

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2023 RM'000	Comparative quarter ended 31.03.2022 RM'000	Current year ended 31.03.2023 RM'000	Comparative year ended 31.03.2022 RM'000 (Audited)
Revenue	65,300	56,711	318,070	140,496
Cost of sales	(28,255)	(28,324)	(154,156)	(61,682)
Gross profit	37,045	28,387	163,914	78,814
Other income	123,206	111,366	129,564	147,198
Administrative expenses	(14,983)	(19,711)	(40,636)	(57,148)
Selling and marketing expenses	(4,517)	(2,204)	(6,728)	(4,205)
Other expenses	(120,511)	(23,630)	(164,327)	(51,217)
Operating profit	20,240	94,208	81,787	113,442
Finance costs	(5,583)	(4,869)	(23,698)	(26,128)
Share of results of joint ventures	(1,639)	(1,369)	(2,101)	(4,778)
Profit before tax	13,018	87,970	55,988	82,536
Income tax expense	3,763	(7,690)	(4,212)	(14,717)
<b>Profit for the year</b>	<b>16,781</b>	<b>80,280</b>	<b>51,776</b>	<b>67,819</b>
<b>Other comprehensive expense to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Foreign currency translation	(5,449)	2,392	741	5,578
Recycled foreign currency translation to profit or loss	-	-	-	1,385
	(5,449)	2,392	741	6,963
<b>Other comprehensive expense not to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Actuarial gain recognised in retirement benefits	60	-	60	-
<b>Total comprehensive income for the year</b>	<b>11,392</b>	<b>82,672</b>	<b>52,577</b>	<b>74,782</b>
<b>Profit attributable to:</b>				
Owners of the parent	16,091	79,023	44,545	63,760
Non-controlling interests	690	1,257	7,231	4,059
	16,781	80,280	51,776	67,819
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	10,702	81,415	45,346	70,723
Non-controlling interests	690	1,257	7,231	4,059
	11,392	82,672	52,577	74,782
Profit per share attributable to owners of the parent:				
Basic (sen)	1.10	5.45	3.07	4.43
Diluted (sen)	0.64	5.45	1.77	4.43

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023 (Unaudited)**

	<b>AS AT 31.03.2023 RM'000</b>	<b>AS AT 31.03.2022 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	217,077	231,711
Right-of-use assets	24,651	28,684
Inventories	1,905,507	1,812,500
Investment properties	546,593	435,254
Intangible assets	27	35
Investment in joint ventures	104,289	120,386
Deferred tax assets	76,596	27,433
Trade and other receivables	22,522	2,176
	<u>2,897,262</u>	<u>2,658,179</u>
<b>Current assets</b>		
Inventories	397,688	458,404
Trade and other receivables	12,960	60,693
Prepayments	3,599	6,113
Tax recoverable	12,413	3,387
Contract assets	340	2,321
Contract cost assets	40,959	26,945
Cash and bank balances	563,136	137,991
	<u>1,031,095</u>	<u>695,854</u>
<b>TOTAL ASSETS</b>	<u>3,928,357</u>	<u>3,354,033</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	369,727	76,414
3.8% Irredeemable convertible unsecured loan stocks 2023/2028 ("ICULS")	7,395	-
Trade and other payables	81,819	93,622
Contract liabilities	117,700	158,895
Lease liabilities	6,872	6,575
Provision for retirement benefits	48	26
Income tax payable	1,207	835
	<u>584,768</u>	<u>336,367</u>
<b>Net current assets</b>	<u>446,327</u>	<u>359,487</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023 (Unaudited)**

	<b>AS AT 31.03.2023 RM'000</b>	<b>AS AT 31.03.2022 RM'000 (Audited)</b>
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	1,109,372	1,106,957
3.8% Irredeemable convertible unsecured loan stocks 2023/2028 ("ICULS")	33,870	-
Provisions	1,124	1,124
Trade and other payables	35,265	20,712
Contract liabilities	16,913	18,548
Lease liabilities	28,009	37,306
Provision for retirement benefits	459	504
Deferred tax liabilities	50,813	41,731
	<u>1,275,825</u>	<u>1,226,882</u>
<b>TOTAL LIABILITIES</b>	<u>1,860,593</u>	<u>1,563,249</u>
<b>Net assets</b>	<u>2,067,764</u>	<u>1,790,784</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,540,126	1,535,185
3.8% Irredeemable convertible unsecured loan stocks 2023/2028 ("ICULS")	219,462	-
Treasury shares	(28,160)	(28,160)
Reserves	291,929	246,583
	<u>2,023,357</u>	<u>1,753,608</u>
<b>Non-controlling interests</b>	44,407	37,176
<b>Total Equity</b>	<u>2,067,764</u>	<u>1,790,784</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,928,357</u>	<u>3,354,033</u>
<b>Net assets per share attributable to owners of the parent (RM) - Based on number of shares net of treasury shares</b>		
	<u>1.23</u>	<u>1.21</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (Unaudited)**

