E&O

EASTERN & ORIENTAL BERHAD

ANNUAL REPORT 2009

About The E&O Group

Eastern & Oriental Berhad *(collectively referred to as 'The E&O Group' or 'E&O')* is listed on the Main-board of Bursa Malaysia. The Company has interests in three core business activities; namely hospitality and lifestyle, property development and property investment.

E&O undertook the meticulous refurbishment and upgrading of the heritage **Eastern & Oriental Hotel** (E&O Hotel) as well as **Lone Pine Hotel** in the late 1990s. Since it was established by the Sarkies Brothers in 1885, E&O Hotel has charmed travellers from near and far, creating a reputation to match its sister hotels – The Raffles, Singapore and The Strand, Rangoon – also founded by the Sarkies. Lone Pine Hotel is the oldest beach hotel, established in 1948, along Penang Island's famed tourist strip of Batu Ferringhi. There are ongoing efforts to capitalise on the hotel management expertise currently available, and extend this service to enable the Group to eventually manage a portfolio of hotels and resorts within Malaysia as well as around the region.

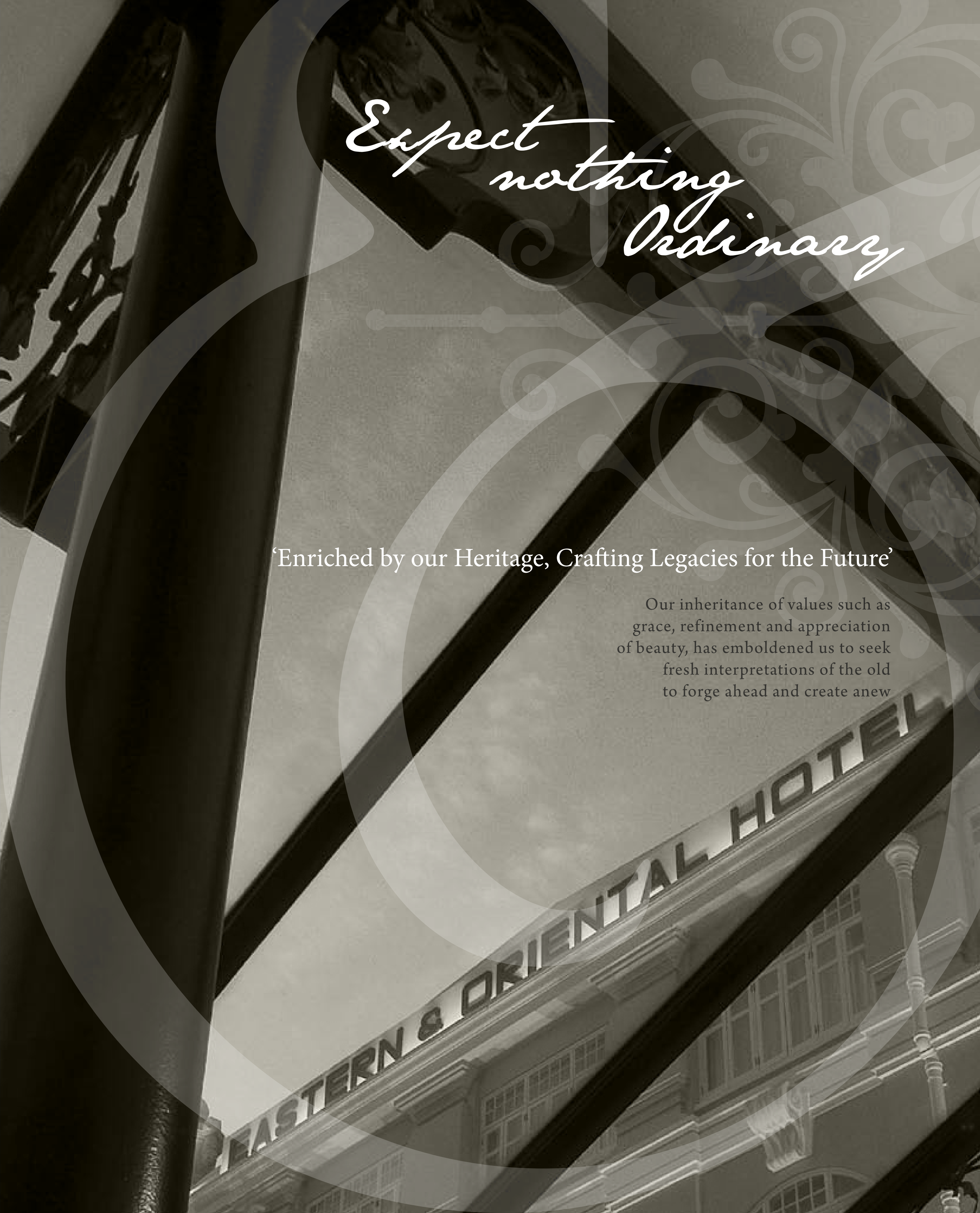
Recently, E&O embarked on a new food and beverage (F&B) venture, via the acquisition of a substantial stake in **The Delicious Group**, which currently operates a total of seven restaurants within the Klang Valley. With F&B to be closely linked to lifestyle in the larger mindset, synergies are evident in strategic positioning of Delicious restaurants in the prime commercial/retail properties which E&O will retain, providing cuisines that are in line with the lifestyle of its urban developments.

E&O Property Development Berhad (E&OProp) is the property development arm of E&O. Prior to the formation of E&OProp, E&O undertook several prestigious property projects within Kuala Lumpur. Along Jalan Ampang's Embassy Row, E&O completed residential developments such as Sri Se-Ekar and 202 Desa Cahaya (202 DC), whilst at nearby Kampung Warisan, Malaysia's celebrated cartoonist Datuk Lat successfully conceptualised a traditional Malay village ambience within the heart of the capital.

Presently, E&OProp focuses on building premium homes within prime locations of Klang Valley and on Penang Island. E&OProp has completed the high-end condominium Dua Residency, located within the vicinity of the Kuala Lumpur City Centre (KLCC) as well as Idamansara, located in Kuala Lumpur's highly prized residential address of Damansara Heights. Seventy Damansara is another one of E&OProp's signature development with 12 exclusive detached homes within a gated and guarded community. On Penang Island, the masterplan seafront development Seri Tanjung Pinang is situated minutes from Millionaires' Row of Gurney Drive, underpinning E&OProp's consistent business strategy of focusing on development in prime areas where demand is prevalent.

The newly-established Property Investment division's core mandate is the acquisition of select landbanks and properties that provides E&O with steady, recurring income flow and opportunities for capital appreciation in the longer term.

hospitality & lifestyle ▪ property development ▪ property investment



Expect nothing Ordinary

'Enriched by our Heritage, Crafting Legacies for the Future'

Our inheritance of values such as grace, refinement and appreciation of beauty, has emboldened us to seek fresh interpretations of the old to forge ahead and create anew

10-YEAR GROUP FINANCIAL HIGHLIGHTS

(RM'000)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
INCOME STATEMENTS										
Revenue	304,449	516,399	518,444#	270,301#	21,130	117,882	33,449	91,156	79,398	141,405
(Loss)/Profit before tax **	(38,124)	194,565	91,618#	12,536#	13,088	15,295	(34,821)	(25,679)	10,851	13,806
Taxation	6,067	(34,789)	(22,654)#	(2,332)#	1,174	(403)	(1,111)	(838)	(3,083)	(6,109)
(Loss)/Profit attributable to equity holders of the Company	(37,276)	128,854	61,178	23,058	15,341	20,553	(32,269)	(24,388)	8,779	7,697
Dividend - Net	-	27,563	4,700	3,201	3,348	1,674	1,674	2,511	2,592	2,592
BALANCE SHEETS										
Issued and Paid-up Capital	591,995	419,061	358,961	232,472	232,472	232,472	232,472	232,472	122,353	102,841
Weighted Average Number of Stock units	666,211	532,804	415,252	221,715	229,384	232,472	232,472	222,274	106,850	102,841
Shareholders' Fund	814,371	729,686	606,733	347,121	388,171	391,816	373,515	405,894	374,098	324,286
RATIOS										
Net (Loss)/Earnings per stock unit (sen)	(5.6)	24.2	14.7	10.4	6.7	8.8	(13.9)	(11.0)	8.2	7.5
Net Dividend per stock unit (sen)	-	3.70	2.92	1.4	1.4	0.7	0.7	2.1	2.5	2.5
Net Assets per stock unit attributable to equity holders of the Company (RM)	1.25*	1.55*	1.41*	1.55	1.77	1.69	1.61	1.75	3.06	3.15

* In view of the share buy back during the financial year, net assets per stock unit is computed based on the number of ordinary stock units in issue at:
- 31.3.2009 of 584,065,000
- 31.3.2008 of 416,531,000
- 31.3.2007 of 358,188,000

** Restated from FYE 1998 to FYE 2006 to include the Group's share of associates' tax.

In accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, Putrajaya Perdana Berhad was a disposal group held for sale and accordingly was classified as Discontinued Operation. The comparatives of the Discontinued Operation from FYE 2006 to FYE 2007 have been reclassified and restated accordingly.

contents

MESSAGE FROM OUR CHAIRMAN

To Our Valued Stakeholders,

During the last five years, the E&O Group has consistently invested in building our brand—and ensuring the delivery of the E&O brand promise—to customers, guests, purchasers and partners throughout our three core businesses of Property Development, Property Investment, Hospitality & Lifestyle.

This strategy has served the E&O Group well, even more so in these current times of economic adversity. Effects of the financial debacle emanating from the US and European sub-prime and banking crises are being felt globally, and in this challenging business environment, it is strong brands that are best positioned to survive and thrive.

It should be noted, however, that the present downturn in Malaysia is very different in nature to the Asian financial crisis of 1997. Malaysia's economic fundamentals are largely intact, and the erosion is due more so to the loss of confidence rather than any real destruction of wealth. As a result, a cautious "wait-and-see" approach has been generally adopted by investors and purchasers particularly in the real estate sector. The success of E&O's recent new launches at St. Mary Residences Kuala Lumpur and Ariza seafront terraces in Penang, is a testimony of healthy liquidity and that appetite for premier properties in prime locations by reputable developers remains strong.

"The recent launch of St. Mary saw strong take-up … testament of E&O's strong brandname and possible return of high-end demand."

DBS Vickers Research
(29 June 2009)

2009 marks the E&O Group's first year in operations as a single listed entity following the merger between E&O Berhad and E&O Property Development Berhad (E&OProp) on 8 August 2008. Not unexpectedly, results for the Group in a particularly volatile period have been tempered compared to the robust performance of previous years. Our FYE2009 financial results saw income recognition tapering off following the completion of our significant Klang Valley projects, as well as a one-off loss from the disposal of our joint-venture stake with Selangor Properties.

Proactively, the Group has reviewed its position and made a conscious decision to focus on pre-emptive balance sheet management where the priority is to increase cash flow and reduce gearing. By realigning development priorities and timing, re-evaluating products to meet changing market sentiment, E&O is continuing to drive earnings with the end goal of ensuring long-term value preservation. This prudent and pragmatic strategy also allows the E&O Group to emerge on a solid footing, enabling us to seize opportunities and capitalise on the next economic upcycle.

The regional property market, notably Singapore and Hong Kong, is already showing early signs of turnaround, with positive spillover effects for Malaysian real estate. E&O's two highly successful launches in mid 2009 are often cited as evidence of this emergent revival. Luxury service suites at St. Mary Residences in the vicinity of KLCC's Twin Towers, registered an impressive take-up rate of approximately 80% within two weeks of its soft launch. In Penang, there was overwhelming response at the fully sold-out launch of Seri Tanjung Pinang's Ariza seafront terraces, necessitating a ballot for the four most prime units that ultimately received 150 bids.

In addition to E&O's distinct brand premised on excellence, exclusivity and elegance, concentrating on developing premier properties in the most prime locations, the accomplishment in sales has been achieved with the support of the Malaysian government's new economic stimulus packages and liberalisation policies that have enhanced the investability of Malaysian properties and helped the country compete better internationally.

Specifically these measures include the abolishment of Foreign Investment Committee approvals for commercial acquisition by foreigners, raising the threshold amount for purchases by foreigners to RM500,000 as well as ensuring accessibility to financing. The market should also expect to benefit from the continued positive impact of the government's 2007 policy to abolish real property gains tax.

At E&O, our objectives are shaped by the need to balance business goals with the social obligations of a responsible corporate citizen. We strive to run our business in an ethical, responsible and sustainable manner to continually uphold the interests of our stakeholders, community and the environment.

With the historic E&O Hotel as our namesake and cornerstone of the Group's hospitality arm, and UNESCO's inscription of George Town as a World Heritage Site in July 2008, it was consistent for our corporate social responsibility (CSR) programmes to support the heritage, culture and arts platform. At the inaugural launch of Penang Cultural Fest 2008 held at the E&O Hotel's Grand Ballroom, officiated by both the Governor and Chief Minister of Penang, E&O Hotel was recognised as a Penang heritage landmark, and its unique 124-year history captured in the specially commissioned book, "The E&O Hotel: Pearl of Penang". For its publication, E&O invested in many years of research and sourcing of images, documents and archival material to chronicle the remarkable history of Penang and its grand dame hotel. Complimentary copies were given to various academic institutions, museums and libraries as a reference for the benefit of future generations.

In concluding, I would like to express my appreciation to the E&O board of directors, as well as welcoming Mr. Thomas Teo representing GK Goh Holdings, our strategic major shareholder, who joined as a non-executive independent director in April 2009. Acknowledgement is also due to the Group's management team and staff who continue to drive the Group forward with their characteristic commitment and passion, being true ambassadors of the E&O brand.

As our achievements are accomplished with the help and trust of many, let me express on behalf of the E&O Group, our sincere gratitude that extends to our customers, shareholders, business and banking partners, regulatory authorities and the media for their support and confidence in us.

Datuk Azizan bin Abd Rahman
Chairman, Eastern & Oriental Berhad
August 2009

MANAGING DIRECTOR'S OPERATIONAL REVIEW

FINANCIAL PERFORMANCE

The financial year ended 31 March 2009 saw the Group registering revenue of RM304.4 million and a net loss of RM32.1 million, which was attributable to two one-off items namely losses amounting to RM20.0 million from the unwinding of our joint-venture in Puncak Madu Sdn Bhd as well as impairment losses on our investments amounting to RM10.2 million.

In terms of the financial performance of the Group's main business divisions, E&OProp continued to be the main earnings driver registering revenue of RM249.7 million. This was mainly attributable to the ongoing launches of properties at Seri Tanjung Pinang, the flagship masterplanned seafront development on Penang Island, as well as from sales of residual units at completed property projects in Klang Valley such as triplex penthouses at Dua Residency.

On the Hospitality and Lifestyle front, E&O Hotel achieved total revenue of RM23.6 million for the year ended 31 March 2009, and its occupancy rate for the year closed at 61.2% with an average room rate of RM529.50.

Lone Pine Hotel's revenue stood at RM4.8 million, for the year ended 31 March 2009, with average occupancy of 72.7%.

The Delicious Group of restaurants, which owns and manages the seven Delicious, D'lish and Reunion outlets within the Klang Valley recorded revenue of RM23.3 million.

E&O Group's emerging Property Investment arm registered gross profit of RM0.2 million. It is expected that contribution from this new division will be significantly enhanced in the subsequent financial years as E&O's serviced suites and commercial properties, such as those at Seri Tanjung Pinang, are fully operational.

"We view the rights issue positively as it would help strengthen E&O's balance sheet and cashflows ..."

DBS Vickers Research
(17 July 2009)

CORPORATE DEVELOPMENTS

Proposed Issuance of Irredeemable Convertible Secured Loan Stocks

On 26 May 2009, the Group announced a proposed fund-raising exercise via a renounceable rights issue of irredeemable convertible secured loan stocks (ICSLS) 2009/2019 on the basis of one new ICSLS for every two E&O shares held.

Under present conditions of global economic uncertainty, this exercise falls within the Group's pragmatic and prudent dual approach of preserving capital value and strengthening the balance sheet by increasing cash flow and lowering gearing. This strategy will allow the Group to focus on three main objectives going forward:

- Channeling resources to target **key earning drivers**, such as development funding of ready-to-market and strongly-branded E&O products in prime locations
- **Funding of acquisitions and expansion**, by capitalising on positive opportunities arising in the next economic upturn through potential strategic partnerships
- **Enabling a position of preparedness**, by generating sufficient working capital and timely fulfillment of financial obligations

The proposed rights issue exercise is expected to be completed by the third quarter of 2009, subject to obtaining all necessary approvals from regulatory authorities, E&O shareholders and E&O ICULS holders.

Disposal of Assets

On 25 March 2009, E&O Berhad completed the disposal of its entire interest in Puncak Madu Sdn Bhd to Damansara Developments Sdn Bhd, owned via E&O Berhad subsidiaries Galaxy Prestige Sdn Bhd and Major Liberty Sdn Bhd. The disposal enabled the Group to realize cash resources from the refund of shareholder's advance to Puncak Madu Sdn Bhd amounting to RM56 million. This amount was subsequently deployed to other productive projects and investments to maximize returns for the Group.

OPERATIONAL REVIEW

Property Development

In the financial year under review, E&O Prop launched several subsequent phases at its masterplanned seafront development, Seri Tanjung Pinang. This included the final block of Acacia 3-storey semi-detached homes, serviced Suites at Waterside and Ariza seafront terrace homes. Despite dampened economic sentiment, these launches received overwhelming response in sales take-up, reflecting the continued confidence in E&O and delivery of its brand promise.

With the Ariza seafront terraces, where 28 of the 32 units launched on 10 July 2009 were snapped up within hours of launch, a new Penang average price benchmark of RM1.1 million for terrace homes was achieved.

June 2009 saw the much-anticipated initial launch of St. Mary Residences in Kuala Lumpur, E&O's joint venture development with the Lion Group. Its debut marked the first significant new launch of a luxury property in the KLCC vicinity since the onset of the global financial turmoil. Given the highly successful take-up rate of approximately 80% for the 169 units at the initial launch of the first block, E&OProp will be proceeding with subsequent launches of the second tower at St. Mary to both local and regional target markets in the third and final quarters of 2009.

The success of E&OProp's recent launches at St. Mary and Ariza seafront terraces confirm that buying interest and investor appetite remain for quality products in prime locations by reputable developers. By being firmly positioned in this premier niche and taking deliberate care in staying innovative and providing value to purchasers, E&OProp is confident that future launches will be equally well-received. Most notably, there is already registration of keen interest in the first phase of Seri Tanjung Pinang's seafront condominiums, targeted for launch by the final quarter of 2009. A total of seven condominium towers span across 21 acres of freehold land, with an unprecedented nine acres devoted to landscaped pools and recreational areas. The condominium units range from 1-bedroom to 6,600 square feet (sq ft) penthouses, boasting magnificent views of the Gurney Drive skyline and direct access via a seafront promenade to the marina and retail precincts at neighbouring Straits Quay.

"We thought Seri Tanjung Pinang homes were so much better than anything else we saw in Malaysia. I have stayed in the UK and France. This is so far the best."

