39,928)	(50,304)
Real property gains tax paid	-	(1,617)
Retirement benefits paid	(14)	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(199,345)	(579,101)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (Unaudited)**

	Year ended 31.03.2016 RM'000	Year ended 31.03.2015 RM'000 (Audited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,236)	(11,205)
Purchase of intangible assets	(52)	(368)
Purchase of investment properties: - subsequent expenditure	(87,657)	(19,153)
Proceeds from disposal of an investment property	-	33,449
Proceeds from disposal of property, plant and equipment	167	163
Net cash inflows from disposal of a subsidiary	-	53,914
Acquisition of subsidiary	-	4
Profit distribution from a joint ventures	2,035	1,313
Additional investment in a joint ventures	(56)	-
Dividends from a joint venture	-	44,136
Dividends from an associate	31,150	498
Other dividends received	11	72
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(61,638)	102,823
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock units	(1)	-
Drawdown of borrowings	630,515	586,361
Repayment of borrowings	(319,929)	(152,509)
Repayment of obligations under finance lease	(601)	(524)
Costs of bonus issue	-	(705)
Withdrawal/(Placement) of deposits with licensed banks	22,237	(15,989)
Dividend paid	-	(33,345)
NET CASH FLOW FROM FINANCING ACTIVITIES	332,221	383,289
Effects of exchange rate changes on cash and cash equivalents	(214)	(476)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	71,024	(93,465)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	165,954	259,419
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	236,978	165,954

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

Cash and bank balances	248,477	201,192
Bank overdrafts	-	(1,502)
Less: Restricted cash and bank balances	(11,499)	(33,736)
	236,978	165,954

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 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") and Amendments to FRSS which are applicable for the Group's financial period beginning 1 April 2015, as disclosed below:

Adoption of FRSS and Amendments to FRSS

	Effective for annual periods beginning on or after
Amendments to FRS 119 : Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSS 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSS 2011 - 2013 Cycle	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
Annual Improvements to FRSs 2012 - 2014 Cycle	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
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
FRS 10 and FRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

At the date of authorisation of these interim financial reports, the above FRSs and Amendment to FRSs were issued but not yet effective and have not been applied by the Group for the financial year ended 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.

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. The core principle is that an entity should recognised revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of adopting MFRS 15.

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 year ended 31 March 2016.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the financial year ended 31 March 2016.

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 financial year ended 31 March 2016.

a) 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").

b) Treasury Stock Units

On 27 October 2015, the Company distributed a total 24,601,619 treasury shares, being payment of the first and final dividend for the financial year ended 31 March 2015.

During the financial quarter ended 31 December 2015, the Company bought back 1,000 of its issued ordinary stock units in the open market for a considerations of RM1,595. As at 31 March 2016, the total stock units repurchased and held as treasury stock units amount to 4,838,781 ordinary stock units of RM1.00 each at a total costs of RM4,556,759.

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 has been credited into the entitled depositors' securities accounts on 27 October 2015 as disclosed in Note A7(b).

9. Segmental information by business segment

<u>12 months ended</u> <u>31 March 2016</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	302,453	115,309	3,454	-	421,216
Inter-segment sales	1,067	-	34,943	(36,010)	-
Total revenue	<u>303,520</u>	<u>115,309</u>	<u>38,397</u>		<u>421,216</u>
RESULTS					
Segment results	90,601	3,011	5,031	(34,629)	64,014
Share of results of an associate	21,062	-	-	-	21,062
Share of results of joint ventures	21,758	-	-	-	21,758
Finance cost					(52,471)
Profit before tax					<u>54,363</u>

<u>12 months ended</u> <u>31 March 2015</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	337,995	107,257	4,245	-	449,497
Inter-segment sales	943	-	29,576	(30,519)	-
Total revenue	<u>338,938</u>	<u>107,257</u>	<u>33,821</u>		<u>449,497</u>
RESULTS					
Segment results	157,482	1,486	103,195	(37,020)	225,143
Share of results of an associate	539	-	-	-	539
Share of results of joint ventures	11,817	-	-	-	11,817
Finance cost					(35,363)
Profit before tax					<u>202,136</u>

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

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

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

- (i) 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 financial year as compared to the previous corresponding financial year

(i) Property

During the current financial year, the property segment achieved an annual sales of RM1.100 billion on the back of the successful sales from the newly launched 1,104 units of The Tamarind at Seri Tanjung Pinang ("STP"). Despite the higher sales achieved, the property segment recognised a lower revenue of RM302.453 million for the financial year ended 31 March 2016 as compared to RM337.995 million achieved for the financial year ended 31 March 2015, a decrease of RM35.542 million or 10.52%. The decrease in revenue is mainly due to lower revenue recognition from The Tamarind which is in its early stages of development in the current financial year, as compared to the two blocks of the Andaman Condominium in STP which were at their final stages of completion in the previous financial year. The other ongoing projects, namely Andaman Condominium 1G, Amaris and Andorra Terraces in STP reflected steady work progress, while the Princes House project in United Kingdom recognised its maiden revenue in the current financial year.