	Attributable to owners of the parent								
	<----- Non-Distributable ----->				Distributable				
	Share Capital RM'000	ICULS 2023/2028 RM'000	Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
<b>Financial year ended 31 March 2023</b>									
<b>At 1 April 2022</b>	1,535,185	-	(28,160)	(10,092)	106	256,569	1,753,608	37,176	1,790,784
Profit for the financial year	-	-	-	-	-	44,545	44,545	7,231	51,776
Other comprehensive income	-	-	-	741	-	60	801	-	801
Total comprehensive income for the financial year	-	-	-	741	-	44,605	45,346	7,231	52,577
<b>Transactions with owners</b>									
Issue of ordinary shares:									
- Conversion of ICULS	4,941	(4,323)	-	-	-	-	618	-	618
Issuance of ICULS	-	223,785	-	-	-	-	223,785	-	223,785
Total transactions with owners	4,941	219,462	-	-	-	-	224,403	-	224,403
<b>At 31 March 2023</b>	1,540,126	219,462	(28,160)	(9,351)	106	301,174	2,023,357	44,407	2,067,764

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (Audited)**

	Attributable to owners of the parent							Total Equity RM'000
	Share Capital RM'000	<----- Non-Distributable ----->			Distributable		Non- controlling Interests RM'000	
Treasury Shares RM'000		Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000			
<b>Financial year ended 31 March 2022</b>								
<b>At 1 April 2021</b>	1,521,802	(28,160)	(17,055)	106	192,086	1,668,779	47,637	1,716,416
Profit for the financial year	-	-	-	-	63,760	63,760	4,059	67,819
Other comprehensive income	-	-	6,963	-	-	6,963	-	6,963
Total comprehensive income for the financial year	-	-	6,963	-	63,760	70,723	4,059	74,782
<b>Transactions with owners</b>								
Acquisition of remaining equity interest in a subsidiary	13,383	-	-	-	723	14,106	(14,520)	(414)
Total transactions with owners	13,383	-	-	-	723	14,106	(14,520)	(414)
<b>At 31 March 2022</b>	1,535,185	(28,160)	(10,092)	106	256,569	1,753,608	37,176	1,790,784

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 2022 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (Unaudited)**

	Year ended 31.03.2023 RM'000	Year ended 31.03.2022 RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	55,988	82,536
Adjustments for:-		
Allowances for expected credit losses on:		
- trade receivables	11	660
Amortisation of intangible assets	8	13
Depreciation of right-of-use assets	5,029	862
Depreciation of property, plant and equipment	17,152	17,726
Bad debts written off	257	133
Gain on lease modification	(184)	-
Gain on remeasurement of investment in joint venture	(1,957)	-
Investment properties under construction written off	-	21
Reversal of impairment loss on property, plant and equipment	(81)	(5)
Interest expense	23,655	25,928
Property, plant and equipment written off	129	301
Property development costs written down/(written back)	135,330	(702)
Reversal of expected credit losses on:		
- trade receivables	(673)	(19)
Reversal of impairment loss on right-of-use assets	(3,167)	(45,845)
Net gain on disposal of property, plant and equipment	(143)	(534)
Unrealised loss on foreign exchange	7,581	23,180
Fair value gain on investment properties	(112,363)	(80,779)
Unwinding of discounts - net	(1,715)	(1,319)
Fair value gain on other investments at fair value through profit or loss	-	(8,518)
Interest income	(4,490)	(4,224)
Share of results of joint ventures	2,101	4,778
Provision for retirement benefits	81	68
Operating profit before changes in working capital	122,549	14,261
Changes in working capital:-		
Inventories	(189,528)	(113,767)
Receivables	19,975	110,398
Payables	(37,642)	(227,696)
Contract cost assets	45,068	19,625
Cash flows used in operations	(39,578)	(197,179)
Interest received	9,436	5,548
Interest paid	(54,820)	(48,685)
Income taxes refunded	2,584	10
Income taxes paid	(45,652)	(18,918)
Retirement benefits paid	(44)	(19)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	(128,074)	(259,243)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (Unaudited)**