Thomas Alexander Craig Cameron, Seri Tanjung Pinang resident and Malaysia My Second Home programme participant, comments in The Star, "Prime Terraces", (1 August 2009)

01 Idamansara
02 Seventy Damansara
03 St Mary Residences

E&O PROPERTY DEVELOPMENT BERHAD - DEVELOPMENT PROJECT STATUS

Dua Residency

Type	20-storey Condominiums (2 Towers)
Location	Jalan Tun Razak, Kuala Lumpur
Description	Built-up of ~2,000 sq ft to ~6,000 sq ft
Units	288
Launch Date	April 2004
Status	Completed in April 2007

- Situated in the vicinity of the Kuala Lumpur City Centre (KLCC), home to the capital's iconic Twin Towers
- Bold, modern design of single, duplex and triplex unit layouts, featuring private lifts for selected units
- Rooftop entertainment deck and jacuzzi in penthouse triplexes offering unsurpassed views of the Kuala Lumpur skyline
- Set amongst 4.5 acres, one of the lowest density high-rise developments in this prominent locale with an entire acre devoted to landscaped pools, gardens and recreation areas
- Concierge reception at each tower lobby, meeting and reading rooms, children's playground and playroom, gymnasium and sauna facilities

Seventy Damansara

Type	3-storey Detached Homes
Location	Damansara Heights, Kuala Lumpur
Description	Built-up of ~5,600 sq ft to ~7,000 sq ft
Units	12
Launch Date	January 2006
Status	Completed in January 2006

- Nestled in the premium address of Damansara Heights, neighbouring the former official residence of the Prime Minister of Malaysia
- An oasis of 12 exclusive units of detached homes within a 2.4 acre development
- Unparalleled privacy within a gated-and-guarded environment, surrounded by mature greenery
- Contemporary tropical design with individual infinity pools in every home

Idamansara

Type	3-storey Semi-Detached and Detached Homes
Location	Damansara Heights, Kuala Lumpur
Description	Semi-detached: Built-up of up to ~4,500 sq ft to ~4,700 sq ft Detached: Built-up of ~5,000 sq ft
Units	91 (82 semi-detached and 9 detached homes)
Launch Date	May 2006
Status	Completed in June 2007

- Located in Kuala Lumpur's premier residential address of Damansara Heights, Idamansara is unique in having two separate approach routes for enhanced accessibility
- Generous landscaping and well-designed streetscapes within a gated-and-guarded environment
- Soothing water courts in every semi-detached, and lap pools in every detached home
- Common swimming pool, gym and children's playground for all residents to enjoy

St Mary Residences (Launch 1)

Type	28-storey Serviced Apartments
Location	Jalan Tengah, Kuala Lumpur
Description	1 Bedroom: Built-up of ~1,135 sq ft 2 Bedroom: Built-up of ~1,453 sq ft 3 Bedroom: Built-up of ~2,269 sq ft Penthouses: Built-up of ~4,073 sq ft to ~6,704 sq ft
Units	169
Launch Date	June 2009 (East Tower)
Status	Completing 2012

- Stylish New York-inspired metropolitan suites in the heart of the city
- Strategic location ideal for urban professionals and expatriates who choose to live, work and play within KL's vibrant capital
- Street-fronting retail podium, a resident's only clubhouse and 1.2 acre central park provides facilities and conveniences at the doorstep
- Complemented by services offered by E&O Hospitality, a complete city-lifestyle experience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Seri Tanjung Pinang

- Penang Island's largest and most exciting seafront development, creating a revitalised waterfront lifestyle for an isle fondly known as the *'Pearl of the Orient'*

- Seri Tanjung Pinang features a headland and multi-island concept spanning over 980 acres

- Its prime seafront location at Tanjung Tokong is minutes away from the commercial and retail hub of Gurney Drive and with the popular tourist beach resorts at Batu Ferringhi just further along the coast

- E&OProp has completed reclamation works for Phase One of 240 acres which will introduce landscaped parks and seafront promenades set amidst a guarded community of luxury seafront villas, semi-detached and courtyard terrace homes, condominiums, service apartments, as well as low and medium-cost apartments. Its commercial and retail precincts surround a vibrant pleasure marina offering exciting F&B outlets, shops, entertainment and sporting facilities

- In planning, Seri Tanjung Pinang Phase Two of 740 acres will see a cluster of islands emerging offshore, linked via a series of bridges to Phase One

- In its totality, Seri Tanjung Pinang will embrace a range of residential, commercial, recreational and leisure properties within an integrated masterplanned development

Ariza (Launch 1)

Type	2 ½-storey Courtyard Terraces
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~3,300 sq ft to ~3,800 sq ft
Units	97
Launch Date	October 2005
Status	Completed in December 2006

Ariza Duo (Launch 2)

Type	2 ½-storey Courtyard Terraces
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~3,300 sq ft to ~3,800 sq tf
Units	160
Launch Date	November 2006
Status	Completed in September 2007

Ariza Seafront (Launch 3)

Type	2 ½-storey Seafront Terraces
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~3,200 sq ft
Units	32
Launch Date	July 2009
Status	Completing in July 2011

- A modern interpretation of the original Straits Eclectic-style townhouse which grace the heritage quarters of Georgetown
- The uniform external façade provides symmetry in streetscape while offering variations in ground floor layouts
- All terrace homes come with an airy internal courtyard and sunny roof deck
- Unlike conventional terraces, pleasant rows of landscaped green separate the homes, so that children can safely play in a gated common garden
- Manned guard posts at main access roads act as security checkpoints
- Given their premier location by the waterfront, the seafronting terraces have been further upgraded with designer kitchens, fully fitted with appliances, teak floor, marble master bathroom, air-condition units, hot water to bathrooms and the dry kitchen as well as an intercom system to the guardhouse

01-02 Avalon Semi-Detached Homes
03 Acacia Semi-Detached Homes

Avalon (Launch 1)

Type	3-storey Semi-Detached Homes
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~4,000 sq ft
Units	92
Launch Date	June 2006
Status	Completed in December 2007

Acacia (Launch 2)

Type	3-storey Semi-Detached Homes
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~4,000 sq ft
Units	58
Launch Date	April 2007
Status	Completed in April 2009

Acacia (Launch 3)

Type	3-storey Semi-Detached Homes
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~4,000 sq ft
Units	36
Launch Date	April 2008
Status	Completing in 2Q 2010

Acacia (Launch 4)

Type	3-storey Semi-Detached Homes
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~4,000 sq ft
Units	28
Launch Date	November 2008
Status	Completing in 2Q 2010

- In its size and spaciousness, Seri Tanjung Pinang's semi-detached homes have the sense of grandeur more akin to a bungalow residence
- Located in separate precincts, homes come in two designs, one to suit the traditional-at-heart, and another for those who prefer a contemporary look
- *Avalon's* external design shows a touch of colonial influence, with a colour palette similar to the E&O Hotel and features traditional gabled red roof tiles, large overhang eaves and verandahs
- *Acacia* displays a modern elevation with clean linear forms, a style increasingly employed in new tropical architecture in Singapore and Bangkok
- Guarded community with utilities laid underground, ensuring safe and clean streetscapes

Bungalow Parcels

Location	Seri Tanjung Pinang, Penang Island
Description	Land parcels ranging from ~5,800 sq ft to ~19,800 sq ft
Units	48
Launch Date	February 2006
Status	Completed in March 2007

- An opportunity to own prime seafronting land to build one's own dream home
- Dedicated entrance to a private and guarded estate
- Lush landscaping, concealed utilities and well-managed grounds


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01 Serviced Suites at Waterside
02-03 Skye Villa-by-the-Sea

Suites At Waterside (Launch 1)

Type	1 and 2-bedrooms Serviced Residences
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~850 sq ft to ~1,800 sq ft
Units	160
Launch Date	July 2007
Status	Completing in 3Q 2010

Suites At Waterside (Launch 2)

Type	1 and 2-bedrooms Serviced Residences
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~1,025 sq ft to ~2,255 sq ft
Units	24
Launch Date	August 2008
Status	Completing in 3Q 2010

Suites At Waterside (Launch 3)

Type	1 and 2-bedrooms Serviced Residences
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~1,008 sq ft to ~2,753 sq ft
Units	33
Launch Date	August 2009
Status	Completing in 3Q 2010

- Considered the most luxurious serviced apartments to be introduced to Penang, with the option of a full range of hotel-style, pay-on-demand services such as housekeeping, concierge and F&B that are hallmark of E&O hospitality
- Built around the Waterside at Seri Tanjung Pinang, residents enjoy direct access to the retail marketplace with the pleasure marina and waterfront promenade at its doorstep
- The Suites have 24-hour security and operates a card access system, comes fully equipped with stylish designer kitchens, and fitted with wardrobes, lightings and air conditioning units
- Leisure facilities on the rooftop include swimming pools, fully-equipped gym and tennis court

Skye

Type	3-storey Villas-by-the-Sea
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~5,190 sq ft to ~5,280 sq ft
Units	20
Launch Date	December 2007
Status	Completed in April 2009

Abrezza

Type	3-storey Villas-by-the-Sea
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~5,330 sq ft
Units	16
Launch Date	December 2007
Status	Completed in April 2009

Martinique

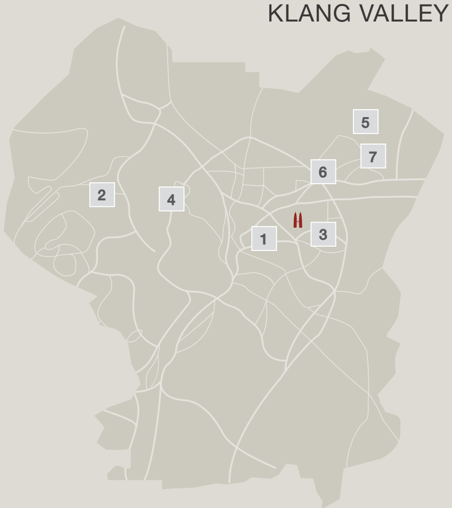
Type	2-storey Villas-by-the-Sea
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~9,040 sq ft
Units	4
Launch Date	December 2007
Status	Completed in April 2009

- Exquisite villas provide discerning homeowners with a haven of privacy, relaxation and tranquility, set in modern tropical and Caribbean-inspired architectural themes
- Spread over 15 acres and offering spectacular views of the sea, three different villa design concepts are named after the style it evokes - *Martinique, Abrezza and Skye*
- Unique layouts encourage interaction between the indoors and outdoors with generous window openings, high ceilings, spacious terraces and verandahs
- In a secure, guarded environment and with approximately 750 metres of frontage facing the Straits, villa residents enjoy the luxury of a private gated seafront walkway

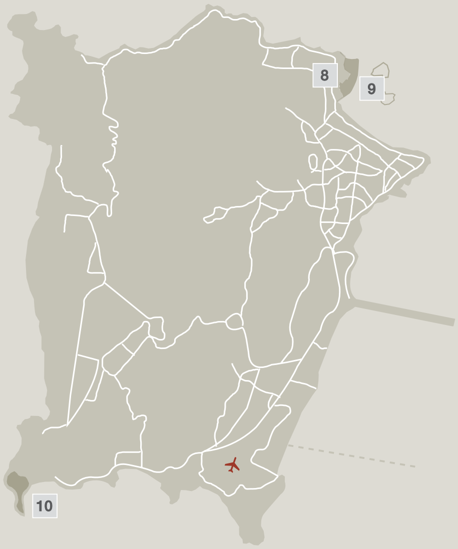
E&O PROPERTY DEVELOPMENT BERHAD – LIST OF LANDBANKS

LANDBANKS	EQUITY INTEREST (%)	LAND SIZE (acres)
KLANG VALLEY		
1. St. Mary's Land at Jalan Tengah, Kuala Lumpur (JV with The Lion Group)	50	4.1
2. Jalan Teruntung, Damansara Heights, Kuala Lumpur	100	3.9
3. Jalan Conlay, Kuala Lumpur	100	1.4
4. Jalan Gallagher, Bukit Tunku (Kenny Hills), Kuala Lumpur	100	3.0
5. Kemensah Heights, Ulu Kelang (Ampang area), Kuala Lumpur	88	309.5
6. Jalan Tun Razak (Off Jalan Yap Kwan Seng), Kuala Lumpur	100	0.9
7. Ukay Heights, Ulu Kelang (Ampang area), Kuala Lumpur	100	9.4
		332.2
PENANG ISLAND		
8. Seri Tanjung Pinang – completed reclamation works on Phase One, currently under development	94	240.0
9. Seri Tanjung Pinang – remaining concession to reclaim up to 740 acres	78	740.0
10. Gertak Sanggul - Southwestern tip of Penang Island	100	365.0
		1,345.0
GRAND TOTAL		1,677.2

KLANG VALLEY



PENANG ISLAND



01 Dua Residency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Property Investment

The Property Investment division was formed to realise gains in capital appreciation over the medium-term from investments comprising residential units and commercial/retail space developed by the E&O Group. This enables the Group to nurture the concept realisation of E&O's properties over the longer term, and ensure the custodianship of the established E&O brand. With a target of RM1.0 billion in prime asset value over the next five years, the Property Investment arm will also benefit from sustained income streams from leased commercial and tenanted retail space.

- The retail annexe block, alongside E&O's Dua Residency condominium development within the vicinity of the Kuala Lumpur City Centre (KLCC) began operations in 2008. Dua Annexe is now a lifestyle-driven boutique complex of niche retail, F&B and service outlets catering to Dua Residency residents as well as the surrounding affluent community. Occupying approximately an acre of land fronting Jalan Tun Razak and directly opposite the US Embassy, Dua Annexe has approximately 25,000 sq ft in net floor area, housed in a 3-storey modern glass and steel cube structure.

- Other identified properties within E&O's Property Investment division include:

  - **Retail Podium at St. Mary Residences, Kuala Lumpur**
    St. Mary Residences will have a 2-storey 34,000 sq ft street-fronting retail annexe at the central podium, presenting a collection of bistros and boutiques serving St. Mary's residents as well as the neighbouring office crowds.

  - **Commercial Tower at Jalan Tengah, Kuala Lumpur**
    Wholly-owned and developed by the E&O Group, a 35-storey commercial tower will meet strong demand for Grade A office space and its current limited supply within the city centre. The 1.15 acre land is situated immediately adjacent to St. Mary Residences, allowing a significant integrated commercial development of 5.28 acres when combined.

  - **Straits Quay at Seri Tanjung Pinang, Penang**
    Set upon 12 acres, Straits Quay is the upcoming festival retail destination that will be the 'must-visit' entertainment and recreation attraction on Penang Island. Set around a vibrant marina at the heart of Seri Tanjung Pinang, Straits Quay's 'Fun by the Sea' theme takes inspiration from San Francisco's Fisherman's Wharf, capturing the activity and colour of international boating and waterfront communities. The spirit of the sea will be found throughout the array of alfresco cafes, seafood restaurants and wine bars, galleries, bazaars and boutiques catering to tourists and locals alike. In addition to the 300,000 sq ft marina retail complex, E&O will also manage the 217 units of serviced residences above the retail marina, called Suites at Waterside.

  - **Commercial Precincts at Seri Tanjung Pinang, Penang**
    Directly inland from Straits Quay lies 14 acres of freehold commercial land earmarked within the development masterplan. A 7-acre parcel is expected to be developed and leased to the major global retailer Tesco Stores, and a further seven acres in the same vicinity offers an ideal location for other commercial enterprises, tapping on Seri Tanjung Pinang's easy accessibility, ready infrastructure and catchment of higher income households that extends to surrounding districts.

01 Eastern & Oriental Hotel sea frontage
02 Lone Pine Hotel

Hospitality & Lifestyle

With the Group's pedigree borne from our namesake Eastern & Oriental Hotel, the Hospitality & Lifestyle division underpins the established cachet of elegance and exclusivity that is now synonymous with the E&O brand.

- Eastern & Oriental Hotel

The 100 all-suite E&O Hotel has reclaimed its position as Penang's premier luxury, hotel, and is cherished as a Penang heritage landmark. Its grand architecture, old world charm and grace of service are combined with the modern comforts and facilities expected of a 5-star establishment.

Entering its 124th year, this grand dame hotel of Asia demands continuous refreshment exercises in tandem with increasing room tariffs. This year, 58 deluxe suites were refurbished to ensure enhanced standards for hotel guests. The remainder suites will be upgraded in phases to minimise disruption to hotel operations and bookings.

Similarly, work to maintain interior and exterior spaces were also carried out, such as improved garden landscaping and redesigning of the lobby area. The 1885 restaurant was restyled and relaunched as Georgetown's most exclusive fine dining venue.

In line with current trends for strengthened security, measures for guests, patrons and employees were further bolstered via improved emergency procedures, occupational health and safety policies and the introduction of a closed-circuit television (CCTV) monitoring system.

E&O Hotel's staff-to-room ratio stood at 2.0, which is above the hospitality industry average of 1.6, and is a testament to our emphasis on personalised attention and meticulous service.

- Lone Pine Hotel

Lone Pine Hotel has been temporarily closed from April 2009 for renovation and expansion, during which time all existing staff are being retained and retrained. Upon full completion targeted for the third quarter of 2010, Lone Pine will see the number of rooms increased to 90 keys with enlarged pool, recreation areas, spa and restaurants. Every effort has been made to preserve Lone Pine's unique charm and character, particularly its signature casuarina trees, while elevating its hospitality offering to match its sister E&O Hotel.

- The Delicious Group

In October 2008, The Delicious Group opened its flagship restaurant at Dua Annexe, adjoining E&O's luxury condominium development, Dua Residency. The largest Delicious outlet at 4,700 sq ft, it is a popular all-day dining venue complete with a lounge and bar. Its bright and spacious interior has been captured in many media photo shoots, giving further publicity for hosting corporate and social events.

In December 2008, the D'lish cafe at Mid Valley Megamall was converted into a full service Delicious restaurant, largely in response to feedback from crowds and waiting lines experienced at its nearby Bangsar Village outlet. With F&B closely linked to urban lifestyles, synergies arise from the strategic positioning of Delicious Group outlets in E&O's prime commercial/retail properties, and future plans are in store to bring Delicious to Penang at Seri Tanjung Pinang's Straits Quay.

01

02

01

02

03

EASTERN & ORIENTAL HOTEL
www.e-o-hotel.com

- Established by the famed Sarkies Brothers in 1885, whose architectural landmarks include The Raffles in Singapore (1887), The Strand in Rangoon (1901) and Hotel Majapahit in Surabaya (1910).
- The only hotel in the heart of historic Georgetown possessing prime sea frontage, it stands as the grand dame of heritage hotels, its distinctive classic elegance and grace of service enhanced with time.
- Labelled "the premier hotel east of the Suez", it has welcomed celebrities such as Rudyard Kipling, Noel Coward, Douglas Fairbanks, Hermann Hesse and Somerset Maugham.
- In 2001, after major restoration and meticulous refurbishment to its original grandeur, E&O Hotel reopened to the public.
- Today, the luxurious 100 all-suite hotel continues to retain its colonial charm whilst offering all the modern comforts and amenities with round-the-clock butler service.
- Majority of suites look out onto the ornamental garden and swimming pool with views across the Andaman Sea.
- The Hotel's restaurants and bar have a celebrated reputation for serving an extensive menu ranging from Penang's local delicacies to European fine dining, while formal banquets and dances are hosted in the stately grand ballroom replete with viewing galleries.

LONE PINE HOTEL
www.lonepinehotel.com

- The first hotel built in 1948 along the famed beach of Batu Ferringhi, favoured by colonials and expatriates for summer seaside holidays.
- The only boutique hotel along the popular coastline, offering serenity and intimacy in an idyllic setting, yet a short stroll from the bustle and nightlife of the busy tourist belt.
- A further 40 sea-facing guestrooms will be added, bringing the total number of keys to 90 by end 2010.
- Complementing Lone Pine's relaxing atmosphere amidst lofty casuarinas trees and beachfront lawns, a wellness spa and gym will be introduced.
- In addition to leisurely all-day dining at The Bungalow, F&B options will include a second restaurant and poolside bar.

DELICIOUS
www.delicious.com.my

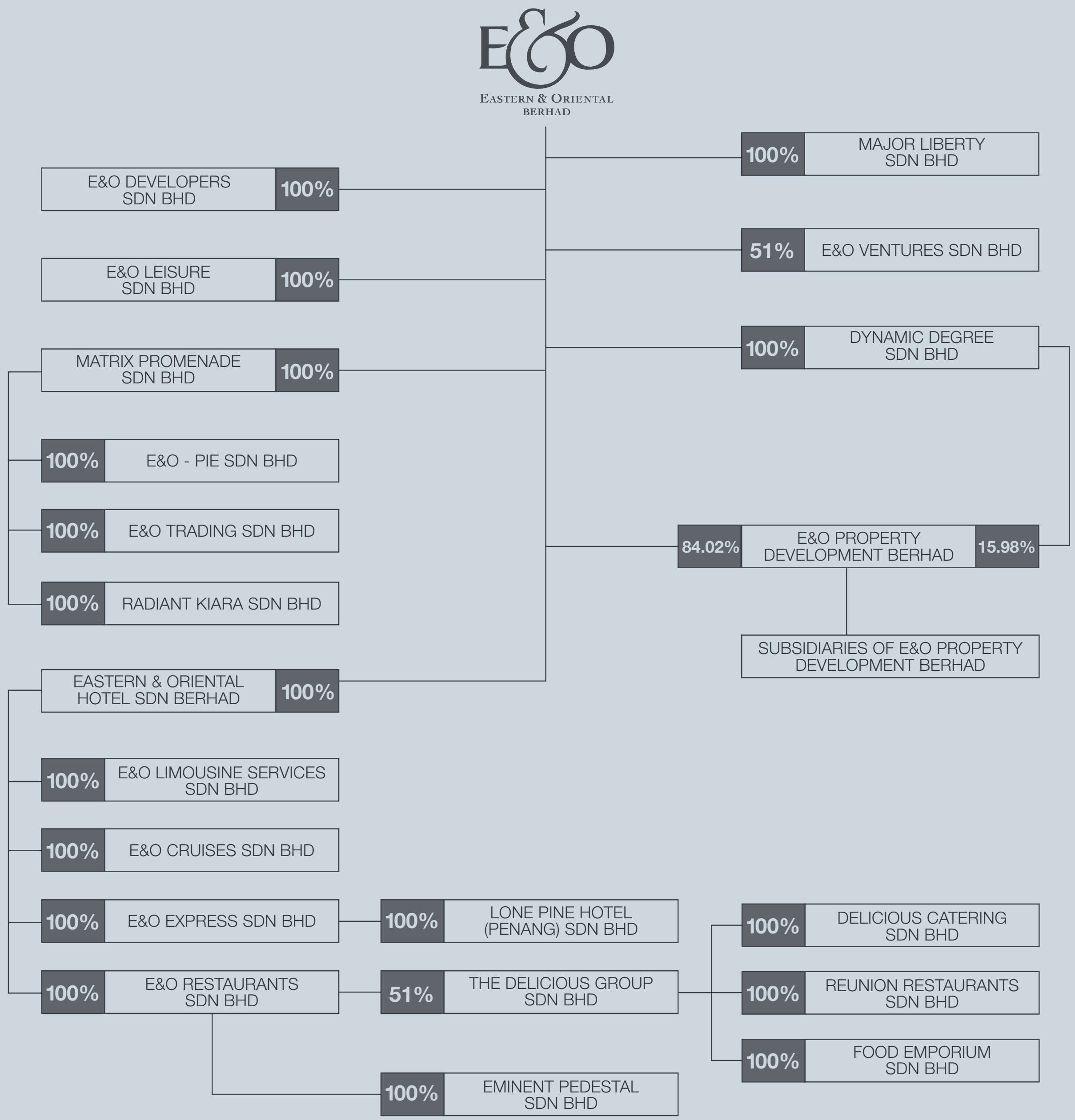
- Delicious began in 2004 with a small outlet in a busy suburban shopping mall, and quickly spread by word-of-mouth as a popular new venue that espoused 'affordable luxury' in family dining.
- Concept of hearty wholesome food using the freshest ingredients served in generous portions with a wide and varied menu of Western and Asian fare, and considered by many to offer the best cakes and desserts in town.
- Reputation for quality, presentation and value has led to a successful extension in catering for private functions and parties.