The joint venture ("JV") projects, The Mews and Avira Garden Terraces, contributed a total revenue of RM182.570 million for the financial year ended 31 March 2016 as compared to total revenue of RM178.168 million for the financial year ended 31 March 2015 which included the final revenue recognised from the St Mary project. The higher revenue from the current JV projects reflected higher percentage recognition from the locked-in sales and steady development progress during the financial year.

After incorporating revenue recognised for the joint ventures ("JV"), the Group's property segment recorded an adjusted revenue of RM485.023 million for the financial year ended 31 March 2016 as compared to an adjusted revenue of RM516.163 million in the financial year ended 31 March 2015.

The property segment recorded an operating profit of RM90.601 million for the financial year ended 31 March 2016 as compared to the operating profit of RM157.482 million in the financial year ended 31 March 2015. This represented a decrease of RM66.881 million or 42.47%. The lower operating profit recorded is due to lower revenue recognised, lower gross margin achieved and higher sales and marketing costs incurred in the current financial year.

The JV contributed RM21.758 million profit for the financial year ended 31 March 2016 as compared to the previous financial year ended 31 March 2015 of RM11.817 million, an increase of RM9.941 million on the back of higher percentage of work in progress on the JV projects.

The share of results of an associate contributed RM21.062 million for the financial year ended 31 March 2016 as compared to RM539,000 in the financial year ended 31 March 2015. The increase in share of results was due to a gain from the sale of a piece of land held for development.

(ii) Hospitality

The hospitality segment recorded a revenue of RM115.309 million for the financial year ended 31 March 2016 as compared to RM107.257 million in the financial year ended 31 March 2015. The division reported an operating profit of RM3.011 million for the financial year ended 31 March 2016 as compared to RM1.486 million for the financial year ended 31 March 2015. The increase in operating profit is mainly due to higher revenue recognised on the hotel segment due to improvement in both occupancy and room rates.

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

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

Segment performance for the financial year as compared to the previous corresponding financial year (cont'd)

(iii) Investments and others

The investments and others segment recorded an operating profit of RM5.031 million for the financial year ended 31 March 2016 as compared to RM103.195 million in the financial year ended 31 March 2015. The operating profit in the previous financial year was due to a gain of RM100.738 million recognised as a result of the disposal of 49% equity interest in Patsawan Properties Sdn. Bhd.

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.

During the current financial year, there was an indicative change in the value of two investment properties from the last financial year end that has resulted in a fair value gain of RM20.615 million which was recognised as profit in the statement of comprehensive income.

11. Material subsequent events

There were no material subsequent events at the end of the financial year ended 31 March 2016.

12. Changes in composition of the Group

There were no changes in the composition of the Group at the end of the financial year ended 31 March 2016.

13. Contingent Liabilities

There were no contingent liabilities as at 19 May 2016 (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>1,078,584</u>

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 31.03.2016 RM'000	As at 31.03.2015 RM'000
Capital expenditure		
Approved and contracted for		
Land held for development	1,017,592	-
Investment property under construction	26,853	91,795
Acquisition of freehold land	<u>32,440</u>	<u>215,820</u>
Approved but not contracted for		
Property, plant and equipment	<u>9,750</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>844</u>	<u>2,334</u>

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the financial year ended 31 March 2016 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 RM421.216 million for the financial year ended 31 March 2016 as compared to RM449.497 million recorded in the financial year ended 31 March 2015. This represented a decrease of RM28.281 million or 6.29%. The decrease in revenue was mainly due to the property segment which registered a decrease of RM35.542 million.

After incorporating revenue recognised for the joint ventures projects, the Group recorded an adjusted revenue of RM603.786 million as compared to the financial year ended 31 March 2015 of RM627.665 million, a decrease of RM23.879 million or 3.80%.

The Group posted profit before tax of RM54.363 million for the financial year ended 31 March 2016 compared to profit before tax of RM202.136 million in the financial year ended 31 March 2015. This represented a decrease in profit before tax of RM147.773 million or 73.11%. The lower profit was mainly due to the decrease in operating profit from the property segment of RM66.881 million in the current year and a higher profit in the previous year from the Investment and Others segment which recorded a gain of RM100.738 million on the disposal of 49% equity interest in a subsidiary, Patsawan Properties Sdn. Bhd.

The lower operating profits and higher finance costs are partly mitigated by the higher share of results from JV and an associate.

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 RM149.033 million and loss before tax of RM0.477 million for the current financial quarter ended 31 March 2016 as compared to the preceding financial quarter ended 31 December 2015 where the Group achieved a revenue of RM117.585 million and profit before tax of RM3.791 million. The higher revenue recognition from the ongoing projects as well as the fair value gain from the investment properties of RM20.458 million partially cushioned the impact of the unrealised foreign exchange losses of RM39.543 million due to the exchange rate volatility of the Sterling Pound against Ringgit during the current quarter.