	Year ended 31.03.2023 RM'000	Year ended 31.03.2022 RM'000 (Audited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,735)	(8,670)
Purchase of investment properties:		
- subsequent expenditure	(387)	(1,735)
Proceeds from disposal of property, plant and equipment	221	745
Proceeds from disposal of other investments	-	17,484
Dividends from joint ventures	510	-
Distribution from joint ventures	2,550	-
Redemption of redeemable preference shares in investments	10,000	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>10,159</u>	<u>7,824</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ICULS	255,764	-
Drawdown of borrowings	420,500	483,693
Repayment of borrowings	(125,816)	(541,465)
Repayment of obligations under finance lease	(47)	(774)
Repayment of lease liabilities	(8,082)	(7,019)
Placement of deposits with licensed banks	(13,443)	(2,026)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	<u>528,876</u>	<u>(67,591)</u>
Effects of exchange rate changes	741	5,578
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>411,702</u>	<u>(313,432)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<u>121,849</u>	<u>435,281</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR</b>	<u>533,551</u>	<u>121,849</u>

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

Cash and bank balances	563,136	137,991
Less: Restricted cash and bank balances	(29,585)	(16,142)
	<u>533,551</u>	<u>121,849</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

## A. Explanatory Notes Pursuant to MFRS 134

### 1. Basis of preparation

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

This interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 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 2022 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 2022.

### 2. Changes in Accounting Policies

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 2022, except for the adoption of the following new MFRSs and Amendments to MFRSs which are applicable for the Group's financial period beginning 1 April 2022, as disclosed below:

<b>Adoption of MFRSs and Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRSs 2018- 2020	1 January 2022
MFRS 3 : Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 116 : Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
MFRS 137 : Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022

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

<b>Standards issued but not yet effective</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 101 : Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
MFRS 17 : Insurance Contracts	1 January 2023
MFRS 17 : Amendments to MFRS 17	1 January 2023
MFRS 17 : Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17)	1 January 2023
MFRS 108 : Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
MFRS 16 : Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 101 : Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
MFRS 10 and MFRS 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 MFRSs and Amendment to MFRSs were issued but not yet effective and have not been applied by the Group for the financial year ended 31 March 2023. 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.



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

**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 2022 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 2023.

**6. Changes in estimates**

There were no material changes in estimates that have had a material effect in the financial year ended 31 March 2023.

**7. Debt and equity securities**

Save as disclosed below, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company during the financial year ended 31 March 2023.

**a) 3.8% Irredeemable Convertible Unsecured Loan Stocks 2023/2028 ("ICULS")**

On 21 March 2023, the Company had completed the Renounceable Rights Issue of up to RM255,764,462 nominal value of 5-year 3.8% ICULS at 100% of its nominal value of RM0.235 each on the basis of 3 ICULS for every 4 existing Eastern & Oriental Berhad ("Company") shares held.

Pursuant to the Rights Issue, the Company allotted and issued 1,088,359,412 ICULS (nominal value of RM255,764,462) which was granted listing on the Main Market of Bursa Malaysia Securities Berhad on 21 March 2023.

As at 31 March 2023, a total of 21,025,838 ICULS at nominal value of RM0.235 each were converted into 21,025,838 new ordinary shares of RM0.235 each. The balance of outstanding ICULS in issue as at 31 March 2023 was 1,067,333,574.

**8. Dividends paid**

No dividend was paid during the current financial year.

**9. Segmental information by business segment**

<u>Year ended</u> <u>31 March 2023</u>	Properties	Hospitality	Investments and others	Elimination	Total
RM'000					
<b>REVENUE</b>					
External sales	221,108	92,764	4,198	-	318,070
Inter-segment sales	1,879	-	38,787	(40,666)	-
Total revenue	<u>222,987</u>	<u>92,764</u>	<u>42,985</u>		<u>318,070</u>
<b>RESULTS</b>					
Segment results	60,729	29,303	28,862	(37,107)	81,787
Share of results of joint ventures	(2,101)	-	-	-	(2,101)
Finance cost					(23,698)
Profit before tax					<u>55,988</u>