REUNION

- Opened in 2007, Reunion has garnered superb media reviews by restaurant critics, with positive endorsement for its predominately Cantonese cuisine and distinctive ambience.
- An impressive menu that spans across traditional Hong Kong-style roasts and dishes to accompany rice and noodles, lunch-time dim sum – an assortment of delectable dumplings served in bamboo baskets, to elaborate 12-course banquets in private dining rooms.
- Reunion is named after the cornerstone family tradition of gathering at Chinese New Year eve for a reunion dinner – a symbolic act that signifies the value of relationships, which can now be celebrated year long with families, friends and colleagues.

GROUP CORPORATE STRUCTURE 2009

AS AT 28 JULY 2009



CORPORATE INFORMATION

DIRECTORS
Datuk Azizan Bin Abd Rahman *Chairman*
Dato' Tham Ka Hon *Managing Director*
Mr Chan Kok Leong *Executive Director*
Mdm Kok Meng Chow *Finance Director*
Datuk Henry Chin Poy Wu
Encik Kamil Ahmad Merican
Mr Vijeyaratnam a/l V. Thamotharam Pillay
Mr Christopher Martin Boyd
Mr Teo Liang Huat Thomas

COMPANY SECRETARY
Ang Hong Mai (MAICSA REG No. 0864039)

MAIN BANKERS
AmBank (M) Berhad
Affin Bank Berhad
Alliance Bank Malaysia Berhad
EON Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
The Bank of Nova Scotia Berhad

AUDITORS
Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000 Fax: 03-2095 9076

REGISTRAR
Metra Management Sdn Bhd
30.02, 30th Floor, Menara Multi-Purpose
Capital Square
No 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2698 3232 Fax: 03-2694 8571

REGISTERED OFFICE
Level 3A (Annexe)
Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2095 6868 Fax: 03-2095 9898

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

WEBSITE
www.easternandoriental.com

DIRECTORS' PROFILE

1. Datuk Azizan bin Abd Rahman

YBhg Datuk Azizan bin Abd Rahman, a Malaysian, aged 59 was appointed as Independent Non-executive Director/ Chairman of Eastern & Oriental Berhad on 6 November 2003. He is a member of the Audit Committee and Nomination Committee. Datuk Azizan started his career as a Shipping Executive in Harper Gilfillan (M) Sdn Bhd after graduating from University of Malaya in 1973 with a degree in Bachelor of Arts. In 1975, he joined Pernas MISC Shipping Agencies Sdn Bhd as its first Branch Manager in the new Johor Port. He later became Penang Branch Manager and MISC Marketing Manager in Kuala Lumpur. In 1981, he was attached to Panocean Tankers Limited in London in their Chartering Department.

He left MISC to join JF Apex Securities Berhad in 1982 as Director and shareholder and launched his career in stockbroking and finance. As a stockbroker, he was an active member of the stockbrokers fraternity and had held the post of President of the Association of Stockbroking Companies of Malaysia until he left the industry.

Datuk Azizan brought with him vast experience in stockbroking and corporate finance. He joined the MBf Group in 2000 and currently is a Director of MBF Holdings Berhad. He is the Executive Chairman of Isyoda Corporation Berhad, Chairman of Gefung Holdings Berhad and Ramunia Holdings Berhad. He is also a Director of Apex Equity Holdings Berhad and TH Plantations Berhad. Datuk Azizan is also the Chairman of the Investment Panel of Lembaga Tabung Haji.

Datuk Azizan has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

2. Dato’ Tham Ka Hon

Dato’ Tham Ka Hon, a Malaysian, aged 56 was appointed a Director and Managing Director of Eastern & Oriental Berhad on 16 May 1994. He also currently sits on the Board and is Managing Director of E&O Property Development Berhad.

Dato’ Tham started his career as a Trainee Actuary with American International Assurance in Kuala Lumpur. Since 1980, his experience and expertise in property development and investment saw the highly profitable completion of Bandar Sri Damansara, when heading the property division at Land & General Berhad.

In 1994, Dato’ Tham took over Jack Chia Enterprise Berhad which was later renamed Eastern & Oriental Berhad, responsible for several prestigious residential developments within Kuala Lumpur city centre such as 202 Desa Cahaya, Kampung Warisan and Sri Se-Ekar. He also spearheaded the restoration and refurbishment of two historic hotels on Penang island – the heritage 124-year old E&O Hotel in George Town and Lone Pine Hotel along Batu Ferringhi.

Dato’ Tham and his wife are both substantial shareholders of the Company. Other than as disclosed above, Dato’ Tham is not related to any Director and/or other major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

3. Datuk Henry Chin Poy Wu

Datuk Henry Chin Poy Wu, a Malaysian, aged 72, was appointed to the Board of Eastern & Oriental Berhad as an Independent Non-executive Director on 15 April 1994. Thereafter, he was appointed as Senior Independent Director on 28 July 2003. He is the Chairman of the Audit Committee and Risk Management Committee and is a member of the Nomination Committee. Currently, he also sits on the Board of JT International Berhad, Glenealy Plantations (Malaya) Berhad and Hap Seng Consolidated Berhad.

Datuk Henry spent over 38 years of his career with The Royal Malaysian Police and was holding the position of Chief of Police, Kuala Lumpur when he retired in 1993 from government service. After his retirement, Datuk Henry continues to be actively involved in community services working for the benefit of education and welfare, and is a Board member of University Malaysia Sabah and a member of the Sabah State Pardon Board.

Datuk Henry has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

4. Encik Kamil Ahmad Merican

Encik Kamil Ahmad Merican, a Malaysian, aged 59, a Non-independent Non-executive Director was appointed to the Board of Eastern & Oriental Berhad on 26 April 1999. He is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee. Currently, he also sits on the Board of E&O Property Development Berhad and he is the Chairman of Fututech Berhad.

Encik Kamil graduated in Architecture from Universiti Teknologi Malaysia and the Architectural Association in London. He has worked in various architectural firms in London and Malaysia and possesses vast experience in the architectural field. He is currently the Chief Executive Officer of GDP Architects Sdn Bhd. He has been an external examiner for Universiti Teknologi Malaysia and Universiti Malaya for the past 11 years.

Encik Kamil has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

5. Mr Chan Kok Leong

Mr Chan Kok Leong, a Malaysian, aged 39, was appointed Executive Director of Eastern & Oriental Berhad on 11 May 2006. He is a member of the Remuneration Committee and Option Committee. Mr Chan is also the Executive Director of E&O Property Development Berhad. Currently, he also sits on the Board of Fututech Berhad.

Mr Chan holds a Master in Business Administration from Institut Superieor de Gestion, Paris. He is also a member of the Malaysian Association of Certified Public Accountants.

He started his career in 1989 with KPMG Peat Marwick in its audit division culminating as a Team Leader. In 1996, he joined RHB Sakura Merchant Bankers as Assistant Manager – Corporate Finance. He later joined Danaharta Nasional Berhad in 1998 as a pioneer member of the Corporate Finance team. In 2000, Mr Chan moved on to BNP Paribas as Associate Director, where he was part of the core team in the initiation of the Malaysian investment banking unit. In 2002, he joined Newfields Advisors Sdn Bhd and became Acting Managing Director. The company is licensed by the Securities Commission to provide investment advisory services in Malaysia. In May 2003, he joined E&O Property Development Berhad as Director – Corporate & Investment. He has more than 20 years experience in audit, corporate finance and financial investment.

Mr Chan has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

6. Mr Vijeyaratnam a/l V. Thamotharam Pillay

Mr Vijeyaratnam a/l V. Thamotharam Pillay, a Malaysian, aged 57, an Independent Non-executive Director was appointed to the Board of Eastern & Oriental Berhad on 28 July 2003. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr Vijeyaratnam is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He has more than 29 years post qualifying experience covering auditing, financial planning, general management and corporate advisory. He is currently the Managing Director of his own consultancy firm.

Currently, Mr Vijeyaratnam also sits on the Board of Multi-Purpose Holdings Berhad, Bandar Raya Developments Berhad, Fututech Berhad and Mieco Chipboard Berhad.

Mr Vijeyaratnam has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

7. Madam Kok Meng Chow

Madam Kok Meng Chow, a Malaysian, aged 49 was appointed to the board of Eastern & Oriental Berhad as Finance Director on 11 August 2008. She is a member of the Risk Management Committee and Option Committee. She is also the Finance Director of E&O Property Development Berhad.

Madam Kok holds a Bachelor of Economics (Accounting) degree from the Monash University of Australia. She is a member of the Malaysian Institute of Accountants, the Institute of Chartered Accountants, Australia, as well as a certified member of the Financial Planning Association of Malaysia.

Madam Kok has more than 25 years working experience, both local and in Australia, covering auditing, finance and accounting.

Madam Kok has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

8. Mr Christopher Martin Boyd

Mr Christopher Martin Boyd, a British citizen with permanent residence in Malaysia, aged 62, a Non-independent Non-executive Director was appointed to the Board of Eastern & Oriental Berhad on 11 August 2008. He is a member of the Risk Management Committee. Mr Boyd is a Fellow of the Royal Institution of Chartered Surveyors and the Institution of Surveyors (Malaysia). He is also a member of the Singapore Institute of Surveyors and Valuers and an Associate of the Australian Property Institute. Formerly, a partner of Jones Lang Wootton Malaysia from 1974 to 1981; a Director of Jones Lang Wootton Singapore from 1981 to 1985 and a partner of Knight Frank Baillieu Malaysia from 1986 to 1995. From 1995 to 2001, he was Managing Director of MUI Properties Berhad and remains on the board as a non-executive independent director. Currently, he is Executive Chairman of Regroup Associates Sdn Bhd, a firm engaged in property valuation, estate agency, property management and research.

Mr Boyd has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

9. Mr Thomas Teo Liang Huat

Mr Thomas Teo Liang Huat, a Singaporean, aged 45, a Non-independent Non-executive Director was appointed to the Board of Eastern & Oriental Berhad on 2 April 2009. He is a nominee director representing G.K. Goh Holdings Limited, a major shareholder of the Company and a Singapore-listed group involved primarily with investment holdings and the provision of financial-related services. Mr Teo holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy from the National University of Singapore. He is also a fellow member of the Institute of Certified Public Accountants of Singapore.

Prior to joining G.K. Goh Holdings Limited, Mr Teo was a senior executive with a regional private equity group and was responsible for direct investments in the ASEAN region and was appointed to the boards of various investee companies during his tenure. He also spent eight years with Ernst & Young, Singapore and has extensive experience in the audit and corporate finance fields. Mr Teo was previously an Associate Director of ASC Capital Pte Ltd and Executive Director of Enterprise Asean Fund Pte Ltd. He is currently the Chief Financial Officer of G.K. Goh Holdings Limited.

Mr Teo is also an independent Director of an Australian listed company, OM Holdings Limited, serving as the Audit Committee Chairman and is a Remuneration Committee Member.

Mr Teo has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has had no conviction for offences within the past 10 years.

CORPORATE SOCIAL RESPONSIBILITY

CSR POLICY & OBJECTIVES

E&O Berhad's unique proposition is premised on its rich history and heritage, which is imbued by its namesake, the E&O Hotel in George Town, Penang. This forms the guiding principal for our CSR initiatives whereby we strive to conduct our business in a manner that enables us to contribute towards the preservation of our heritage, culture and arts within the communities in which we operate in. This becomes especially pertinent in light of the inscription of George Town as a UNESCO World Heritage Site and the recognition of the E&O Hotel as a Penang heritage landmark.

From a broader perspective, CSR is demonstrated in our commitment to conduct our business in an economically, socially and environmentally responsible manner whilst balancing the interests of our diverse stakeholders.

PRESERVING CULTURE, HERITAGE & ARTS IN OUR COMMUNITIES

During the financial year, the E&O Group spent approximately RM1.9 million on a range of CSR-related activities. A large portion was allocated towards activities supporting George Town's inscription as a UNESCO World Heritage Site, consistent with the Group's strong presence in Penang Island. In this regard, direct contributions made by the Group include its role as the main sponsor of celebrations marking George Town's UNESCO inscription in July 2008, as well as the sole sponsorship and publication of 100,000 copies of George Town Heritage Maps. Distributed free of charge, the maps play an important role in promoting George Town as a heritage tourist destination.

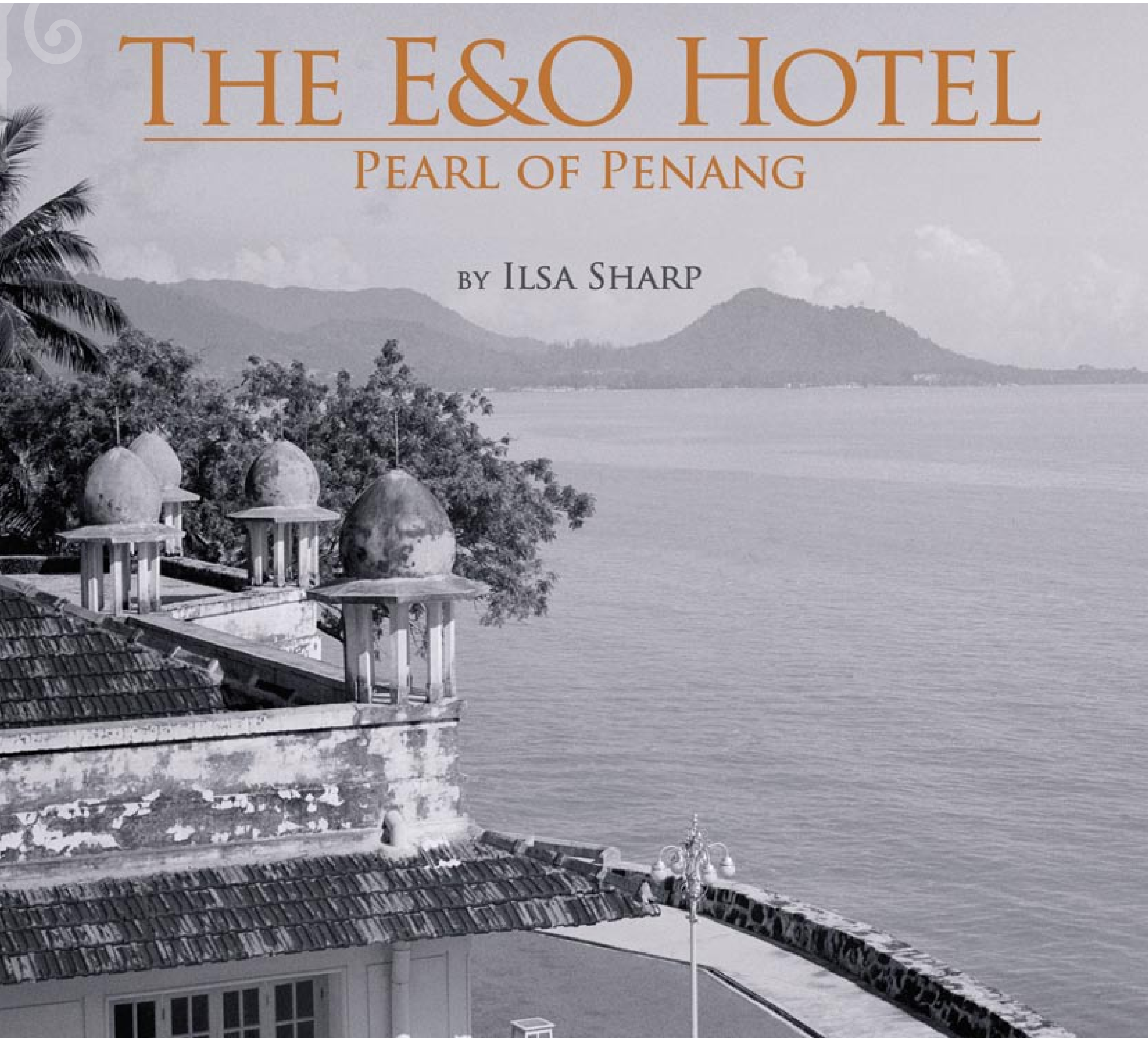
Reinforcing George Town's heritage appeal, the book *The E&O Story – Pearl of Penang* was launched in December 2008 by the Penang Chief Minister, YAB Lim Guan Eng in conjunction with the inaugural Penang Cultural Fest. Documenting the Hotel's rich 124-year history, the book features never-before published photographs taken in 1954 by the fourth King of Malaysia, HRH the late Sultan Ismail Nasiruddin Shah of Terengganu.

Championing arts and culture, the Group was also the platinum sponsor of the Penang World Music Fest held in May 2008. Other ongoing CSR initiatives included contributions to charities and non-governmental organisations such as the National Stroke Association of Malaysia and numerous Penang state cultural and community events.

TRANSPARENCY IN THE MARKET PLACE

In maintaining transparency and accountability to our shareholders, the Group ensures that that it provides clear, transparent and timely information to the marketplace. The Group's corporate developments and financial performance is channeled through regular press releases, roadshows, briefings, meetings and interviews with the media, the investment community and analysts. Shareholders and invited participants such as the Minority Shareholder Watchdog Group (MSWG) are briefed directly on the company's performance and plans at annual and extraordinary general meetings. Also accessible in the public domain, corporate information is updated on the Group's website at www.easternandoriental.com.

Book cover of
"The E&O Hotel - Pearl of Penang"



DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made in accordance with applicable approved accounting standards and which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted and consistently applied appropriate accounting policies;
- make judgements and estimates that are prudent and reasonable; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and of the Group and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors of Eastern & Oriental Berhad ("the Board") adopts the principles and best practices of corporate governance in conducting the business and affairs of the Group. The Board remains committed in employing the principles of integrity, transparency and professionalism to safeguard shareholders' investments and protect the interests of all stakeholders.

In line with the Bursa Securities Listing Requirements, the Board is pleased to report on the application of the principles and compliance with the best practices set out in the Malaysian Code on Corporate Governance (Revised 2007) ("the Code") and the Bursa Securities Listing Requirements.

DIRECTORS

1. Board Responsibility

The business of the Group is managed under the direction of the Board, but the Board delegates to the senior management team the authority and responsibility for the daily running of the business. These matters are subject to oversight of the Board.

The Board discharges its stewardship responsibilities in accordance with the Code, including the setting of goals and strategic directions, establishing goals for management and monitoring the achievement of these goals, overseeing the process of evaluating the adequacy and integrity of internal controls, identifying principal risk and ensuring the implementation of appropriate systems to manage these risk and developing and implementing investors relations program.

2. Board Balance

The Board considers that its present composition allows for efficient decision-making in view of the size and scope of the Group's operations. The Board is led and managed by experienced members with varied backgrounds. Further details of Board members are presented in pages 30 to 33 of this Annual Report.

During the financial year ended 31 March 2009, the Board comprises eight (8) members, of which three (3) are Executive Directors, three (3) are Independent Non-executive Directors and two (2) are Non-independent Non-executive Directors. On 2 April 2009, subsequent to the financial year end, Mr Thomas Teo Liang Huat was appointed as Non-independent Non-executive Director.

There is clear segregation of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman leads the Board and ensures that all Directors receive sufficient relevant information on financial, business and corporate matters to enable them to participate effectively in Board decisions. The Managing Director oversees the day-to-day management of the Group's operations as well as implementation of Board's policies decisions.

The Board has identified Datuk Henry Chin Poy Wu as the Senior Independent Director to whom concerns may be conveyed.

3. Board Meetings

The Board conducts at least five (5) regularly scheduled meetings annually, with additional meetings convened as and when necessary. Where appropriate, decisions have been taken by way of circular resolutions in between scheduled meetings during the financial year.

During the financial year, five (5) Board meetings were held. The attendance record of each Director was as follows:

NAME OF DIRECTORS	TOTAL MEETINGS ATTENDED	%
Datuk Azizan bin Abd Rahman	5/5	100
Dato' Tham Ka Hon	4/5	80
Datuk Henry Chin Poy Wu	5/5	100
Mr Chan Kok Leong	5/5	100
Encik Kamil Ahmad Merican	3/5	60

NAME OF DIRECTORS	TOTAL MEETINGS ATTENDED	%
Mr Vijeyaratnam a/l V.Thamotharam Pillay	4/5	80
Mdm Kok Meng Chow *(appointed on 11.08.2008)*	3/3	100
Mr Christopher Martin Boyd *(appointed on 11.08.2008)*	3/3	100

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Bursa Securities Listing Requirements.

4. Supply of Information

All Directors have access to information relating to the Group and unrestricted access to the services of the Company Secretary, management and other independent advisors, where necessary at the Group's expense in discharging their duties.

Agenda and a set of Board papers are circulated to all Directors ahead of the scheduled meetings to allow the Directors to study and evaluate the matters to be deliberated. Amongst others, the Board papers provide information on major operational, financial and corporate issues.