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

3. Current year prospects

Continued global uncertainties, both in the economic and geopolitical spheres, have weighed negatively on an already softening property development landscape in Malaysia. Strong headwinds for the industry are expected to remain for the foreseeable future, compounded by the current local environment of loan restrictions while buyers adopt a wait-and-see stance. Accordingly, the Group is maintaining a cautious stance.

Barring any unforeseen circumstances, we expect improved performance and results for FY17.

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the financial year ended 31 March 2016.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Comparative quarter ended	Current year ended	Comparative year ended
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	11,019	20,445	17,767	48,840
- in respect of prior years	995	8	(1,809)	248
Deferred tax	1,169	(3,287)	(32)	(5,490)
Real property gains tax	-	1,872	-	1,872
	<u>13,183</u>	<u>19,038</u>	<u>15,926</u>	<u>45,470</u>

The effective tax rate of the Group for the financial year ended 31 March 2016 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 31.03.2016	As at 31.03.2015
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries		
Realised	144,241	165,044
Unrealised	66,966	46,560
	<u>211,207</u>	<u>211,604</u>
Share of retained profits of an associate		
Realised	21,401	339
Share of retained profits from joint ventures		
Realised	27,224	10,016
Unrealised	1,031	422
	<u>260,863</u>	<u>222,381</u>
Add: Consolidated adjustments	104,803	107,438
Total Group's retained profits as per consolidated accounts	<u>365,666</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 31.03.2016	Comparative quarter ended 31.03.2015	Current year ended 31.03.2016	Comparative year ended 31.03.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	2,633	1,469	10,805	6,266
Reversal of/(Impairment) loss on receivables	(187)	(580)	(379)	(654)
Recovery of bad debts	-	(13)	-	-
Interest expense	(12,393)	(9,740)	(50,348)	(34,514)
Depreciation and amortisation	(4,936)	(5,116)	(20,334)	(20,751)
Bad debts written off	(11)	(89)	(11)	(93)
Property, plant and equipment written off	(1,006)	(240)	(1,152)	(399)
Inventories written off	(67)	-	(67)	-
Impairment loss on property, plant and equipment	(2,112)	-	(2,112)	-
Unrealised (loss)/gain on foreign exchange	(39,543)	216	3,373	2,422
Net gain/(loss) on disposal of property, plant and equipment	3	10	80	(62)
Gain/(loss) from fair value movement of investment properties	20,458	(4,363)	20,434	7,836
Unwinding of discounts - net	864	(37)	(1,219)	668
Fair value (loss)/gain on investment securities	(166)	105	(471)	(844)

8. Status of Corporate Proposals

- a) 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 (%Proposed Offer for Sale+). The Proposed Restricted Offer, Proposed Placings and the Proposed Offer for Sale are collectively known as the Proposed Global Offer.

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

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.

On 20 April 2016, the Company announced the termination of the Proposed Admission in view of the unstable global market conditions and exchange rate volatility.

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

8. Status of Corporate Proposals (cont'd)

- b) Utilisation of proceeds from corporate proposals as at 19 May 2016.

RCMTNs- A Issue

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

	Utilised to date
	RM'000
Working capital	11,452
RCMTN issue costs	1,588
Acquisition of properties	272,224
	<u>285,264</u>

9. Group Borrowings

- a) The Group borrowings were as follows:-

	As at
	31.03.2016
	RM'000
Short Term - Secured	203,043
Long Term - Secured	1,315,299

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

Short Term - Secured	
Denominated in Pound Sterling (£'000)	12,060
Long Term - Secured	
Denominated in Pound Sterling (£'000)	70,297

10. Material Litigation

There were no material litigation which affect the financial position or business of the Group as at 19 May 2016.

11. Dividend

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 2.0 sen per stock units in issue, in respect of financial year ended 31 March 2016, will be proposed for stockholders' approval.

12. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2016	Comparative quarter ended 31.03.2015	Current year ended 31.03.2016	Comparative year ended 31.03.2015
a) Basic earnings per stock unit (Loss)/Profit attributable to owners of the parent (RM'000)	(14,784)	100,500	36,803	152,088
Weighted average number of ordinary stock units in issue (unit '000)	1,254,945	1,222,655	1,240,722	1,221,324
Adjusted weighted average number of ordinary stock units (unit '000)	1,254,945	1,222,655	1,240,722	1,221,324
Basic earnings per stock unit for the quarter (sen)	(1.18)	8.22	2.97	12.45

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

12. Earnings Per Stock Unit (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2016	Comparative quarter ended 31.03.2015	Current year ended 31.03.2016	Comparative year ended 31.03.2015
b) Diluted earnings per stock unit				
(Loss)/Profit attributable to owners of the parent (RM'000)	(14,784)	100,500	36,803	152,088
Weighted average number of ordinary stock units in issue (unit '000)	1,254,945	1,222,655	1,240,722	1,221,324
Effect of dilution of LTIP (unit '000)	3,463	13,509	6,645	15,316
	1,258,408	1,236,164	1,247,367	1,236,640
Diluted earnings per stock unit for the quarter (sen)	(1.17)	8.13	2.95	12.30

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
26 May 2016