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

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

<u>Year ended</u> <u>31 March 2022</u> RM'000	Properties	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
External sales	110,602	27,930	1,964	-	140,496
Inter-segment sales	1,870	-	173,694	(175,564)	-
Total revenue	<u>112,472</u>	<u>27,930</u>	<u>175,658</u>		<u>140,496</u>
<b>RESULTS</b>					
Segment results	125,105	33,332	133,351	(178,346)	113,442
Share of results of joint ventures	(4,778)	-	-	-	(4,778)
Finance cost					(26,128)
Profit before tax					<u>82,536</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) Properties - sales, development and investment in residential and commercial properties
- (ii) Hospitality - management and operation of hotel and serviced apartments
- (iii) Investments and others

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

(i) **Properties**

The properties segment recorded revenue of RM221.1 million in the financial year ended 31 March 2023 as compared to RM110.6 million in the previous financial year ended 31 March 2022, representing an increase of RM110.5 million or 99.9%. The increased revenue was mainly due to higher revenue recognition from the land reclamation of STP2A and the on-going project, The Meg in the current financial year.

Joint venture ("JV") projects namely Conlay, The Peak and Avira Garden Terraces contributed a total revenue of RM106.8 million in the financial year ended 31 March 2023 as compared to revenue of RM46.6 million achieved in the previous financial year ended 31 March 2022, representing an increased of RM60.2 million or 129.2%.

After incorporating revenue recognised from JV projects, the Group's properties segment recorded an aggregate revenue of RM327.9 million in the financial year ended 31 March 2023 as compared to an aggregate revenue of RM157.2 million in the financial year ended 31 March 2022.

The properties segment recorded operating profit of RM60.7 million for the current financial year as compared to operating profit of RM125.1 million in the financial year ended 31 March 2022. This represented a decrease of RM64.4 million mainly due to the write down of the property development costs of RM135.3 million.

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

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

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

**(ii) Hospitality**

The hospitality segment recorded revenue of RM92.8 million for the financial year ended 31 March 2023 as compared to RM27.9 million in the financial year ended 31 March 2022. This marked an increase of RM64.9 million or 232.6%. The increase in revenue mainly due to the higher occupancy rate and average room rate during the current financial year. In addition, E&O Residences was re-opened in January 2022.

The segment recorded an operating profit of RM29.3 million in the financial year ended 31 March 2023 as compared to a profit of RM33.3 million in the financial year ended 31 March 2022. Higher profit in the previous financial year was attributed to the reversal of impairment loss on right-of-use assets of RM45.8 million.

**(iii) Investments and others**

The investments and others segment recorded an operating profit of RM28.9 million for the financial year ended 31 March 2023 as compared to operating profit of RM133.4 million in the financial year ended 31 March 2022, a decrease of RM104.5 million. The operating profit in the previous financial year was mainly due to the dividend received from the subsidiaries which amounted to approximately RM161.3 million as compared to a lower dividend of RM27.0 million in the current financial year. The dividend income was eliminated on the Group basis.

**10. Valuation of investment properties**

The Group adopts the fair value model for its investment properties.

During the current financial year, there was a fair value gain in the investment properties of RM112.4 million as compared to a net fair value gain of RM80.8 million in the previous financial year which represented an increase of RM31.6 million. These were recognised in the statement of comprehensive income.

**11. Material subsequent events**

As at 24 May 2023 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report), there were no material subsequent events at the end of the financial year ended 31 March 2023.

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

On 20 April 2022, Junjung Angkasa Sdn Bhd, an indirect wholly-owned subsidiary of E&O, had been voluntarily struck off from Companies Commission of Malaysia pursuant to Section 308 of Companies Act, 1965.

Oriental Light Properties Limited ("OLP") was incorporated in England and Wales on 26 October 2022. The issued share capital of OLP of one (1) ordinary share of GBP 1 was issued to Eastern & Oriental PLC, a wholly-owned subsidiary of the Group.

On 22 March 2023, E&O Cruises Sdn Bhd and Terra Damansara Sdn Bhd, indirect wholly-owned subsidiaries of E&O, were dissolved after expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia.

**13. Contingent Liabilities**

There were no contingent liabilities as at 24 May 2023 (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	<u>1,499,926</u>



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

**14. Capital Commitments**

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

	<b>As at 31.03.2023 RM'000</b>	<b>As at 31.03.2022 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for		
Land reclamation and infrastructure development	398,166	547,926
Approved but not contracted for		
Property, plant and equipment	1,578	451

**15. Significant Related Party Transactions**

Recurrent related party transactions conducted during the current financial year ended 31 March 2023 are in accordance with the shareholders' mandate obtained at the last Annual General Meeting of the Company.