5. Re-election of Directors

As dictated in the Company's Articles of Association, at least one third (1/3) or the number nearest to one third (1/3) of the Directors, including the Managing Director shall be subject to retirement by rotation once in every three (3) years. Directors over the age of seventy (70) are required to retire annually. All retiring Directors shall be eligible for re-election.

6. Directors' Training and Development

Directors are provided with ongoing education and training in topical areas in order to broaden their perspectives and to keep abreast with developments in the market place, new statutory and regulatory requirements to better enable them to fulfill their responsibilities.

During the financial year ended 31 March 2009, training programmes, seminars and workshops attended by Directors were as follows:

NAME OF DIRECTOR	SEMINARS/ WORKSHOPS/ COURSES
Datuk Azizan bin Abd Rahman	- Asia's New Competitive Games
Dato' Tham Ka Hon	- Asia's New Competitive Games
Datuk Henry Chin Poy Wu	- The World Congress on Information Technology affecting Economic and Social Development - Round-Table Sustainable Palm Oil - Sustainable -The Way Forward on Oil Palm Industry - General Economy Direction in Malaysia - Building Human Capital For The Future, Catalyst For Economic Development - Asia's New Competitive Games - Akta Universiti Dan Kolej Universiti 1971 (Act 30) - Corporate Leadership – Leveraging Sabah as the International Education Hub
Mr Chan Kok Leong	- Asia's New Competitive Games
Encik Kamil Ahmad Merican	- Asia's New Competitive Games
Mr Vijeyaratnam a/l V.Thamotharam Pillay	- Corporate Social Responsibility Essentials for Directors
Mdm Kok Meng Chow *(appointed on 11 August 2008)*	- Essential Technical Briefing for Public Listed Companies - Asia's New Competitive Games
Mr Christopher Martin Boyd *(appointed on 11 August 2008)*	- Corporate Governance Development in Malaysia - 2008 Practitioners Seminar Series 4 - 2nd Malaysian Property Summit 2009 - Asia's New Competitive Games

Mr Thomas Teo Liang Huat, a newly appointed director, has attended the Mandatory Accreditation Programme conducted by Bursatra Sdn Bhd.

BOARD COMMITTEES

The Board has delegated certain responsibilities to Board Committees which operate within defined terms of reference. The Board Committees include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee and Option Committee. The respective Committees report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

1. Audit Committee

The Audit Committee reviews the work of the Group's accounting and audit processes. The committee is directly responsible for the appointment, compensation, retention and oversight of the Group's independent auditors.

The Audit Committee is chaired by Datuk Henry Chin Poy Wu, an Independent Non-executive Director. The committee's terms of reference are detailed in the Audit Committee Report of this Annual Report.

2. Risk Management Committee

The Risk Management Committee comprises two (2) Non-executive Directors and one (1) Executive Director as follows:

Datuk Henry Chin Poy Wu
(Independent and Non-executive)

Mr Vijeyaratnam a/l V. Thamotharam Pillay
(Independent and Non-executive)
resigned on 27 July 2009

Madam Kok Meng Chow
(Executive)

Mr Christopher Martin Boyd
(Non-independent and Non-executive)
appointed on 27 July 2009

The committee is tasked with the responsibility to oversee the risk management activities of the Group, approving appropriate risk management procedures as well as identification and communication to the Board any present and potential risks that the Group faces and the corresponding action plans to manage these risks. The committee meets on a quarterly basis.

3. Nomination Committee

The Nomination Committee comprises four (4) Non-executive Directors, three (3) of whom are independent as follows:

Datuk Henry Chin Poy Wu
(Independent and Non-executive)

Datuk Azizan bin Abd Rahman
(Independent and Non-executive)

Mr Vijeyaratnam a/l V. Thamotharam Pillay
(Independent and Non-executive)

Encik Kamil Ahmad Merican
(Non-independent and Non-executive)

The Nomination Committee is responsible for recommending to the Board individuals to be nominated as Directors. The committee evaluates new candidates and current Directors, and performs other duties as spelled out in the committee's terms of reference.

4. Remuneration Committee

The Remuneration Committee comprises two (2) Non-executive Directors and one (1) Executive Director:

Mr Vijeyaratnam a/l V. Thamotharam Pillay
(Independent and Non-executive)

Encik Kamil Ahmad Merican
(Non-independent and Non-executive)

Mr Chan Kok Leong
(Executive)

The Remuneration Committee stays informed on the levels of remuneration currently offered to directors in the market, and based on its evaluations, recommends remuneration levels to the Board.

The full Board determines the remuneration of the Executive Directors and Non-executive Directors, with the Director concerned abstaining from participating in decision in respect of his individual remuneration.

The aggregate remuneration of the Directors for the financial year ended 31 March 2009 is as follows:

	SALARIES /FEES	OTHER EMOLUMENTS (INCLUDING BONUS, ALLOWANCES, BENEFITS-IN-KIND)	TOTAL
	RM	RM	RM
Executive Directors	2,099,371	1,334,755	3,434,126
Non-Executive Directors	420,624	-	420,624
Total	2,519,995	1,334,755	3,854,750

The range of remuneration for the Directors is disclosed in Note 9 of the Financial Statements in this Annual Report.

5. Option Committee

The Option Committee comprises one (1) Non-executive Director and two (2) Executive Directors:

Encik Kamil Ahmad Merican
(Non-independent and Non-executive)

Mr Chan Kok Leong
(Executive)

Mdm Kok Meng Chow
(Executive)

The Option Committee is responsible for implementing, allocating and administering the Group's Employees' Share Option Scheme ("ESOS") in accordance with such powers and duties conferred upon it under the Bye-laws of the ESOS. The Bye-laws are approved by the shareholders of the Company.

RELATIONSHIP WITH SHAREHOLDERS & INVESTORS

The Company recognises the importance in ensuring transparency and accountability in the disclosure of pertinent information to its shareholders, investors and the public.

Shareholders, investors, analysts and media are kept abreast with the major developments of the Group through the various means of communications such as:

- Quarterly financial statements and annual report
- Announcements and circulars to Bursa Securities
- Press conferences
- Analyst briefings

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. Notice of AGM and annual reports will be sent to the shareholders within the period prescribed by the Company's Articles of Association. In addition, the Notice of AGM will be advertised in the newspaper. Any item of special business included in the Notice of AGM will be accompanied by a full explanation on the effects of the proposed special business.

In addition to the above, the Group has established a website at www.easternandoriental.com from which investors and shareholders can access information.

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board is responsible for presenting a clear, balanced and meaningful assessment of the Group's financial position, performance and prospects each time it releases its quarterly and audited financial statements to the shareholders and investors. The financial statements are prepared in accordance with the requirements of the Companies Act, 1965, Bursa Securities Listing Requirements and the standards issued by Malaysian Accounting Standards Board ("MASB").

In addition, the Group has adopted appropriate accounting policies that have been consistently applied in the preparation of its accounting records to present a true and fair view of its financial performance.

2. Internal Controls

The Board views that the system of internal controls instituted throughout the Group is sound and sufficient to safeguard shareholders' investment and the Group's assets. The Statement on Internal Control furnished on pages 42 to 43 of this Annual Report provides an overview on the state of internal controls within the Group.

3. Relationship with the Auditors

Through the Audit Committee, the Company has established a transparent and professional relationship with the Group's auditors, both external and internal. The auditors, both external and internal will highlight to the Audit Committee on a regular basis on relevant issues affecting the Company.

In addition, the external auditors are invited to attend the Company's AGM and are available to answer any questions from shareholders on the annual financial statements.

The role of the Audit Committee in relation to the external auditors may be found in the Audit Committee Report set out on pages 44 to 46.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

This Statement on Internal Control is made pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and formulated in accordance with Statement on Internal Control: Guidance for Directors of Public Listed Companies. This statement outlines the scope of internal control within the Eastern & Oriental Berhad group of companies ("the Group") for this financial year.

BOARD RESPONSIBILITY

The Board of Directors ("the Board") affirms its overall responsibility of maintaining an adequate, sound and reliable system of internal control to safeguard shareholders' investments and the Group's assets.

Notwithstanding, as with any system of internal control system, the system put in place within the Group reduces, but cannot eliminate the risk of failure to achieve business objectives. Therefore, the system of internal control can only provides reasonable, but not absolute assurance.

KEY ELEMENTS OF THE GROUP'S SYSTEM OF INTERNAL CONTROL

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the Audit Committee. On a periodic basis, the Audit Committee assesses the adequacy and integrity of the internal control system through independent reviews conducted and reports it received from the internal audit function and Management. Significant internal control matters were brought to the attention of the Audit Committee. The Audit Committee then in turn reports such matters to the Board, if the Audit Committee deems such matters warrant the Board's attention.

The key elements of the Group's system of internal control that have been established to facilitate the proper conduct of the Group's businesses can be summarised as follows:

- Clear Group Vision and Brand Promise which are clearly communicated to employees.
- An effective Board which retains control over the Group with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- Relevant Board Committees with formal terms of reference clearly outlining their functions and duties delegated by the Board.
- Formal authority limits where the Board's approval is required for major transactions.
- Annual budgets approved by the Board and actual performance compared with budget is reviewed regularly by the Management.
- Written policies and procedures including human resource policies are in place and are undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow.
- Relevant training provided to employees across all functions to maintain a high level of competency and capability.
- Formal performance appraisals for employees of all levels.

RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management plays a vital and integral part of the business operations. The Group has a structured risk management process in place to identify, document, evaluate, monitor and manage significant risks affecting achievement of the Group's goals and key business objectives.

The Risk Management Committee is tasked to establish, execute and maintain an effective risk management system in the Group. The Risk Management Committee meets on quarterly basis to discuss and deliberate on the significant risks identified by the respective departments.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent firm of consultants who provides the Audit Committee and the Board with the assurance regarding the adequacy and integrity of the internal control systems within the Group. The outsourced internal audit function focuses on the review of areas which are related to and aligned with the key business risks of the Group. The areas of review are set out in an annual internal audit plan which has been approved by the Audit Committee.

During the financial year under review, the outsourced internal audit function carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group's procedures and to review the adequacy and effectiveness of the Group's systems of internal control. The results of these reviews are presented to the Audit Committee at their scheduled meetings. Follow up reviews are also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.

For the financial year ended 31 March 2009, nothing has come to the attention of the Board which would result in material losses, contingencies or uncertainties requiring separate disclosure in the annual report. Notwithstanding this, the Board will continue to ensure that the Group's systems of internal control will continue to evolve to keep up with its dynamic business environment.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2009 amounted to RM169,511.

INFORMATION, COMMUNICATION & MONITORING

Regular Board, Board Committees and management meetings are held to discuss and monitor the Group's operations and financial performance, including meetings to discuss deviation of results against targets, with significant variances explained for and corrective management action formulated.

The Board is responsible for setting the business direction and overseeing the conduct of the Group's operations. The daily running of the business is entrusted to the Managing Director, Executive Directors and senior management teams. The Board is informed of all matters pertaining to risk and control through periodic meetings and reports.

During the financial year ended 31 March 2009, the Group has investments in two jointly controlled entities and three associate companies. The Group's interest in these companies is served through representation in the joint management committee or representation on the Board. This representation provides the Board with access to review and monitor the performance of these investments. The Board is provided with periodic reports and information on their activities.

Interest in an associate, Puncak Madu Sdn. Bhd. was disposed off on 25 March 2009 as disclosed in Note 41(6) of the financial statements.

CONCLUSION

For the financial year under review, the Board is satisfied that the review and monitoring of the internal control system gives reasonable assurance that the internal controls in place are adequate and effective to safeguard the interest of the Group and to facilitate the evolution of its businesses.

This Statement on Internal Control was approved by the Board on 27 July 2009.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

Datuk Henry Chin Poy Wu
Independent Non-executive Director (Chairman)

Datuk Azizan bin Abd Rahman
Independent Non-executive Director/Chairman of the Board (Member)

Encik Kamil Ahmad Merican
Non-independent Non-executive Director (Member)

Mr Vijeyaratnam a/l V. Thamotharam Pillay
Independent Non-executive Director (Member)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Structure of the Audit Committee

The Audit Committee shall be appointed by the board of directors ("the Board") and shall comprise at least three directors with the majority of the members to be independent directors. All the Audit Committee members must be non-executive directors. At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or fulfills such other requirements as prescribed in Chapter 15.09 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Chairman of the Audit Committee shall be an independent director and be elected from amongst their members. All members of the Audit Committee, including the Chairman, will hold office until otherwise determined by the Board. In the event of any vacancy in the Audit Committee resulting in the non compliance with the Bursa Securities Listing Requirements, the Board shall within three months of that event, appoint such new member(s) as may be required to comply with the Bursa Securities Listing Requirements. The Board shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Objectives

The objective of the Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls, corporate accounting and reporting practices of the Group. The Audit Committee will endeavour to adopt practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to the Company's shareholders.

Authority

The Audit Committee is authorised by the Board to:

i. investigate any matter within its terms of reference;

ii. have the resources which are required to perform its duties;

iii. have full and unrestricted access to any information pertaining to the Company;

iv. have direct communication channels with the external auditors and person(s) carrying out the internal audit function activity (if any);

v. obtain independent professional or other advice; and

vi. convene any meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions

1. To review the followings and report the same to the Board of the Company:

   i. with the external auditors, the audit plan;

ii. with the external auditors, their evaluation of the system of internal controls;

iii. with the external auditors, their audit report;

iv. the assistance given by the employees of the Company to the external auditors;

v. the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

vi. the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

vii. the quarterly results and year end financial statements, prior to the approval of the Board, focusing particularly on:
- changes in or implementation of major accounting policy;
- significant and unusual events arising; and
- compliance with accounting standards, regulatory and other legal requirements.

viii. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

ix. any letter of resignation from the external auditors of the Company; and

x. whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment.

2. To recommend the nomination of a person or persons as external auditors.

3. To carry out such other functions as may be agreed by the Audit Committee and the Board.

Meetings and Reporting Procedures

The Audit Committee shall meet at least four (4) times a year and to form a quorum for any meeting, the majority of members present must be independent directors.

The Managing Director, the Finance Director and head of internal audit and a representative of the external auditors normally attend the meetings. Other members of the Board, senior management and employees may attend the meeting upon invitation of the Audit Committee.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, the head of internal audit and external auditors in order to be kept informed of matters affecting the Company.

The Company Secretary shall be the secretary of the Audit Committee and as a reporting procedure, the minutes of the meeting shall be circulated to all members of the Board.

The Audit Committee met five (5) times during the financial year ended 31 March 2009 and the records of the attendance of the Audit Committee members are as follows:

NAME OF THE MEMBERS	NO. OF MEETINGS ATTENDED	%
Datuk Henry Chin Poy Wu	5/5	100
Datuk Azizan bin Abd Rahman	5/5	100
Encik Kamil Ahmad Merican	3/5	60
Mr Vijeyaratnam a/l V. Thamotharam Pillay	4/5	80

ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

A summary of the activities of the Audit Committee in discharging its functions and duties included the following:

i. review of the quarterly financial statements before its announcements;

ii. review of the external auditors' reports in relation to audit, accounting and internal control issues arising from the audit and updates of the developments on accounting standards issued by the Malaysian Accounting Standards Board;

iii. review of the audit plan of the external auditors;

iv. review of internal audit plans and internal audit findings together with recommendations for improvements; and

v. review of related party transactions that arose within the Group to ensure that the transactions were at arm's length basis and on normal commercial terms.

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Board had appointed an independent firm of consultants to assist the Audit Committee in the review and evaluation on the adequacy and effectiveness of the internal control system of the Group and to provide reasonable assurances to the members of the Committee.

During the year, the outsourced internal audit function assisted the Audit Committee in discharging its duties and responsibilities by executing independent review on the Group's system of internal control. Periodic activities were carried out to provide the Audit Committee with reasonable assurance that such systems continued to operate satisfactorily and effectively.

Summary of activities that were carried out include:

i. Formulated annual audit plan that focuses on controls managing the principal risks of the Group and reviewed the resource requirements for audit executions;

ii. Executed internal audit reviews in accordance with the approved annual audit plan;

iii. Issued reports on the results of internal audit reviews identifying weaknesses and highlighting recommendations for improvements on a periodic basis;

iv. Followed-up on the implementation of corrective action plans or best practices agreed with management; and

v. Attended Audit Committee meetings to table and discuss the audit reports.

The internal audit reviews conducted did not reveal weaknesses that have result in material losses, contingencies or uncertainties that would require separate disclosure in the annual report.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal or any utilisation of such.

2. SHARE BUYBACKS

For the financial year under review, the details of the share buy-backs are as follows:

Stock Units Bought Back

MONTH	UNITS	LOWEST PRICE (RM)	HIGHEST PRICE (RM)	AVERAGE PRICE (RM)	CONSIDERATION PAID (RM)
July 2008	284,700	1.19	1.42	1.31	358,847
August 2008	707,700	1.00	1.06	1.03	730,387
September 2008	3,257,300	0.80	1.00	0.90	2,984,397
October 2008	858,300	0.57	0.78	0.68	598,110
November 2008	291,800	0.53	0.72	0.63	171,720
March 2009	100	0.44	0.44	0.44	85
Total	**5,399,900**				**4,843,546**

As at 31 March 2009, there were 7,930,200 Stock Units held in treasury.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

Employees Share Option Scheme ("ESOS")

During the financial year, there was no ESOS options exercised. 11,500 ESOS has lapsed during the financial year. The number of ESOS options unexercised as at 31 March 2009 was 4,595,100.

Warrants 2001/2011 ("Warrants")

A total of 35,000 Warrants were exercised during the financial year under review. The number of outstanding Warrants as at 31 March 2009 was 40,525,921.

Irredeemable Convertible Unsecured Loan Stocks 2006/2011 ("ICULS")

During the financial year, there were no ICULS exercised. The number of outstanding ICULS as at 31 March 2009 was 123,107,350.

4. DEPOSITORY RECEIPT PROGRAMME

During the financial year under review, the Company did not sponsor any depository receipt programme.

5. SANCTIONS AND/OR PENALTIES

During the financial year under review, there was no sanction and/or penalty imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

6. NON-AUDIT FEES

During the financial year ended 31 March 2009, non-audit fees paid to Messrs Ernst & Young by the Company and its subsidiaries amounted to approximately 32,000.

7. VARIATION IN RESULTS

There were no variances of 10% or more between the results for the financial year under review and the unaudited results previously announced.

8. PROFIT GUARANTEE

During the financial year under review, the Company did not issue any profit guarantee.

9. MATERIAL CONTRACTS

Other than those disclosed in Note 39 to the financial statements in this Annual Report, there was no material contract (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving the interest of the Company's Directors and/or its major shareholders either still subsisting as at 31 March 2009 or entered into since the end of the previous financial year ended 31 March 2008.

10. REVALUATION POLICY

The Group does not have a revaluation policy on landed properties.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

On 30 September 2008, the Company had obtained stockholders' mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties. The breakdown of the aggregate value of the Recurrent Related Party Transactions entered into by the Group during the financial year under review were as follows:

TRANSACTING PARTIES	CATEGORIES OF TRANSACTIONS	INTERESTED RELATED PARTIES	TRANSACTED VALUE FOR FINANCIAL YEAR ENDED 31.03.2009 (RM'000)
GDP Project Management Sdn Bhd, GDP Architects Sdn Bhd and Adaptus Design System Sdn Bhd	Receipt of interior designing, architectural, building consultancy services, project management services and graphic design services.	(1)Kamil Ahmad Merican ("KM")	2,578
ReGroup Associates Sdn Bhd	Receipt of real estate consultancy services.	(2)Christopher Martin Boyd ("CMB")	320
Dr. Nik & Associates Sdn Bhd and Tidalmarine Engineering Sdn Bhd	Receipt of maritime and general contracting works and engineering consultancy services.	(3)Dato' Ir. Dr. Nik Mohd Kamel bin Nik Hassan ("NMK")	2,709

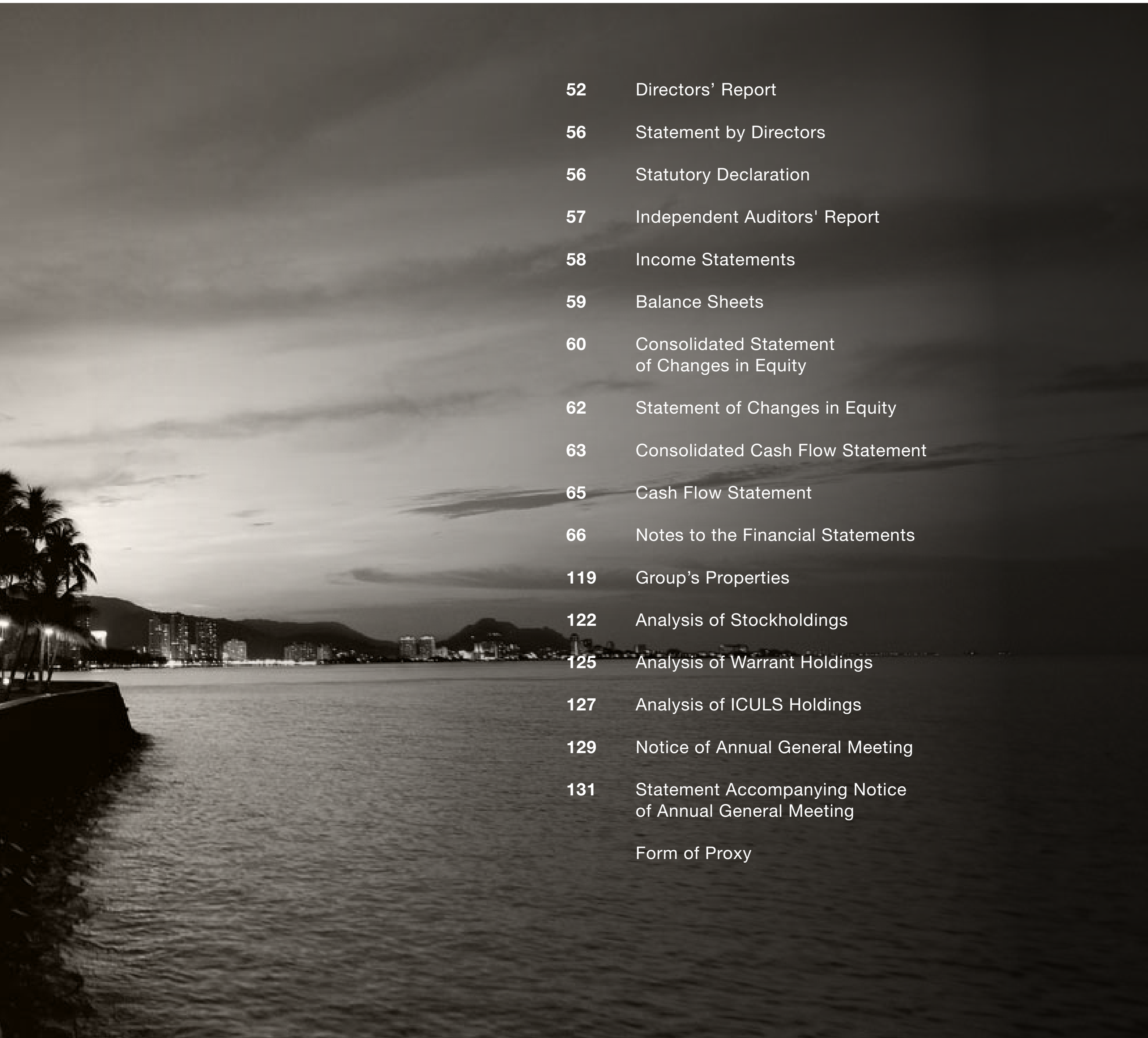
Notes:

(1) KM is a Director of the Company and is a Director and a major shareholder of GDP Project Management Sdn Bhd and Adaptus Design System Sdn Bhd. He is the Chief Executive Officer of GDP Architects Sdn Bhd.

(2) CMB is a Director of the Company and is an Executive Chairman and a major shareholder of ReGroup Associates Sdn Bhd.

(3) NMK is a Director and major shareholder of Bridgecrest Resources Sdn Bhd, which in turn is a subsidiary of the Company. NMK is also a Director and a major shareholder of Dr. Nik & Associates Sdn Bhd and Tidalmarine Engineering Sdn Bhd.

financial statements 2009



DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 19 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
(Loss)/profit for the financial year	(32,057)	1,818
Attributable to:		
Equity holders of the Company	(37,276)	1,818
Minority interests	5,219	-
	(32,057)	1,818

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the disposal of 20,155,000 preference shares in Puncak Madu Sdn. Bhd., which resulted in a net loss of RM19,953,000 to the Group as disclosed in Note 7 to the financial statements.

DIVIDEND

The amount of dividend paid by the Company since 31 March 2008 were as follows:

	RM'000
In respect of the financial year ended 31 March 2008 as reported in the directors' report of that year:	
Special dividend of 5.0% less 26% taxation, on 416,531,000 ordinary stock units of RM1.00 each, declared on 27 February 2008 and paid on 22 April 2008	15,412

The directors do not recommend any final dividend in respect of the financial year ended 31 March 2009.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Azizan bin Abd Rahman
Dato' Tham Ka Hon
Datuk Henry Chin Poy Wu
Kamil Ahmad Merican
Vijeyaratnam a/l V.Thamotharam Pillay
Chan Kok Leong
Kok Meng Chow *(appointed on 11 August 2008)*
Christopher Martin Boyd *(appointed on 11 August 2008)*
Teo Liang Huat Thomas *(appointed on 2 April 2009)*

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employees' Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 9 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in stock units and options over stock units in the Company during the financial year were as follows:

INTEREST IN THE COMPANY

	NUMBER OF ORDINARY STOCK UNITS OF RM1.00 EACH			
	AT 1.4.2008	ACQUIRED DURING THE FINANCIAL YEAR	SOLD DURING THE FINANCIAL YEAR	AT 31.3.2009
Direct interest:				
Datuk Azizan bin Abd Rahman	3,000,000	600,000	-	3,600,000
Dato' Tham Ka Hon	11,212,086	-	-	11,212,086
Kamil Ahmad Merican	1,100,000	-	-	1,100,000
Chan Kok Leong	4,695,000	-	-	4,695,000
Kok Meng Chow	300,000	-	-	300,000
Indirect interest:				
Dato' Tham Ka Hon	90,339,861	8,539,400	-	98,879,261

	NUMBER OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AT NOMINAL VALUE OF RM1.00 EACH			
	AT 1.4.2008	ACQUIRED DURING THE FINANCIAL YEAR	SOLD / EXERCISED DURING THE FINANCIAL YEAR	AT 31.3.2009
Direct interest:				
Dato' Tham Ka Hon	13,758,000	-	-	13,758,000
Kamil Ahmad Merican	150,000	-	-	150,000
Kok Meng Chow	1,847,500	-	-	1,847,500
Indirect interest:				
Dato' Tham Ka Hon	34,116,793	2,628,700	-	36,745,493

	NUMBER OF WARRANTS 2001/2011 OF RM1.00 EACH			
	AT 1.4.2008	ACQUIRED DURING THE FINANCIAL YEAR	SOLD / EXERCISED DURING THE FINANCIAL YEAR	AT 31.3.2009
Direct interest:				
Dato' Tham Ka Hon	6,797,896	-	-	6,797,896
Indirect interest:				
Dato' Tham Ka Hon	7,871,820	-	-	7,871,820

	NUMBER OF OPTIONS OVER ORDINARY STOCK UNITS OF RM1.00 EACH			
	AT 1.4.2008	GRANTED DURING THE FINANCIAL YEAR	EXERCISED / LAPSED DURING THE FINANCIAL YEAR	AT 31.3.2009
Dato' Tham Ka Hon	4,500,000	-	-	4,500,000

Dato' Tham Ka Hon by virtue of his interest in ordinary stock units in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in stock units in the Company or its related corporations during the financial year.

ISSUE OF STOCK UNITS AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary stock units from RM419,061,376 to RM591,995,485 by way of:

i. the issuance of 172,899,109 ordinary stock units at an issue price of RM2.27 each pursuant to the Members' Scheme as disclosed in Note 41(2) to the financial statements; and

ii. the issuance of 35,000 ordinary stock units of RM1.00 each arising from the exercise of 35,000 Warrants 2001/2011 of RM1.00 each.

The new ordinary stock units issued during the financial year rank pari passu in all respects with the existing ordinary stock units of the Company unless the allotment of the new ordinary stock units is made on or prior to the entitlement date of any dividends, rights, allotments and/or other distributions.

WARRANTS

The Warrants 2001/2011 issued in the financial year ended 31 March 2002 entitle the registered holders to subscribe for one new ordinary stock unit of RM1.00 each in the Company at an exercise price of RM1.03 each, exercisable at any time within a period of ten years commencing 18 May 2001. The exercise price was later adjusted to RM1.00 each on 9 June 2006 pursuant to a fund raising exercise of the Company.

The movements in the Company's warrants are as follows:

	ENTITLEMENT FOR ORDINARY STOCK UNITS OF RM1.00 EACH			
	BALANCE AT 1.4.2008	ADJUSTMENT	EXERCISED	BALANCE AT 31.3.2009
Number of unexercised warrants	40,560,921	-	(35,000)	40,525,921

TREASURY STOCK UNITS

During the financial year, the Company repurchased 5,399,900 of its issued ordinary stock units from the open market at an average price of RM0.90 per stock unit. The total consideration paid for the repurchase including transaction costs was RM4,843,546. The stock units repurchased are being held as treasury stock units in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2009, the Company held as treasury stock units a total of 7,930,200 of its 591,995,485 issued ordinary stock units. Such treasury stock units are held at a carrying amount of RM9,954,000 and further relevant details are disclosed in Note 31 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("EOB ESOS") which is governed by its by-laws lapsed on 28 April 2007, was approved by the stockholders of the Company at an Extraordinary General Meeting held on 28 September 2006 for an extended period of five years from 29 April 2007 to 28 April 2012.

The salient features of the EOB ESOS are disclosed in Note 36 to the financial statements.

OTHER STATUTORY INFORMATION

a. Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

   i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

   ii. to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

b. At the date of this report, the directors are not aware of any circumstances which would render:

   i. it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; and

   ii. the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

c. At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

d. At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

e. As at the date of this report, there does not exist:

    i. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

    ii. any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

f. In the opinion of the directors:

    i. no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

    ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 41 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

Significant events subsequent to the financial year end are disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 July 2009.

DATUK AZIZAN BIN ABD RAHMAN

CHAN KOK LEONG

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Datuk Azizan bin Abd Rahman and Chan Kok Leong, being two of the directors of Eastern & Oriental Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 58 to 118 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 July 2009.

DATUK AZIZAN BIN ABD RAHMAN

CHAN KOK LEONG

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Kok Meng Chow, being the director primarily responsible for the financial management of Eastern & Oriental Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 58 to 118 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Kok Meng Chow
at Kuala Lumpur in the Federal Territory
on 27 July 2009.

KOK MENG CHOW

Before me,

R. VASUGI AMMAL
No. W480
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EASTERN & ORIENTAL BERHAD (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastern & Oriental Berhad, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 58 to 118.

Directors' Responsibility For The Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a. In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act.

b. We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

c. The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants

YAP SENG CHONG
No. 2190/12/09(J)
Chartered Accountant

Kuala Lumpur, Malaysia
27 July 2009

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	NOTE	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
CONTINUING OPERATIONS					
Revenue	3	**304,449**	516,399	**46,681**	1,676
Cost of sales	4	**(235,995)**	(329,738)	**-**	-
Gross profit		**68,454**	186,661	**46,681**	1,676
Other income	5	**20,111**	120,759	**10,775**	48,287
Administrative expenses		**(38,311)**	(46,741)	**(10,058)**	(10,204)
Selling and marketing expenses		**(8,282)**	(12,002)	**-**	-
Other expenses		**(48,907)**	(21,892)	**(22,443)**	(1,081)
Operating (loss)/profit		**(6,935)**	226,785	**24,955**	38,678
Finance costs	6	**(28,324)**	(28,767)	**(17,782)**	(15,746)
Share of loss of associates		**(3,477)**	(2,874)	**-**	-
Share of profit/(loss) of jointly controlled entities		**612**	(579)	**-**	-
(Loss)/profit before tax	7	**(38,124)**	194,565	**7,173**	22,932
Income tax expense	10	**6,067**	(34,789)	**(5,355)**	(218)
(Loss)/profit for the financial year from continuing operations		**(32,057)**	159,776	**1,818**	22,714
DISCONTINUED OPERATION					
Profit for the financial year from discontinued operation	11	**-**	20,677	**-**	-
(Loss)/profit for the financial year		**(32,057)**	180,453	**1,818**	22,714
Attributable to:					
Equity holders of the Company		**(37,276)**	128,854	**1,818**	22,714
Minority interests		**5,219**	51,599	**-**	-
		(32,057)	180,453	**1,818**	22,714

	NOTE	GROUP 2009 SEN	GROUP 2008 SEN
(Loss)/earnings per stock unit attributable to equity holders of the Company:			
Basic, for (loss)/profit from continuing operations	12(a)	**(5.60)**	22.35
Basic, for profit from discontinued operation	12(a)	**-**	1.84
Basic, for (loss)/profit for the financial year	12(a)	**(5.60)**	24.19
Diluted, for (loss)/profit from continuing operations	12(b)	**(5.60)**	21.04
Diluted, for profit from discontinued operation	12(b)	**-**	1.73
Diluted, for (loss)/profit for the financial year	12(b)	**(5.60)**	22.77
Net dividends per ordinary stock unit	13	**-**	3.70

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 31 MARCH 2009

	NOTE	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	**341,590**	249,506	**34**	3
Land held for property development	15	**676,760**	837,166	**-**	-
Investment properties	16	**15,048**	12,098	**-**	-
Prepaid lease payments	17	**960**	987	**-**	-
Intangible assets	18	**2,169**	2,318	**-**	-
Investments in subsidiaries	19	**-**	-	**998,955**	415,223
Investments in associates	20	**27,216**	30,777	**-**	-
Investment in jointly controlled entities	21	**260**	-	**-**	-
Other investments	22	**8,937**	19,176	**-**	3,000
Receivables	23	**-**	-	**322,238**	171,404
Deferred tax assets	24	**18,419**	14,792	**-**	-
		1,091,359	1,166,820	**1,321,227**	589,630
Current assets					
Property development costs	25	**420,442**	280,818	**-**	-
Inventories	26	**96,191**	27,422	**-**	-
Receivables	23	**105,913**	175,696	**212,679**	215,593
Accrued billings in respect of property development costs		**5,799**	24,936	**-**	-
Cash and cash equivalents	27	**245,316**	455,023	**7,065**	215,868
		873,661	963,895	**219,744**	431,461
Non-current assets classified as held for sale	28	**6,851**	56,205	**-**	-
		880,512	1,020,100	**219,744**	431,461
Total assets		**1,971,871**	2,186,920	**1,540,971**	1,021,091
EQUITY AND LIABILITIES					
Equity					
Share capital	29	**591,995**	419,061	**591,995**	419,061
Irredeemable convertible unsecured loan stocks	30	**83,991**	83,991	**83,991**	83,991
Treasury stock units	31	**(9,954)**	(5,110)	**(9,954)**	(5,110)
Reserves	32	**148,339**	231,744	**395,950**	175,483
		814,371	729,686	**1,061,982**	673,425
Minority interests		**21,537**	357,075	**-**	-
Total equity		**835,908**	1,086,761	**1,061,982**	673,425
Non-current liabilities					
Irredeemable convertible unsecured loan stocks	30	**26,653**	34,226	**26,653**	34,226
Borrowings	33	**494,289**	558,917	**140,372**	174,000
Provisions	34	**290**	-	**-**	-
Deferred tax liabilities	24	**46,763**	55,730	**-**	-
		567,995	648,873	**167,025**	208,226
Current liabilities					
Borrowings	33	**397,469**	268,523	**109,726**	58,185
Provisions	34	**179**	644	**-**	-
Payables	35	**167,747**	160,073	**202,238**	81,255
Taxation		**2,573**	22,046	**-**	-
		567,968	451,286	**311,964**	139,440
Total liabilities		**1,135,963**	1,100,159	**478,989**	347,666
Total equity and liabilities		**1,971,871**	2,186,920	**1,540,971**	1,021,091

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

GROUP	NOTE	SHARE CAPITAL (NOTE 29) RM'000	ICULS (NOTE 30) RM'000	SHARE PREMIUM (NOTE 32) RM'000	TREASURY STOCK UNITS (NOTE 31) RM'000
At 1 April 2007		358,961	101,455	76,266	(749)
Currency translation differences		-	-	-	-
Profit for the financial year		-	-	-	-
Total recognised income and expense for the financial year		-	-	-	-
Issue of ordinary stock units:					
- Pursuant to ESOS		2,697	-	-	-
- Warrants exercised		31,806	-	-	-
- Conversion of ICULS (equity portion)		17,464	(17,464)	-	-
- Conversion of ICULS (liability portion)		8,133	-	(867)	-
Purchase of treasury stock units		-	-	-	(4,361)
Share issue costs		-	-	(113)	-
Accretion arising from additional shares issued by subsidiaries		-	-	-	-
Disposal of PPB Group		-	-	-	-
Realignment of reserves due to changes in group structure		-	-	-	-
Acquisition of subsidiaries		-	-	-	-
Share options granted under EOB ESOS lapsed		-	-	-	-
Share options granted under EOB ESOS		-	-	720	-
Share options granted under PPB ESOS		-	-	-	-
Transfer from revaluation reserve		-	-	-	-
Dividends	13	-	-	-	-
At 31 March 2008		419,061	83,991	76,006	(5,110)
Currency translation differences		-	-	-	-
Loss for the financial year		-	-	-	-
Total recognised income and expense for the financial year		-	-	-	-
Issue of ordinary stock units:					
- Pursuant to Members' Scheme		172,899	-	220,053	-
- Warrants exercised		35	-	-	-
Purchase of treasury stock units		-	-	-	(4,844)
Share issue costs pursuant to Members' Scheme		-	-	(1,402)	-
Acquisition of remaining equity interest in subsidiary		-	-	-	-
Share options granted under EOB ESOS lapsed		-	-	-	-
At 31 March 2009		591,995	83,991	294,657	(9,954)

The accompanying notes form an integral part of the financial statements.

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					MINORITY INTERESTS	TOTAL EQUITY
NON-DISTRIBUTABLE			DISTRIBUTABLE			
REVALUATION RESERVE (NOTE 32)	EXCHANGE RESERVE (NOTE 32)	SHARE OPTION RESERVE (NOTE 32)	RETAINED PROFITS (NOTE 32)	TOTAL		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
24,513	86	2,017	44,184	606,733	390,525	997,258
-	304	-	-	304	-	304
-	-	-	128,854	128,854	51,599	180,453
-	304	-	128,854	129,158	51,599	180,757
-	-	-	-	2,697	-	2,697
-	-	-	-	31,806	-	31,806
-	-	-	-	-	-	-
-	-	-	-	7,266	-	7,266
-	-	-	-	(4,361)	-	(4,361)
-	-	-	-	(113)	-	(113)
-	-	-	9,653	9,653	35,570	45,223
-	-	-	-	-	(91,280)	(91,280)
-	-	-	(25,587)	(25,587)	(24,188)	(49,775)
-	-	-	-	-	731	731
-	-	(3)	-	(3)	-	(3)
-	-	(720)	-	-	-	-
-	-	-	-	-	(368)	(368)
(24,513)	-	-	24,513	-	-	-
-	-	-	(27,563)	(27,563)	(5,514)	(33,077)
-	390	1,294	154,054	729,686	357,075	1,086,761
-	111	-	-	111	-	111
-	-	-	(37,276)	(37,276)	5,219	(32,057)
-	111	-	(37,276)	(37,165)	5,219	(31,946)
-	-	-	-	392,952	-	392,952
-	-	-	-	35	-	35
-	-	-	-	(4,844)	-	(4,844)
-	-	-	-	(1,402)	-	(1,402)
-	-	-	(264,889)	(264,889)	(340,757)	(605,646)
-	-	(2)	-	(2)	-	(2)
-	501	1,292	(148,111)	814,371	21,537	835,908

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

COMPANY	NOTE	SHARE CAPITAL (NOTE 29) RM'000	ICULS (NOTE 30) RM'000	SHARE PREMIUM (NOTE 32) RM'000	TREASURY STOCK UNITS (NOTE 31) RM'000	SHARE OPTION RESERVE (NOTE 32) RM'000	RETAINED PROFITS (NOTE 32) RM'000	TOTAL EQUITY RM'000
			NON-DISTRIBUTABLE				DISTRIBUTABLE	
At 1 April 2007		358,961	101,455	76,266	(749)	2,017	103,032	640,982
Profit for the financial year, representing total recognised income and expense for the financial year		-	-	-	-	-	22,714	22,714
Issue of ordinary stock units:								
- Pursuant to ESOS		2,697	-	-	-	-	-	2,697
- Warrants exercised		31,806	-	-	-	-	-	31,806
- Conversion of ICULS (equity portion)		17,464	(17,464)	-	-	-	-	-
- Conversion of ICULS (liability portion)		8,133	-	(867)	-	-	-	7,266
Purchase of treasury stock units		-	-	-	(4,361)	-	-	(4,361)
Share issue costs		-	-	(113)	-	-	-	(113)
Share options granted under EOB ESOS lapsed		-	-	-	-	(3)	-	(3)
Share options granted under EOB ESOS exercised		-	-	720	-	(720)	-	-
Dividends	13	-	-	-	-	-	(27,563)	(27,563)
At 31 March 2008		419,061	83,991	76,006	(5,110)	1,294	98,183	673,425
Profit for the financial year, representing total recognised income and expense for the financial year		-	-	-	-	-	1,818	1,818
Issue of ordinary stock units:								
- Pursuant to Members' Scheme		172,899	-	220,053	-	-	-	392,952
- Warrants exercised		35	-	-	-	-	-	35
Purchase of treasury stock units		-	-	-	(4,844)	-	-	(4,844)
Share issue costs pursuant to Members' Scheme		-	-	(1,402)	-	-	-	(1,402)
Share options granted under EOB ESOS lapsed		-	-	-	-	(2)	-	(2)
At 31 March 2009		591,995	83,991	294,657	(9,954)	1,292	100,001	1,061,982