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

**1. Review of performance**

The Group achieved revenue of RM318.1 million for the financial year ended 31 March 2023 as compared to RM140.5 million recorded in the financial year ended 31 March 2022. This represented an increase of RM177.6 million or 126.4%. The increase in revenue was mainly attributed to the properties segment which registered an increase of RM110.5 million and the hospitality segment which registered an increase of RM64.9 million.

The Group posted profit before tax of RM56.0 million for the financial year ended 31 March 2023 as compared to profit before tax of RM82.5 million in the financial year ended 31 March 2022. This represented a decreased of RM26.5 million. Lower profit before tax in the current financial year was mainly due to the written down of the property development costs of RM135.3 million. However, this was being offset with fair value gain recognised on investment properties, higher revenue recognition and lower finance costs incurred.

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**

	<b>Current quarter ended 31.03.2023 RM'000</b>	<b>Immediate preceding quarter ended 31.12.2022 RM'000</b>	<b>Difference RM'000</b>
Revenue	65,300	81,200	(15,900)
Gross profit	37,045	41,109	(4,064)
Operating profit	20,240	42,036	(21,796)
Profit before tax	13,018	32,496	(19,478)

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

**2. Variation of results against preceding quarter (cont'd)**

The Group recorded revenue of RM65.3 million and profit before tax of RM13.0 million for the current financial quarter ended 31 March 2023 as compared to revenue of RM81.2 million and profit before tax of RM32.5 million in the previous quarter. Higher revenue in the previous quarter was mainly due to higher revenue recognition from the land reclamation. Lower profit before tax was recorded for the current quarter mainly due to the written down of property development costs of RM135.3 million. However, this was offsetted with favourable unrealised foreign exchange gain of RM19.1 million, reversal of impairment on rights-of-use assets of RM3.2 million and fair value gain on investment properties of RM112.4 million in the current quarter.

**3. Group's prospects**

The second project launch on Andaman Island Phase 1, called Arica has sold well since commencing sale in March 2023. We are encouraged by the enthusiastic response of buyers, an indication of our superior product offering at affordable pricing.

The hospitality segment continues to improve boosted by inbound tourism, both in Malaysia and in London.

We are finalising further project offerings in the coming months and target to have the next launch of landed houses by year end.

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

The Group did not issue any profit forecast/profit guarantee for the current financial year ended 31 March 2023.

**5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Comparative quarter ended	Current year ended	Comparative year ended
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	(1,607)	3,952	35,646	(16,106)
- in respect of prior years	9,921	(2)	(1,200)	(181)
Deferred tax	(12,077)	3,740	(30,234)	1,570
	<u>(3,763)</u>	<u>7,690</u>	<u>4,212</u>	<u>(14,717)</u>

The effective tax rate of the Group for the current financial year ended 31 March 2023 under review is lower than the statutory rate of 24% mainly due to certain income of the Group not subject to income tax and the recognition of deferred tax assets.

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

**6. Additional disclosures**

Included in the condensed consolidated statements of comprehensive income for the year are the following:

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2023 RM'000	Comparative quarter ended 31.03.2022 RM'000	Current year ended 31.03.2023 RM'000	Comparative year ended 31.03.2022 RM'000
Interest income	2,135	902	4,490	4,224
Net of reversal/(allowance) for expected credit losses on receivables	253	224	662	(641)
Interest expense	(5,558)	(4,849)	(23,655)	(25,928)
Depreciation and amortisation	(5,449)	(4,287)	(22,189)	(18,601)
Bad debts written off	(237)	(133)	(257)	(133)
Property, plant and equipment written off	(81)	(289)	(129)	(301)
Reversal of loss on right-of-use assets	3,167	45,845	3,167	45,845
Reversal of loss on property, plant and equipment	81	5	81	5
Property development costs (written down)/written back	(135,330)	702	(135,330)	702
Unrealised gain/(loss) on foreign exchange	19,134	(13,783)	(7,581)	(23,180)
Net gain on disposal of property, plant and equipment	-	341	143	534
Gain from fair value adjustment of investment properties	112,363	80,779	112,363	80,779
Unwinding of discounts - net	688	466	1,715	1,319
Fair value gain on other investments	-	-	-	8,518

**7. Status of Corporate Proposals**

- a) Corporate proposal announced but not completed as at 24 May 2023.