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax from:		
Continuing operations	**(38,124)**	194,565
Discontinued operation	**-**	28,185
Adjustments for:		
Allowance for doubtful debts	**1,973**	-
Amortisation of intangible assets	**142**	181
Amortisation of prepaid lease payments	**27**	199
Depreciation of property, plant and equipment	**11,875**	10,892
Depreciation of investment properties	**160**	11
Bad debts written off	**71**	-
Impairment loss in:		
- other investments	**5,026**	81
- quoted investments	**5,213**	-
Interest expense	**28,324**	28,799
Inventories written off	**1**	34
Development expenditure written off	**283**	-
Property, plant and equipment written off	**39**	324
Provision for expected loss	**442**	-
Doubtful debts written back	**-**	(2)
Loss/(gain) on disposal of:		
- an associate	**24**	-
- investment properties	**-**	108
- other investments	**19,953**	-
- property, plant and equipment	**206**	100
- quoted investments	**-**	(534)
- unquoted investments	**-**	(2,276)
- investment properties previously classified as held for sale	**(689)**	-
Loss on foreign exchange	**995**	679
Gain on disposal of PPB Group	**-**	(98,941)
Reversal of impairment loss in other investments	**-**	(181)
Reversal of provision of expected loss	**-**	(1,066)
Write-back of provision	**-**	(10,000)
Write-down of inventories	**-**	493
Interest income	**(10,167)**	(12,879)
Dividend income	**(1,812)**	(1,886)
Share of loss of associates	**3,477**	2,874
Share of (profit)/loss of jointly controlled entities	**(612)**	579
Share options lapsed under EOB ESOS	**(2)**	(3)
Operating profit before working capital changes	**26,825**	140,336
Working capital changes:		
Non-current asset classified as held for sale	**-**	8,705
Land held for property development	**(4,692)**	(125,745)
Property development costs	**(46,560)**	96,138
Inventories	**(1,207)**	19,312
Amount due to customers on construction work	**-**	(2,818)
Receivables	**86,771**	55,617
Payables	**22,014**	(100,129)
Cash generated from operations	**83,151**	91,416
Interest received	**10,114**	11,875
Interest paid	**(55,615)**	(61,223)
Income tax refunded	**12,005**	1,416
Income tax paid	**(38,490)**	(50,935)
Net cash generated from/(used in) operating activities	**11,165**	(7,451)

	NOTE	2009 RM'000	2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(34,987)**	(68,513)
Purchase of intangible assets		**(44)**	(69)
Purchase of other investments		**(20,155)**	-
Net cash flow on acquisitions of subsidiaries	19(a)	**-**	(1,758)
Disposal of PPB Group	11	**-**	190,647
Additional investment in associates		**-**	(8,981)
Additional investment in investment properties		**(2,907)**	-
Proceeds from disposal of property, plant and equipment		**91**	435
Proceeds from disposal of investment property previously classified as held for sale		**5,499**	5,392
Proceeds from disposal of an associate		**60**	-
Proceeds from disposal of other investments		**202**	18,686
Acquisitions of additional equity interest in subsidiaries from minority shareholders		**(212,694)**	(49,775)
Dividends received		**1,498**	1,484
Long term receivable		**-**	(70)
Net cash (used in)/generated from investing activities		**(263,437)**	87,478
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary stock units, net of issuance costs		**-**	2,584
Proceeds from issuance of ordinary shares in subsidiaries		**-**	45,443
Proceeds from exercise of warrants		**35**	31,806
Purchase of treasury stock units		**(4,844)**	(4,361)
Drawdown of borrowings		**109,730**	260,000
Repayment of borrowings		**(53,119)**	(289,580)
Repayment of hire purchase liabilities		**(732)**	(646)
Share issue costs pursuant to Members' Scheme		**(1,402)**	-
Dividend paid to minority shareholders of subsidiaries		**-**	(5,514)
Dividends paid		**(15,412)**	(12,151)
Net cash generated from financing activities		**34,256**	27,581
Effects of exchange translation differences		**111**	304
Net (decrease)/increase in cash and cash equivalents		**(217,905)**	107,912
Cash and cash equivalents at 1 April		**452,495**	344,583
Cash and cash equivalents at 31 March	27	**234,590**	452,495

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	NOTE	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**7,173**	22,932
Adjustments for:			
Allowance for doubtful debts		**445**	-
Depreciation of property, plant and equipment		**3**	7
Impairment loss of other investment		**3,000**	-
Impairment loss of subsidiaries		**18,556**	-
Loss on disposal of a subsidiary		**59**	-
Gain on disposal of other investments		**-**	(344)
Interest expense		**17,782**	15,746
Dividend income		**(46,212)**	(1,676)
Gain on disposal of PPB Group		**-**	(35,790)
Interest income		**(7,876)**	(12,153)
Reversal of impairment loss in a subsidiary		**(2,899)**	-
Share options lapsed under EOB ESOS		**(2)**	(3)
Operating loss before working capital changes		**(9,971)**	(11,281)
Receivables		**1,389**	2,828
Payables		**(1,795)**	(1,166)
Cash used in operations		**(10,377)**	(9,619)
Interest paid		**(21,590)**	(24,374)
Income tax paid		**-**	(592)
Income tax refunded		**2,537**	-
Net cash used in operating activities		**(29,430)**	(34,585)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary		**(3,000)**	-
Additional investment in subsidiaries		**(212,694)**	(2,207)
Proceeds from disposal of PPB Group		**-**	95,741
Purchase of property, plant and equipment		**(34)**	-
Proceeds from disposal of other investments		**-**	478
Dividend received		**22,142**	2,674
Interest received		**2,964**	3,302
Net cash (used in)/generated from investing activities		**(190,622)**	99,988
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary stock units, net of issuance costs		**-**	2,584
Proceeds from exercise of warrants		**35**	31,806
Purchase of treasury stock units		**(4,844)**	(4,361)
Drawdown of borrowings		**10,372**	150,000
Repayment of borrowings		**(3,000)**	(130,186)
Advances to subsidiaries		**14,959**	59,750
Share issue costs pursuant to Members' Scheme		**(1,402)**	-
Dividends paid		**(15,412)**	(12,151)
Net cash generated from financing activities		**708**	97,442
Net (decrease)/increase in cash and cash equivalents		**(219,344)**	162,845
Cash and cash equivalents at 1 April		**215,683**	52,838
Cash and cash equivalents at 31 March	27	**(3,661)**	215,683

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and principal place of business of the Company is located at Level 3A (Annexe), Menara Milenium, 8 Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 19. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 July 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia ("FRS"). The Group and the Company had adopted new and revised FRSs which are mandatory for the current financial year as described fully in Note 2.3.

The financial statements of the Group and of the Company have been prepared under the historical cost basis and are presented in Ringgit Malaysia (RM). All values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

a. Subsidiaries and Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in the income statement.

ii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

b. Associates

Associates are those entities in which the Group has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

c. Jointly Controlled Entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(b).

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

d. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. Dividend Income

Dividend income from subsidiaries is recognised when the right to receive payment is established while dividends from associates and other investments are recognised when received.

ii. Interest Income

Interest income is recognised on the accrual basis using effective interest rate method.

iii. Sale of Properties

Revenue from sale of properties under development is accounted for by the stage of completion method as described in Note 2.2(h)(iii).

Revenue from sale of land and completed properties is recognised upon the finalisation of sale and purchase agreements and when the risks and rewards of ownership have passed.

iv. Construction Contracts

Revenue from construction contracts is recognised on the stage of completion method as described in Note 2.2(l).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

d. Revenue Recognition (Contd)

v. *Revenue from Hotel and Restaurant Operations*
Revenue from hotel and restaurant operations comprise rental of rooms, sale of food and beverages and other hotel and restaurant related income, and is recognised based on the accrual basis, net of service and sales tax.

vi. *Rental Income*
Rental income from investment properties is recognised on accrual basis based on the agreed upon rental rates.

vii. *Trading Inventories*
Revenue on trading inventories is recognised upon the transfer of risks and rewards.

viii. *Management Fees*
Revenue from management services provided is recognised when services have been rendered.

e. Income Tax

Income tax on the income statement for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the financial year end.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial year end. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

f. Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and is not depreciated. Capital-work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 15%
Plant, machinery and equipment	10% - 25%
Office equipment, renovation and furniture and fittings	10% - 33.3%
Vessel	10%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

g. Non-Current Assets (or Disposal Groups) Held for Sale and Discontinued Operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than deferred tax assets, employee benefits assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in income statement.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed and such a component represents a separate major line of business or geopraphical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

h. Land Held for Property Development and Property Development Costs

i. Land Reclamation Cost

Land reclamation cost is in respect of expenditure incurred relating to the Tanjong Tokong Reclamation Project and is stated at cost less any accumulated impairment losses.

Land reclamation cost includes related development expenditure including interest expense incurred during the period of active development.

ii. Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

iii. Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings in respect of property development costs and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings in respect of property development costs.

i. Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

i. Investment Properties (Contd)

Depreciation is not provided on freehold land. Depreciation of building is provided for on a straight-line basis to write off the cost of building to its residual value over the estimated useful life at 2% per annum.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of investment properties.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statement in the financial year in which they arise.

j. Intangible Assets

i. Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Other Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are arrived at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets, which represent software cost with finite lives, are amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at each financial year end.

The residual values, useful life and amortisation method are reviewed at each financial year end to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economics benefits embodied in the items of intangible assets.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

k. Inventories

i. Inventories of Completed Properties

Inventories of completed properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction, development costs and appropriate overheads. Net realisable value represents the estimated selling price less all estimated costs necessary to make the sale.

ii. Trading Inventories

Trading inventories are stated at the lower of cost, which is determined on the weighted average basis, and net realisable value. Cost includes expenditure incurred in bringing inventories to store. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

l. Construction Contracts

Construction contracts are stated at cost plus attributable profit less progress billings. Cost comprises direct labour, material costs, sub-contract sum and an allocated proportion of directly related overheads. Administrative and general expenses are charged to the income statement as and when incurred.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively, by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Provision is made for all anticipated losses on construction work. Provision for warranties is made for expected or estimated repair costs for making good certain defects and damages during the warranty periods.

The aggregate of the costs incurred and the profits or losses recognised are compared against the progress billings up to the financial year end for all contracts in progress. The balances are shown as amount due from customers on construction work when costs incurred plus recognised profits (less recognised losses) exceed progress billings. The balances are shown as amount due to customers on construction contract when progress billings exceed costs incurred plus recognised profits (less recognised losses).

m. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability to the present value of the expenditure expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Provision for restoration costs are in respect of management's best estimate of the costs necessary to be incurred to restore rented premises. The initial estimated amount is capitalised as part of the cost for property, plant and equipment.

n. Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

i. Cash and Cash Equivalents

For the purposes of cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

ii. Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in income statement.

iii. Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the financial year end.

iv. Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

v. Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowing costs directly attributable to the acquisition and construction of land held for property development, development properties, investment properties, and other properties, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will be suspended when the assets are completed or during the period in which development and construction are interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawndown from that borrowing facility.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

n. Financial Instruments (Contd)

vi. Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS are regarded as compound instruments consisting of a liability and an equity component. At the date of issue, the fair value of the liability component is determined using the prevailing market interest rate for an equivalent financial instrument. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity.

The liability component is subsequently stated at amortised cost using effective interest rate method. Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing interest rate for a similar borrowing at the date of issue. The difference between this amount and the interest paid is added to the carrying value of the ICULS.

The value of the conversion option is not adjusted in subsequent periods, except in times of ICULS conversion into ordinary stock units. Upon conversion of the instrument into ordinary stock units, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised in income statement.

vii. Equity Instruments

Ordinary stock units are classified as equity. Dividends on ordinary stock units are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary stock units of the Company that have not been cancelled, are classified as treasury stock units and presented as a deduction from equity. No gain or loss is recognised in income statement on the sale, re-issuance or cancellation of treasury stock units. When treasury stock units are re-issued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

o. Leases

i. Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exception:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

ii. Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for hire purchase assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(f).

iii. Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and buildings elements in proportion to their relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

p. Foreign Currencies

i. Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company’s functional currency.

ii. Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at the financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statement for the period except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in income statement. Exchange differences arising on monetary items that form part of the Group’s net investment in foreign operation are recognised in income statement in the Group’s separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

iii. Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the financial year end;

- Income and expenses for each income statement are translated at average exchange rates for the financial year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the financial year end.

q. Employee Benefits

i. Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when the absences occur.

ii. Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (“EPF”). A foreign subsidiary also make contributions to its country’s statutory pension scheme.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

q. Employee Benefits (Contd)

iii. Share-based Compensation

The Eastern & Oriental Berhad Employees' Share Option Scheme, an equity-settled, share-based compensation plan, allows certain employees to acquire ordinary stock units of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the equity compensation reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each financial year end, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profits.

The proceeds received net of any directly attributable transaction costs will be credited to equity when the options are exercised.

r. Impairment of Non-Financial Assets

The carrying amounts of assets, other than investment properties, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in income statement.

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

On 1 April 2008, the Group and the Company adopted the following revised FRSs, amendment to FRS and Interpretations:

FRS 107	: Cash Flow Statements
FRS 111	: Construction Contracts
FRS 112	: Income Taxes
FRS 118	: Revenue
FRS 134	: Interim Financial Reporting
FRS 137	: Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	: Changes in Existing Decommisioning, Restoration and Similar Liabilities
IC Interpretation 8	: Scope of FRS 2

The revised FRSs, amendment to FRS and Interpretations above do not have any significant impact on the financial statements of the Group and the Company.

Further, the requirement arising from the adoption of revised FRS 112 is only applicable if the entities with unutilised tax reinvestment or other similar tax allowance in excess of the normal capital allowance, meet the condition to recognise deferred tax asset to the extent that it is probable that the future taxable profit will be available against which the unutilised reinvestment or other similar tax allowance can be utilised.

2.4 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs AND INTERPRETATIONS		EFFECTIVE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER
FRS 4	: Insurance Contracts	1 January 2010
FRS 7	: Financial Instruments: Disclosures	1 January 2010
FRS 8	: Operating Segments	1 July 2009
FRS 139	: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	: Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application, except for the changes in disclosure arising from the adoption of FRS 7 and FRS 8.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

2.5 Significant Accounting Judgements and Estimates

a. Critical Judgements Made in Applying Accounting Policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

i. Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

The investment properties which principally comprise freehold land and building held by the Group for their investment potential and are not occupied by the Group. Those properties occupied by the Group are classified as property, plant and equipment.

ii. Allowances for bad and doubtful debts

The policy for allowance for bad and doubtful debts of the Group is based on the evaluation of collectibility and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, additional allowances may be required. Further details are given in Note 23.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.5 Significant Accounting Judgements and Estimates (Contd)

b. Key Sources of Estimation Uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainties at the financial year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. *Impairment*

During the financial year, certain subsidiaries of the Company have recognised impairment losses in respect of investments in an associate. The management of the Company carried out a review of the recoverable amount of its investments in an associate during the current financial year because the associate has persistently been incurring losses. The recoverable amount was based on best estimate by the management. Further details are disclosed in Note 20.

ii. *Property Development*

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

iii. *Deferred Tax Assets*

Deferred tax assets are recognised for all unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The unrecognised tax losses and capital allowances of the Group amounted to RM64,520,000 (2008: RM68,576,000) at the financial year end.

3. REVENUE

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
REVENUE FROM				
Property development activities	**224,013**	396,429	**-**	-
Sale of land held for property development	**17,042**	15,619	**-**	-
Sale of completed properties	**7,357**	19,518	**-**	-
Sale of land classified as non-current assets held for sale	**-**	38,266	**-**	-
Rental income	**70**	-	**-**	-
Hotel and restaurant operations	**51,734**	44,681	**-**	-
Investments and others	**4,233**	1,886	**46,681**	1,676
	304,449	516,399	**46,681**	1,676

4. COST OF SALES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property development costs	**178,867**	261,553	**-**	-
Cost of land held for property development	**17,621**	17,928	**-**	-
Cost of completed properties	**6,043**	15,906	**-**	-
Cost of land classified as non-current assets held for sale	**-**	8,705	**-**	-
Cost of rental related	**192**	-	**-**	-
Cost of hotel and restaurant operations	**32,009**	25,646	**-**	-
Cost of sales with respect to management services rendered	**566**	-	**-**	-
Others	**697**	-	**-**	-
	235,995	329,738	**-**	-

5. OTHER INCOME

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest income:				
- subsidiaries	**-**	-	**5,949**	7,895
- others	**10,167**	12,487	**1,927**	4,258
Doubtful debts written back	**-**	2	**-**	-
Gain on disposal of:				
- property, plant and equipment	**5**	4	**-**	-
- quoted investments	**-**	534	**-**	344
- unquoted investments	**-**	2,276	**-**	-
- investment properties previously classified as held for sale	**689**	-	**-**	-
Gain on disposal of PPB Group	**-**	98,941	**-**	35,790
Reversal of impairment loss in:				
- other investments	**-**	181	**-**	-
- subsidiary	**-**	-	**2,899**	-
Reversal of provision for expected loss	**-**	1,066	**-**	-
Write back of over accrual of trade payables	**1,923**	-	**-**	-
Hotel and restaurant related services	**2,794**	1,106	**-**	-
Rental income	**1,284**	1,545	**-**	-
Miscellaneous	**3,249**	2,617	**-**	-
	20,111	120,759	**10,775**	48,287

6. FINANCE COSTS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expense on:				
Bank overdrafts	**725**	626	**505**	19
Term loans	**16,917**	20,246	**8,927**	11,562
Revolving credits	**8,092**	4,714	**2,187**	1,101
Bank guarantee	**4,848**	5,039	**-**	-
Irredeemable convertible unsecured loan stocks	**2,276**	3,064	**2,276**	3,064
Commercial papers	**3,191**	3,280	**-**	-
Medium term notes	**12,390**	12,529	**-**	-
Hire purchase	**191**	155	**-**	-
Inter companies interest	**-**	-	**3,887**	-
Others	**1,364**	1,214	**-**	-
	49,994	50,867	**17,782**	15,746
Less: Interest expense capitalised in:				
Property, plant and equipment (Note 14(c))	**(547)**	-	**-**	-
Land held for property development (Note 15(c))	**(4,535)**	(18,269)	**-**	-
Property development costs (Note 25)	**(16,588)**	(3,831)	**-**	-
	28,324	28,767	**17,782**	15,746

7. (LOSS)/PROFIT BEFORE TAX

The following amounts have been included in arriving at (loss)/profit before tax:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Auditors' remuneration:				
- statutory audits	**485**	415	**40**	35
- underprovision in prior year	**50**	6	**5**	-
- other services	**32**	17	**11**	5
Amortisation of:				
- prepaid lease payments	**27**	198	**-**	-
- intangible assets	**142**	149	**-**	-
Allowance for doubtful debts	**1,973**	-	**445**	-
Bad debts written off	**71**	-	**-**	-
Depreciation of:				
- property, plant and equipment	**11,875**	10,417	**3**	7
- investment properties	**160**	11	**-**	-
Development expenditure written off	**283**	-	**-**	-
Employee benefits expense (Note 8)	**28,255**	30,334	**3,920**	4,976
Non-executive directors' remuneration (Note 9)	**471**	581	**326**	288
Impairment loss of:				
- other investments	**5,026**	81	**3,000**	-
- quoted investments	**5,213**	-	**-**	-
- subsidiaries	**-**	-	**18,556**	-
Inventories written off	**1**	34	**-**	-
Loss on disposal of:				
- an associate	**24**	-	**-**	-
- investment properties	**-**	108	**-**	-
- property, plant and equipment	**211**	200	**-**	-
- other investments	**19,953**	-	**-**	-
- subsidiary	**-**	-	**59**	-
Loss on foreign exchange	**995**	679	**-**	-
Property, plant and equipment written off	**39**	316	**-**	-
Provision for expected loss	**442**	-	**-**	-
Rental of land and buildings	**4,282**	3,251	**370**	217
Rental of plant and machinery	**120**	53	**1**	-
Write-down of inventories	**-**	493	**-**	-

8. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Charged to income statement	**28,255**	30,334	**3,920**	4,976
Wages and salaries	**22,612**	25,490	**3,245**	4,428
Social security contributions	**227**	142	**8**	-
Short term accumulating compensated absences	**19**	-	**-**	-
Contributions to defined contribution plan	**2,869**	3,033	**550**	542
Other benefits	**2,528**	1,669	**117**	6
	28,255	30,334	**3,920**	4,976

Included in employee benefits expense of the Group and of the Company from continuing operations are executive directors' remuneration amounting to RM3,693,000 (2008: RM10,551,000) and RM2,037,000 (2008: RM5,260,000) respectively, as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive directors' remuneration:				
Fees	**343**	352	**158**	125
Other emoluments:				
- continuing operations	**3,350**	10,199	**1,879**	5,135
- discontinued operation	**-**	719	**-**	-
	3,693	11,270	**2,037**	5,260
Non-executive directors' remuneration:				
Fees:				
- continuing operations	**471**	581	**326**	288
- discontinued operation	**-**	158	**-**	-
Other emoluments:				
- discontinued operation	**-**	19	**-**	-
	471	758	**326**	288
Total directors' remuneration	**4,164**	12,028	**2,363**	5,548
Estimated money value of benefits-in-kind:				
- continuing operations	**144**	265	**27**	72
- discontinued operation	**-**	8	**-**	-
Total directors' remuneration including benefits-in-kind	**4,308**	12,301	**2,390**	5,620

The details of remuneration receivable by directors of the Company during the financial year are as follows:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive:				
Salaries and other emolument	**2,211**	8,605	**1,480**	4,624
Fees	**343**	280	**158**	125
Defined contribution plan	**736**	863	**399**	511
Estimated money value of benefits-in-kind	**144**	170	**27**	-
	3,434	9,918	**2,064**	5,260
Non-executive:				
Fees	**420**	378	**326**	288
Others	**-**	72	**-**	72
	420	450	**326**	360
	3,854	10,368	**2,390**	5,620

The number of directors of the Company whose total remuneration during the financial year fell within the following bands (excluding share options granted under EOB ESOS) is analysed below:

	NUMBER OF DIRECTORS	
	2009	2008
Executive directors:		
Below RM50,000	**-**	1
RM600,001 to RM650,000	**1**	-
RM1,250,001 - RM1,300,000	**1**	-
RM1,500,001 - RM1,550,000	**1**	-
RM3,550,001 - RM3,600,000	**-**	1
RM6,250,001 - RM6,300,000	**-**	1
Non-executive directors:		
RM50,001 to RM100,000	**4**	2
RM100,001 to RM150,000	**1**	2

10. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CONTINUING OPERATIONS				
Current income tax:				
Malaysian income tax	**10,126**	59,414	**5,355**	-
(Over)/underprovision in prior years	**(3,599)**	(1,617)	**-**	218
	6,527	57,797	**5,355**	218
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	**(8,046)**	(23,404)	**-**	-
Relating to changes in tax rate	**(926)**	(1,150)	**-**	-
(Over)/underprovision in prior years	**(3,622)**	1,546	**-**	-
	(12,594)	(23,008)	**-**	-
Total income tax expense from continuing operations	**(6,067)**	34,789	**5,355**	218
DISCONTINUED OPERATION				
Current income tax:				
Malaysian income tax	**-**	5,310	**-**	-
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	**-**	1,795	**-**	-
Relating to changes in tax rate	**-**	403	**-**	-
	-	2,198	**-**	-
Total income tax expense from discontinued operation	**-**	7,508	**-**	-
Total income tax expense	**(6,067)**	42,297	**5,355**	218

Domestic income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the financial year. In the prior year, certain subsidiaries being a Malaysian resident company with a paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, all the subsidiaries no longer qualify for the above preferential tax rates.

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2009 RM'000	2008 RM'000
GROUP		
(Loss)/profit before tax from:		
Continuing operations	**(38,124)**	194,565
Discontinued operation	**-**	28,185
	(38,124)	222,750

	2009 RM'000	2008 RM'000
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**(9,531)**	57,915
Effect of changes in tax rates on opening balance of deferred tax	**(926)**	(747)
Effect of expenses not deductible for tax purposes	**10,836**	11,557
Effect of income subject to tax rate of 20%	**(15)**	(228)
Effect of income not subject to tax	**(300)**	(26,978)
Effect of utilisation of previously unrecognised deferred tax assets	**(3,171)**	(3,379)
Effect of share of loss of associates	**869**	747
Effect of share of results of jointly controlled entities	**15**	151
Effect of utilisation of group relief	**(311)**	-
Deferred tax assets not recognised during the financial year	**2,222**	2,903
Deferred tax recognised at different tax rate	**1,317**	88
Overprovision of income tax in prior years	**(3,599)**	(1,617)
(Over)/underprovision of deferred tax in prior years	**(3,622)**	1,546
Other tax items	**149**	339
Income tax expense for the financial year	**(6,067)**	42,297

COMPANY

	2009 RM'000	2008 RM'000
Profit before tax	**7,173**	22,932
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**1,793**	5,962
Effect of income not subject to tax	**(725)**	(9,395)
Effect of expenses not deductible for tax purposes	**4,271**	3,433
Effect of utilisation of previously unrecognised deferred tax assets	**(95)**	-
Deferred tax assets not recognised during the financial year	**111**	-
Underprovision of income tax in prior years	**-**	218
Income tax expense for the financial year	**5,355**	218

11. DISCONTINUED OPERATION

In the previous year, the Company had on 8 August 2007 entered into a conditional Sale and Purchase Agreement with Swan Symphony Sdn. Bhd. to divest its entire equity interest of 68,604,274 ordinary shares of RM0.50 each in Putrajaya Perdana Berhad ("PPB"). The disposal of PPB was completed on 31 October 2007 and resulted in PPB ceasing to be a subsidiary of the Company. Accordingly, the results arising from PPB Group of companies are presented as discontinued operation.

An analysis of the results of discontinued operation is as follows:

	GROUP 2008 RM'000
Revenue	241,867
Cost of sales	(216,661)
Gross profit	25,206
Other income	11,842
Administrative expenses	(8,034)
Selling and marketing expenses	(477)
Other expenses	(320)
Operating profit	28,217
Finance costs	(32)
Profit before tax	28,185
Income tax expense (Note 10)	(7,508)
Profit for the financial year from discontinued operation	20,677

11. DISCONTINUED OPERATION (CONTD)

The following amounts have been included in arriving at profit before tax of discontinued operation:

	GROUP
	2008
	RM'000
Employee benefits expense	4,408
Non-executive directors' remuneration	177
Auditors' remuneration:	
- statutory audits	55
Amortisation of:	
- prepaid lease payments	1
- intangible assets	32
Construction contract costs	214,452
Cost of inventories sold	76
Depreciation of property, plant and equipment	475
Interest expense	32
Property development costs	2,453
Property, plant and equipment written off	8
Rental of plant and equipment	14
Rental of premises	14
Write-back of provision	(10,000)
Gain on disposal of property, plant and equipment	(96)
Interest income	(392)
Rental income	(352)
Revenue from proportionate sales value of development properties attributable to the work performed	(3,254)
Revenue from construction and related activities	(238,613)

The total amount of employee benefits expense capitalised under construction contract cost incurred up to 31 October 2007 amounting to RM14,864,000. Included in employee benefits expense were executive directors' remuneration amounting to RM719,000.

The cash flows attributed to the discontinued operation are as follows:

	GROUP
	2008
	RM'000
Operating cash flows	(52,979)
Investing cash flows	(5,138)
Financing cash flows	(3,404)
Total cash flows	(61,521)
Cash outflow, representing cash and cash equivalents of disposal of PPB Group	(7,306)

The discontinued operation had the following effects on the financial position and financial results of the Group as at the end of the previous financial year:

	GROUP
	2008
	RM'000
Sales proceeds net of transaction costs, representing cash inflow	197,953
Net assets disposed	(99,012)
Gain on disposal of PPB Group (Note 5)	98,941

12. (LOSS)/EARNINGS PER ORDINARY STOCK UNIT

a. Basic

Basic (loss)/earnings per ordinary stock unit is calculated by dividing the (loss)/profit for the financial year attributable to ordinary stockholders of the Company by the weighted average number of ordinary stock units in issue during the financial year.

	2009 RM'000	2008 RM'000
GROUP		
(Loss)/profit from continuing operations attributable to ordinary stockholders of the Company	**(37,276)**	119,074
Profit from discontinued operation attributable to ordinary stockholders of the Company	**-**	9,780
(Loss)/profit attributable to ordinary stockholders of the Company	**(37,276)**	128,854

	2009 '000	2008 '000
Weighted average number of ordinary stock units in issue	**543,104**	403,584
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS	**123,107**	129,220
Adjusted weighted average number of ordinary stock units	**666,211**	532,804

	2009 SEN	2008 SEN
Basic (loss)/earnings per stock unit for:		
(Loss)/profit from continuing operations	**(5.60)**	22.35
Profit from discontinued operation	**-**	1.84
(Loss)/profit for the financial year	**(5.60)**	24.19

b. Diluted

For the purpose of calculating diluted (loss)/earnings per stock unit, the (loss)/profit for the financial year attributable to ordinary stockholders of the Company and the weighted average number of ordinary stock units in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary stock units, i.e. conversion of ICULS and warrants, and share options granted to employees.

	2009 RM'000	2008 RM'000
GROUP		
(Loss)/profit from continuing operations attributable to ordinary stockholders of the Company	**(37,276)**	119,074
Profit from discontinued operation attributable to ordinary stockholders of the Company	**-**	9,780
(Loss)/profit attributable to ordinary stockholders of the Company	**(37,276)**	128,854

	2009 '000	2008 '000
Weighted average number of ordinary stock units in issue	**543,104**	403,584
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS	**123,107**	129,220
Effect of exercise of warrants	**-**	29,635
Effect of dilution of ESOS	**-**	3,432
Adjusted weighted average number of ordinary stock units in issue and issuable	**666,211**	565,871

	2009 SEN	2008 SEN
Diluted (loss)/earnings per stock unit for:		
(Loss)/profit from continuing operations	**(5.60)**	21.04
Profit from discontinued operation	**-**	1.73
(Loss)/profit for the financial year	**(5.60)**	22.77

12. (LOSS)/EARNINGS PER ORDINARY STOCK UNIT (CONTD)

b. Diluted (Contd)

The fully diluted (loss)/earnings per stock unit is the same as the basic (loss)/earnings per stock unit for current financial year under review, as the effects of ESOS and Warrants are ignored as they are anti-dilutive in calculating the diluted (loss)/earnings per stock unit in accordance with FRS 133 on Earnings per share.

13. DIVIDENDS

i. Net Dividends Per Stock Unit

Net dividends per stock unit as disclosed in the income statements is computed as follows:

	NOTE	GROUP/COMPANY 2008 SEN
Special dividend of 5.0% less 26% taxation	(a)	3.70

Note:

a. Special dividend per stock unit is calculated by dividing the special dividend declared for the financial year less 26% taxation of RM15,412,000 by the number of ordinary stock units in issue of 416,531,000 of RM1.00 each.

ii. Dividends Accounted for in the Financial Statements

	GROUP/COMPANY 2008 RM'000
In respect of financial year ended 31 March 2007:	
Final dividend of 4.0 sen less 27% taxation, on 416,132,000 ordinary stock units of RM1.00 each	12,151
In respect of financial year ended 31 March 2008:	
Special dividend of 5.0 sen less 26% taxation, on 416,531,000 ordinary stock units of RM1.00 each	15,412
	27,563

The directors do not recommend any final dividend in respect of the financial year ended 31 March 2009.

14. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
GROUP							
At 31 March 2009							
Cost							
At 1 April 2008	195,831	4,732	22,573	4,560	7,509	55,190	290,395
Additions	218	1,518	4,310	-	304	29,185	35,535
Disposals	-	(520)	(2,579)	-	(100)	-	(3,199)
Reclassify from intangible assets (Note 18)	-	-	80	-	-	-	80
Transfer from property development costs (Note 25)	3,627	-	-	-	-	65,263	68,890
Written off	-	(37)	(384)	-	(1)	-	(422)
Exchange difference	-	-	(194)	-	-	-	(194)
At 31 March 2009	**199,676**	**5,693**	**23,806**	**4,560**	**7,712**	**149,638**	**391,085**

	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
Accumulated depreciation and impairment losses							
At 1 April 2008	21,119	1,869	11,804	2,622	3,475	-	40,889
Depreciation charge for the financial year	6,205	838	3,683	456	693	-	11,875
Reclassification	-	-	245	-	(245)	-	-
Disposals	-	(482)	(2,360)	-	(60)	-	(2,902)
Reclassify from intangible assets (Note 18)	-	-	29	-	-	-	29
Written off	-	(19)	(363)	-	(1)	-	(383)
Exchange difference	-	-	(13)	-	-	-	(13)
At 31 March 2009	**27,324**	**2,206**	**13,025**	**3,078**	**3,862**	**-**	**49,495**
Analysed as:							
Accumulated depreciation	27,324	2,206	12,868	3,078	3,862	-	49,338
Accumulated impairment losses	-	-	157	-	-	-	157
	27,324	2,206	13,025	3,078	3,862	-	49,495
Net carrying amount	**172,352**	**3,487**	**10,781**	**1,482**	**3,850**	**149,638**	**341,590**

* Land and Buildings of the Group

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	FREEHOLD LAND AND BUILDING RM'000	TOTAL RM'000
At 31 March 2009				
Cost				
At 1 April 2008	26,480	67,504	101,847	195,831
Additions	-	218	-	218
Transfer from property development costs (Note 25)	-	3,627	-	3,627
At 31 March 2009	**26,480**	**71,349**	**101,847**	**199,676**
Accumulated depreciation				
At 1 April 2008	-	4,331	16,788	21,119
Depreciation charge for the financial year	-	1,500	4,705	6,205
At 31 March 2009	**-**	**5,831**	**21,493**	**27,324**
Net carrying amount	**26,480**	**65,518**	**80,354**	**172,352**

	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
GROUP							
At 31 March 2008							
Cost							
At 1 April 2007	193,651	66,300	24,699	4,560	15,486	4,828	309,524
Acquisitions of subsidiaries	-	1,249	2,315	-	172	-	3,736
Additions	17,916	4,783	5,288	-	2,413	39,564	69,964
Reclassification	2,771	-	(64)	-	64	(2,771)	-
Disposals	-	(925)	(463)	-	(640)	-	(2,028)
Disposal of PPB Group	(18,507)	(66,047)	(8,446)	-	(9,972)	-	(102,972)
Transfer from land held for property development (Note 15)	-	-	-	-	-	13,569	13,569
Written off	-	(628)	(756)	-	(14)	-	(1,398)
At 31 March 2008	195,831	4,732	22,573	4,560	7,509	55,190	290,395

14. PROPERTY, PLANT AND EQUIPMENT (CONTD)

	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
GROUP (CONTD)							
At 31 March 2008 (Contd)							
Accumulated depreciation and impairment losses							
At 1 April 2007	15,619	58,942	15,469	2,166	9,096	-	101,292
Acquisitions of subsidiaries	-	259	870	-	24	-	1,153
Depreciation charge for the financial year:	6,253	1,822	3,267	456	811	-	12,609
- recognised in income statement	6,253	530	2,952	456	701	-	10,892
- capitalised in construction contract costs	-	1,292	315	-	110	-	1,717
Reclassification	-	-	(5)	-	5	-	-
Disposals	-	(873)	(544)	-	(76)	-	(1,493)
Disposal of PPB Group	(753)	(57,788)	(6,682)	-	(6,375)	-	(71,598)
Written off	-	(493)	(571)	-	(10)	-	(1,074)
At 31 March 2008	21,119	1,869	11,804	2,622	3,475	-	40,889
Analysed as:							
Accumulated depreciation	21,119	1,869	11,647	2,622	3,475	-	40,732
Accumulated impairment losses	-	-	157	-	-	-	157
	21,119	1,869	11,804	2,622	3,475	-	40,889
Net carrying amount	174,712	2,863	10,769	1,938	4,034	55,190	249,506

* Land and Buildings of the Group

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	FREEHOLD LAND AND BUILDING RM'000	TOTAL RM'000
At 31 March 2008				
Cost				
At 1 April 2007	24,900	48,656	120,095	193,651
Additions	1,580	16,077	259	17,916
Reclassification	-	2,771	-	2,771
Disposal of PPB Group	-	-	(18,507)	(18,507)
At 31 March 2008	26,480	67,504	101,847	195,831
Accumulated depreciation				
At 1 April 2007	-	1,500	14,119	15,619
Depreciation charge for the financial year	-	2,831	3,422	6,253
Disposal of PPB Group	-	-	(753)	(753)
At 31 March 2008	-	4,331	16,788	21,119
Net carrying amount	26,480	63,173	85,059	174,712

	FURNITURE, FITTINGS AND EQUIPMENT 2009 TOTAL RM'000	FURNITURE, FITTINGS AND EQUIPMENT 2008 TOTAL RM'000
COMPANY		
Cost		
At 1 April	**26**	26
Additions	**34**	-
Written off	**(11)**	-
At 31 March	**49**	26
Accumulated depreciation		
At 1 April	**23**	16
Depreciation charge for the financial year	**3**	7
Written off	**(11)**	-
At 31 March	**15**	23
Net carrying amount at 31 March	**34**	3

a. The net book value of freehold land and buildings of the Group pledged for borrowings at the financial year end are RM152,568,000 (2008: RM155,611,000) as disclosed in Note 33.

b. During the financial year, capital work-in-progress with carrying amount of RM139,421,000 (2008: Nil) has been pledged as security for the credit facility granted to a subsidiary of the Group.

c. Included in capital work-in-progress incurred during the financial year is an interest expense of RM547,000 (2008: Nil).

d. During the financial year, the Group acquired property, plant and equipment at aggregate costs of RM35,535,000 (2008: RM69,964,000) of which RM223,000 (2008: RM1,451,000) were acquired by means of hire purchase agreement. Net carrying amounts of property, plant and equipment held under hire purchase arrangement are as follows:

	GROUP 2009 RM'000	GROUP 2008 RM'000
Equipment	**656**	773
Motor Vehicles	**2,881**	3,170
	3,537	3,943

e. The Group acquired office equipment of which RM18,000 (2008: Nil) were acquired by means of finance lease arrangements. Net carrying amount of office equipment under finance lease amounted to RM15,000 (2008: Nil).

f. Included in the property, plant and equipment incurred during the financial year is provision for restoration costs of RM307,000 (2008: Nil).

15. LAND HELD FOR PROPERTY DEVELOPMENT

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	ACCUMULATED IMPAIRMENT LOSS RM'000	TOTAL RM'000
GROUP					
At 31 March 2009					
At 1 April 2008	315,412	429,841	91,913	-	837,166
Additions	293	-	26,555	-	26,848
Re-allocation of costs	(9,837)	10,711	(874)	-	-
Disposals	(15,770)	-	(1,851)	-	(17,621)
Transfer from/(to) property development costs (Note 25)	25,501	(176,195)	(63,413)	-	(214,107)
Reclassify to property development costs (Note 25)	(213)	-	-	-	(213)
Transfer to non-current assets classified as held for sale (Note 28)	(4,655)	-	(2,196)	-	(6,851)
Reclassified from non-current assets classified as held for sale (Note 28)	49,192	-	2,346	-	51,538
At 31 March 2009	**359,923**	**264,357**	**52,480**	**-**	**676,760**

15. LAND HELD FOR PROPERTY DEVELOPMENT (CONTD)

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	ACCUMULATED IMPAIRMENT LOSS RM'000	TOTAL RM'000
GROUP					
At 31 March 2008					
At 1 April 2007	327,471	516,088	142,780	(2,846)	983,493
Additions	103,251	1,969	56,136	-	161,356
Re-allocation of costs	(16,808)	16,808	-	-	-
Land conversion	9,160	(9,160)	-	-	-
Disposals	(4,659)	(11,582)	(1,101)	-	(17,342)
Disposal of PPB Group	(48,400)	(10,321)	(22,707)	-	(81,428)
Transfer to property, plant and equipment (Note 14)	-	(7,987)	(5,582)	-	(13,569)
Transfer to property development costs (Note 25)	(5,411)	(65,974)	(75,267)	2,846	(143,806)
Transfer to non-current assets classified as held for sale (Note 28)	(49,192)	-	(2,346)	-	(51,538)
At 31 March 2008	315,412	429,841	91,913	-	837,166

Notes:

a. The State Government of Pulau Pinang ("the State Government") and a shareholder of Tanjung Pinang Development Sdn. Bhd. ("TPD"), E&O-PDC Holdings Sdn. Bhd. ("E&O-PDC"), entered into a Concession Agreement dated 4 October 1990 to reclaim and develop that part of the coast of Pulau Pinang embracing the foreshore near Mukim 18 of the District of Tanjong Tokong.

   Subsequently, E&O-PDC and TPD entered into a Novation Agreement on 5 March 1992 whereby E&O-PDC assigned its rights and transferred its liabilities and obligations under the Concession Agreement to TPD conditional upon the approval of the State Government which was issued on 2 June 1992.

   On 5 February 2004, TPD entered into a conditional Joint Land Development Agreement with E&O Property (Penang) Sdn. Bhd. to develop approximately 240.63 acres of the gross area of approximately 980 acres land near Mukim 18 of the district of Tanjong Tokong in Penang.

   Certain leasehold land of TPD has been granted the right for conversion to freehold land status by the relevant authority.

b. Land held for property development of the Group with carrying amount of RM347,128,000 (2008: RM285,483,000) and RM73,355,000 (2008: RM274,261,000) respectively, are pledged as security for credit facilities granted to the Group and for a syndicated bank guarantee facility in connection with the issuance of Bank Guaranteed Commercial Papers and/or Medium Term Notes ("BG CP/MTNs") as disclosed in Note 33.

c. Included in development expenditure incurred during the financial year is interest expense of RM4,535,000 (2008: RM18,269,000).

d. The titles to certain freehold land and buildings with an aggregate carrying value of RM16,264,000 (2008: RM24,949,000) would be delivered to the Group by the vendor upon full payment of the purchase price as disclosed under Note 35(a).