On 28 March 2023, Kamunting Management Services Sdn Bhd, an indirect wholly-owned subsidiary of E&O, had entered into a Share Sale Agreement ("SSA") with a third party for the acquisition of the remaining 40% of the issued share capital in E&O-PDC Holdings Sdn Bhd, comprising of 14,000 ordinary shares for a total purchase consideration of RM46,950,000 which will be satisfied in cash.

As at 3 May 2023, all the conditions precedent to the SSA had been fulfilled and the sale is expected to be completed by August 2023.

- b) Utilisation of proceeds from corporate proposals as at 24 May 2023:

- (i) The First Tranche of RM1.3 billion Sukuk Murabahah

The cash proceeds from the Sukuk Murabahah were utilised as follows:

	Proposed utilisation RM'000	Utilised to date RM'000	Deviations* RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation
Loan repayment, development cost, infrastructure costs on STP2A, working capital	750,000	630,100	4,307*	124,207	Within 42 months
Reclamation cost of STP 2B & 2C, working capital	200,000	43,000	-	157,000	Within 42 months
Repayment of intercompany amount	170,000	170,000	-	-	
Payment of land premium	180,000	175,693	(4,307)*	-	
	<u>1,300,000</u>	<u>1,018,793</u>	<u>-</u>	<u>281,207</u>	

\* All land premium have been fully paid. The balance of RM4.307 million will be utilised for infrastructure costs on STP2A.

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

**7. Status of Corporate Proposals (cont'd)**

b) Utilisation of proceeds from corporate proposals as at 24 May 2023 (cont'd):

(ii) 3.8% Irredeemable Convertible Unsecured Loan Stocks 2023/2028 ("ICULS")

The cash proceeds from ICULS were utilised as follows:

	<b>Proposed utilisation RM'000</b>	<b>Utilised to date RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation</b>
Funding for existing and future projects	220,000	-	220,000	Within 36 months
Working capital	34,864	(105)	34,759	Within 24 months
Estimated expenses in relation to the Rights Issues of ICULS	900	(900)	-	Immediate
	<u>255,764</u>	<u>(1,005)</u>	<u>254,759</u>	

**8. Group Borrowings**

a) The Group borrowings were as follows:-

	<b>As at 31.03.2023 RM'000</b>	<b>As at 31.03.2022 RM'000</b>
Short Term - Secured		
- Revolving credit	175,000	40,000
- Term loan	64,885	36,368
- Obligations under finance leases	48	46
- Sukuk Murabahah	129,794	-
	<u>369,727</u>	<u>76,414</u>
Long Term - Secured		
- Revolving credit	-	50,000
- Term loan	229,888	221,068
- Obligations under finance leases	33	82
- Sukuk Murabahah	879,451	835,807
	<u>1,109,372</u>	<u>1,106,957</u>
	<u>1,479,099</u>	<u>1,183,371</u>

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

Short Term Term Loan - Secured		
Denominated in Pound Sterling (£'000)	6,644	2,847
Long Term Term Loan - Secured		
Denominated in Pound Sterling (£'000)	4,190	10,768
	<u>10,834</u>	<u>13,615</u>

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

**9. Material Litigation**

There were no material litigation which affect the financial position or business of the Group as at 24 May 2023.

**10. Dividend**

The Board of Directors do not recommend any dividend for the financial year ended 31 March 2023.

**11. Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2023	Comparative quarter ended 31.03.2022	Current year ended 31.03.2023	Comparative year ended 31.03.2022
<b>a) Basic earnings per share</b>				
Profit attributable to owners of the parent (RM'000)	16,091	79,023	44,545	63,760
Weighted average number of ordinary shares in issue (unit '000)	1,458,154	1,451,146	1,452,898	1,439,598
Basic earnings per share for the year (sen)	1.10	5.45	3.07	4.43
<b>b) Diluted earnings per share</b>				
Profit attributable to owners of the parent (RM'000)	16,091	79,023	44,545	63,760
Weighted average number of ordinary shares in issue (unit '000)	1,458,154	1,451,146	1,452,898	1,439,598
Effect of dilution of ICULS (unit '000)	1,067,334	-	1,067,334	-
Diluted earnings per share for the year (sen)	0.64	5.45	1.77	4.43

BY ORDER OF THE BOARD

Chow Wai Sum  
Company Secretary

Kuala Lumpur  
31 May 2023