16. INVESTMENT PROPERTIES

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	TOTAL RM'000
GROUP			
At 31 March 2009			
Cost			
At 1 April 2008	8,000	4,098	12,098
Additions	2,885	22	2,907
Transfer from property development costs (Note 25)	-	203	203
At 31 March 2009	**10,885**	**4,323**	**15,208**

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	TOTAL RM'000
Accumulated depreciation			
At 1 April 2008	-	-	-
Depreciation charge for the financial year	-	160	160
At 31 March 2009	**-**	**160**	**160**
Net carrying amount	**10,885**	**4,163**	**15,048**
At 31 March 2008			
Cost			
At 1 April 2007	-	4,856	4,856
Transfer from property development costs (Note 25)	8,000	4,098	12,098
Transfer to non-current assets classified as held for sale (Note 28)	-	(4,856)	(4,856)
At 31 March 2008	8,000	4,098	12,098
Accumulated depreciation			
At 1 April 2007	-	178	178
Depreciation charge for the financial year	-	11	11
Transfer to non-current assets classified as held for sale (Note 28)	-	(189)	(189)
At 31 March 2008	-	-	-
Net carrying amount	8,000	4,098	12,098

During the financial year, investment properties with a carrying amount of RM15,048,000 are pledged as security for the credit facility granted to a subsidiary, as disclosed in Note 33.

The estimated market value of investment property which was held as at 31 March 2008 was based on valuation by Yap Burgess Rawson International, an independent professional valuer in May 2007 using the open market value method amounted to RM5,350,000. Subsequent to year 2008, the investment property was disposed and hence has been classified as non-current asset held for sale as disclosed in Note 28.

17. PREPAID LEASE PAYMENTS

	SHORT TERM LEASEHOLD LAND RM'000	LONG TERM LEASEHOLD LAND RM'000	LONG TERM LEASEHOLD LAND AND BUILDING RM'000	TOTAL RM'000
GROUP				
At 31 March 2009				
Cost				
At 1 April 2008/31 March 2009	386	363	800	1,549
Accumulated amortisation				
At 1 April 2008	335	127	100	562
Amortisation charge for the financial year	9	10	8	27
At 31 March 2009	344	137	108	589
Net carrying amount	**42**	**226**	**692**	**960**

17. PREPAID LEASE PAYMENTS (CONTD)

	SHORT TERM LEASEHOLD LAND RM'000	SHORT TERM LEASEHOLD LAND AND BUILDING RM'000	LONG TERM LEASEHOLD LAND RM'000	LONG TERM LEASEHOLD LAND AND BUILDING RM'000	TOTAL RM'000
GROUP					
At 31 March 2008					
Cost					
At 1 April 2007	386	2,000	363	1,363	4,112
Transfer	-	-	-	82	82
Expired	-	(2,000)	-	-	(2,000)
Disposal of PPB Group	-	-	-	(645)	(645)
At 31 March 2008	386	-	363	800	1,549
Accumulated amortisation					
At 1 April 2007	321	1,839	122	53	2,335
Amortisation charge for the financial year	14	161	5	19	199
Transfer	-	-	-	82	82
Expired	-	(2,000)	-	-	(2,000)
Disposal of PPB Group	-	-	-	(54)	(54)
At 31 March 2008	335	-	127	100	562
Net carrying amount	51	-	236	700	987

a. The long term leasehold properties comprise properties with an unexpired lease period of 50 years and more. All other leasehold properties are classified as short term. The leasehold properties were amotised over the period of the respective leases which range from 9 to 99 years.

b. Long and short term leasehold land with a carrying amount of RM268,000 (2008: RM287,000) are pledged as security for credit facilities granted to a subsidiary, as disclosed in Note 33.

18. INTANGIBLE ASSETS

Intangible assets represent computer software cost and goodwill arising from acquisition of a subsidiary.

GROUP	GOODWILL RM'000	COMPUTER SOFTWARE RM'000	TOTAL RM'000
Cost			
At 1 April 2007	-	1,548	1,548
Additions	-	69	69
Acquisition of a subsidiary (Note 19(a))	1,851	92	1,943
Disposal of PPB Group	-	(943)	(943)
At 31 March 2008	1,851	766	2,617
Additions	-	44	44
Reclassify to property, plant and equipment (Note 14)	-	(80)	(80)
At 31 March 2009	**1,851**	**730**	**2,581**
Accumulated amortisation			
At 1 April 2007	-	798	798
Amortisation:			
- charged to income statement	-	181	181
- capitalised under construction contract costs incurred to date	-	28	28
Acquisition of a subsidiary (Note 19(a))	-	19	19
Disposal of PPB Group	-	(727)	(727)
At 31 March 2008	-	299	299
Amortisation:			
- charged to income statement	-	142	142
Reclassify to property, plant and equipment (Note 14)	-	(29)	(29)
At 31 March 2009	**-**	**412**	**412**
Net carrying amount			
At 31 March 2009	**1,851**	**318**	**2,169**
At 31 March 2008	1,851	467	2,318

19. INVESTMENTS IN SUBSIDIARIES

	COMPANY 2009 RM'000	2008 RM'000
Quoted shares at cost in Malaysia	**-**	385,570
Unquoted shares at cost	**1,060,009**	75,050
	1,060,009	460,620
Less: Accumulated impairment losses, net of reversal of impairment loss in a subsidiary	**(61,054)**	(45,397)
	998,955	415,223
Market value of quoted shares	**-**	593,518

During the financial year, pursuant to the Members' Scheme, a subsidiary of the Company has been delisted from the Official List of Bursa Securities with effect from 8 August 2008. Further details of the Members' Scheme are disclosed in Note 41(2). Hence, the carrying amount of the quoted shares has been transferred to unquoted shares during the financial year.

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2009 %	2008 %	PAID-UP SHARE CAPITAL RM
i. SUBSIDIARIES OF THE COMPANY					
## E&O Property Development Berhad ("E&OPROP")	Malaysia	Investment holding	**100**	63.4	662,126,205
Dynamic Degree Sdn. Bhd.	Malaysia	Investment holding	**100**	100	3,000,000
E&O Developers Sdn. Bhd.	Malaysia	Investment holding	**100**	100	5,500,000
E&O Ventures Sdn. Bhd.	Malaysia	Dormant	**51**	51	100
Eastern & Oriental Hotel Sdn. Bhd.	Malaysia	Hotel owner and operator, property development and property investment	**100**	100	29,700,000
E&O Leisure Sdn. Bhd.	Malaysia	Property investment	**100**	100	2
Radiant Kiara Sdn. Bhd.	Malaysia	Property development and property investment	**-**	100	920,004
E&O-Pie Sdn. Bhd.	Malaysia	Property development and property investment	**-**	100	100,000
Major Liberty Sdn. Bhd.	Malaysia	Investment holding	**100**	100	300,000
E&O Trading Sdn. Bhd.	Malaysia	Property investment	**-**	100	2
Matrix Promenade Sdn. Bhd.	Malaysia	Investment holding	**100**	-	300,000
ii. SUBSIDIARIES OF EASTERN & ORIENTAL HOTEL SDN. BHD.					
E&O Restaurants Sdn. Bhd.	Malaysia	Investment holding	**100**	100	100,000
E&O Express Sdn. Bhd.	Malaysia	Hotel operator	**100**	100	500,000
E&O Cruises Sdn. Bhd.	Malaysia	Dormant	**100**	100	2
E&O Limousine Services Sdn. Bhd.	Malaysia	Dormant	**100**	100	2
a. Subsidiaries of E&O Restaurants Sdn. Bhd.					
Eminent Pedestal Sdn. Bhd.	Malaysia	Operation of restaurant	**100**	100	100,000
The Delicious Group Sdn. Bhd.	Malaysia	Café and restaurant operator	**51**	51	1,300,000
b. Subsidiary of E&O Express Sdn. Bhd.					
Lone Pine Hotel (Penang) Sdn. Bhd.	Malaysia	Hotel management	**100**	100	320,000
c. Subsidiaries of The Delicious Group Sdn. Bhd.					
Delicious Catering Sdn. Bhd.	Malaysia	Food catering services	**51**	51	2
Reunion Restaurants Sdn. Bhd.	Malaysia	Restaurant operator	**51**	51	2
Food Emporium Sdn. Bhd.	Malaysia	Business of convenience shops	**51**	-	2

19. INVESTMENTS IN SUBSIDIARIES (CONTD)

	NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2009 %	2008 %	PAID-UP SHARE CAPITAL RM
	iii. SUBSIDIARIES OF MATRIX PROMENADE SDN. BHD.					
	Radiant Kiara Sdn. Bhd.	Malaysia	Property development and property investment	**100**	-	920,004
	E&O-Pie Sdn. Bhd.	Malaysia	Property development and property investment	**100**	-	100,000
	E&O Trading Sdn. Bhd.	Malaysia	Property investment	**100**	-	2
	iv. SUBSIDIARIES OF E&OPROP					
	Ambangan Puri Sdn. Bhd.	Malaysia	Property development and property investment	**100**	63.4	1,250,000
	Edisi Utama Sdn. Bhd.	Malaysia	Property development	**100**	63.4	250,000
	E&O Properties Sdn. Bhd.	Malaysia	Property development and property investment	**100**	63.4	16,580,000
	E&O Sales and Marketing Sdn. Bhd.	Malaysia	Sales and marketing services	**100**	63.4	6,000,000
**	E&O Property (Singapore) Pte. Ltd.	Singapore	Sales and marketing services	**100**	63.4	S$500,000
	Emerald Designs Sdn. Bhd.	Malaysia	Property development	**100**	63.4	300,000
	Galaxy Prestige Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	250,000
	Kamunting Management Services Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	100,000
	KCB Holdings Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
**	Kamunting Tin Dredging Limited	England	Investment holding	**100**	63.4	£2,006,250
	Pelicrest Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	119,005
	Prime-Lite Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
	Regal Alliance Sdn. Bhd.	Malaysia	Property development	**100**	63.4	24,152,582
	Ribuan Imbang Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
	Staboc Marketing Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
	Tinggi Murni Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	120,488
	Teratak Warisan (M) Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	100,000
	Twenty First Century Realty Sdn. Bhd.	Malaysia	Dormant	**100**	63.4	2
	a. Subsidiary of Ambangan Puri Sdn. Bhd.					
	Seventy Damansara Sdn. Bhd.	Malaysia	Property development and property investment	**100**	63.4	3,250,000
	b. Subsidiaries of E&O Properties Sdn. Bhd.					
	E&O Management Services Sdn. Bhd.	Malaysia	Property management and property investment	**100**	63.4	2
	Kayangan Budaya Sdn. Bhd.	Malaysia	Property development	**87.5**	55.5	12,700
	Minat Ganda Sdn. Bhd.	Malaysia	Property development and property investment	**100**	63.4	500,060
	c. Subsidiaries of Kamunting Management Services Sdn. Bhd.					
	Bridgecrest Resources Sdn. Bhd.	Malaysia	Investment holding	**94.0**	59.6	100,000
	E&O-PDC Holdings Sdn. Bhd.	Malaysia	Investment holding	**60.0**	38.0	35,000
	i. Subsidiaries of Bridgecrest Resources Sdn. Bhd.					
	Permaijana Ribu (M) Sdn. Bhd.	Malaysia	Investment holding	**85.7**	54.3	5,000,000
	E&O Property (Penang) Sdn. Bhd.	Malaysia	Property development	**94.0**	59.6	1,000,000

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2009 %	2008 %	PAID-UP SHARE CAPITAL RM
ii. **Subsidiary of Permaijana Ribu (M) Sdn. Bhd.**					
Tanjung Pinang Development Sdn. Bhd.	Malaysia	Land reclamation and development	**78.0**	49.5	5,000,000
d. **Subsidiaries of KCB Holdings Sdn. Bhd.**					
KCB Geotechnics Sdn. Bhd.	Malaysia	Inactive	**100**	63.4	500,000
KCB Trading Sdn. Bhd	Malaysia	Property development and property investment	**100**	63.4	5,000,000
Trans-Mutual Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
WCW Technologies Sdn. Bhd.	Malaysia	General contractor	**100**	63.4	667,000
i. **Subsidiary of KCB Trading Sdn. Bhd.**					
E&O Customer Services Sdn. Bhd.	Malaysia	Property management and property investment	**100**	63.4	500,000
ii. **Subsidiary of Trans-Mutual Sdn. Bhd.**					
* Kamunting Management (HK) Limited	Hong Kong	Dormant	**100**	63.4	HK$1,000
e. **Subsidiaries of Tinggi Murni Sdn. Bhd.**					
Samudra Pelangi Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
i. **Subsidiaries of Samudra Pelangi Sdn. Bhd.**					
Hexon Housing Development Sdn. Bhd.	Malaysia	Property development and property investment	**100**	63.4	100,000
Indasu Housing Development Sdn. Bhd.	Malaysia	Housing development	**100**	63.4	2
KSM Property Development Sdn. Bhd.	Malaysia	Inactive	**100**	63.4	500,002
Patsawan Properties Sdn. Bhd.	Malaysia	Property development	**100**	63.4	140,000
Rhinever Housing Development Sdn. Bhd.	Malaysia	Housing development	**100**	63.4	2
Rimelite Sdn. Bhd.	Malaysia	Property development and property investment	**100**	63.4	2
Senna Sdn. Bhd.	Malaysia	Investment holding	**100**	63.4	2
Terra Damansara Sdn. Bhd.	Malaysia	Property development	**100**	63.4	540,000
Unicorn Housing Development Sdn. Bhd.	Malaysia	Housing development	**100**	63.4	2
ii. **Subsidiary of Indasu Housing Development Sdn. Bhd.**					
Monplus Housing Development Sdn. Bhd.	Malaysia	Housing development	**100**	63.4	250,000
f. **Subsidiary of Pelicrest Sdn. Bhd.**					
** KCB (Guernsey) Limited	Channel Islands	Investment holding	**100**	63.4	£1,000
g. **Subsidiary of Kamunting Tin Dredging Limited**					
** Goldtap Services Limited	England	Food and beverage	**100**	63.4	£1

* Audited by affiliate of Ernst & Young Global

** Audited by firms of auditors other than Ernst & Young

During the financial year, pursuant to the Members' Scheme, E&OPROP has been delisted from the Official List of Bursa Securities with effect from 8 August 2008 as disclosed in Note 41(2). The shares in the subsidiaries with carrying amount of RM551,896,000 (2008: RM360,691,000) have been pledged as security for borrowings as disclosed in Note 33.

(I) E&OPROP agrees to provide E&O Property (Penang) Sdn. Bhd. with sufficient funds to meet any cost overruns and shortfall in cashflow in respect of the mixed commercial and residential development project carried out on the Developing Land and Commercial Land 2 and to meet any shortfall in a bank account pursuant to Guarantee Facility Agreement dated 16 January 2007 in connection with the issuance of BG CP/MTNs as disclosed in Note 33.

19. INVESTMENTS IN SUBSIDIARIES (CONTD)

a. Acquisitions of subsidiaries

2009

As disclosed in Note 41(5), The Delicious Group Sdn. Bhd. ("DGM"), a 51% owned subsidiary of E&O Restaurants Sdn. Bhd. which in turn is a wholly owned subsidiary of the Company had on 23 January 2009 acquired two (2) ordinary shares of RM1.00 each representing 100% equity interest in the capital of Food Emporium Sdn. Bhd. ("FESB") for a total cash consideration of RM2.00. Accordingly, FESB became a wholly-owned subsidiary of DGM.

Further, the Company has completed the acquisition of the remaining equity interest in E&OPROP as disclosed in Note 41(2).

There is no disclosure of the impact on the financial position and financial results of FESB as the amounts involved are immaterial.

2008

During the previous financial year, the Group has completed the acquisitions of E&O Trading Sdn. Bhd. ("EOT"), 51% equity interest in The Delicious Group Sdn. Bhd. ("DGM") and the remaining equity interest in Eminent Pedestal Sdn. Bhd.

Further, E&OPROP, a subsidiary of the Company has completed the acquisition of Twenty First Century Realty Sdn. Bhd. ("TFCR"). A subsidiary of E&OPROP has completed the acquisitions of additional 18% equity interest in Permaijana Ribu (M) Sdn. Bhd. and 24% equity interest in Bridgecrest Resources Sdn. Bhd.

There is no disclosure of the impact on the financial position and financial results of EOT and TFCR as the amounts involved are immaterial.

Acquisition of DGM

The costs of acquisition of DGM comprised the following:

	DGM RM'000
Purchase consideration satisfied by:	
- cash	2,000
- balance payable (Note (i))	1,060
Proposed total purchase consideration	3,060

Note (i):

Balance payable subject to attaining an audited profit after tax from operations of no less than RM1.2 million in any of the three financial years ending immediately following the completion of the proposed acquisition, i.e. 12 July 2007. For the financial year ended 31 March 2008, DGM has not attained the targeted profit required, as such the balance payable was not recognised in the financial statements.

The acquisition of DGM has the following effects on the Group's results:

	DGM RM'000
Revenue	13,843
Loss for the financial year	(1,304)

The fair values of the assets acquired and liabilities assumed from the acquisition (equivalent to acquiree's carrying amount) are as follows:

	DGM RM'000
Property, plant and equipment	2,583
Intangible assets	73
Inventories	132
Receivables	408
Cash and cash equivalents	242
	3,438
Payables	2,698
Borrowings	360
Taxation	88
	3,146

	DGM RM'000
Fair value of total net assets	292
Less: Minority interest	(143)
Goodwill on acquisition (Note 18)	1,851
Cost of investment	2,000
Total cash outflow arising from acquisition:	
Purchase consideration satisfied by cash	(2,000)
Cash and cash equivalents of subsidiary acquired	242
Net cash outflow from the Group	(1,758)

b. Disposal of subsidiaries

2009

The Company has disposed of 100% equity interest in E&O-Pie Sdn. Bhd., E&O Trading Sdn. Bhd. and Radiant Kiara Sdn. Bhd. pursuant to an internal reorganisation, as disclosed in Note 41(1). There is no disclosure on the financial impact as the amount involved is immaterial.

2008

Information relating to the disposal of PPB Group is set out in Note 11.

20. INVESTMENTS IN ASSOCIATES

	GROUP 2009 RM'000	GROUP 2008 RM'000
In Malaysia:		
Quoted shares, at cost	**27,344**	27,344
Unquoted shares, at cost	**16,810**	16,870
Share of post-acquisition reserves	**(16,938)**	(13,437)
	27,216	30,777
Market value of:		
Quoted shares	**5,694**	13,829

Details of the associates, all of which are incorporated in Malaysia, are as follows:

NAME OF ASSOCIATES	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2009 %	PROPORTION OF OWNERSHIP INTEREST 2008 %	PROPORTION OF VOTING POWER 2009 %	PROPORTION OF VOTING POWER 2008 %
Renown Heritage Sdn. Bhd.	Property investment	**50.00**	31.71	**50.00**	31.71
Fututech Berhad ("Fututech")	Investment holding and provision of management services	**27.70**	17.56	**27.70**	17.56
Puncak Madu Sdn. Bhd. ("PMSB")	Property development	**-**	31.71	**-**	31.71

During the financial year, the Group has disposed off its entire 50% equity interest in PMSB in relation to:

a. 60,000 ordinary shares of RM1.00 each in the issued and paid-up capital of PMSB; and

b. 20,155,000 preference shares of RM0.01 each in PMSB issued at a premium of RM0.99 each and entitlement of non-cumulative dividend of 6% per annum

for a total cash consideration of RM261,550 ("Disposal").

Accordingly, PMSB ceased to be an associate of the Group. Further details of the Disposal are disclosed in Note 41(6).

20. INVESTMENTS IN ASSOCIATES (CONTD)

In the previous financial year, Fututech had undertaken a capital reduction exercise, capital consolidation and Rights Issue. Subsequent to the Rights Issue exercise, the Group had subscribed for the excess of Rights Issue representing additional 2.81% equity interest in Fututech for a cash consideration of RM1,653,000.

The Group has also acquired additional 10% equity interest in PMSB for a cash consideration of RM20,000 in the previous financial year.

The financial statements of the above associates are not coterminous with those of the Group, except for Renown Heritage Sdn. Bhd.

Fututech has a financial year end of 31 December, whereas PMSB has a financial year end of 31 October.

For the purpose of applying the equity method of accounting, the audited financial statements of the associates have been used and appropriate adjustments have been made for the effects of significant transactions between 31 March 2009 and their respective financial year ends.

The summarised financial information of the associates are as follows:

	2009 RM'000	2008 RM'000
ASSETS AND LIABILITIES		
Current assets	**17,319**	25,879
Non-current assets	**41,141**	308,779
Total assets	**58,460**	334,658
Current liabilities	**6,192**	125,897
Non-current liabilities	**139**	148,539
Total liabilities	**6,331**	274,436
RESULTS		
Revenue	**27,199**	32,079
Loss for the financial year	**(8,458)**	(10,215)

Investments in associates of the Group amounted to RM10,355,000 (2008: RM15,980,000) have been pledged to financial institutions as securities for credit facilities granted to the Group.

The management of the Company carried out a review of the recoverable amount of E&OPROP's investment in an associate during the current financial year as the associate has persistently been incurring losses. The review led to the recognition of an additional impairment loss during the financial year of RM2,741,000 (2008: RM113,000). The recoverable amount was based on best estimate by the management.

21. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	GROUP 2009 RM'000	2008 RM'000
Unquoted shares at cost	**125**	125
Share of post-acquisition reserves	**7**	(605)
Transfer to amounts due to jointly controlled entities (Note 35)	**128**	480
	260	-

Details of the jointly controlled entities are as follows:

NAME OF JOINTLY CONTROLLED ENTITIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	PROPORTION OF OWNERSHIP INTEREST 2009 %	2008 %
Mergexcel Property Development Sdn. Bhd. ("MPDSB")	Malaysia	Property development	**50.00**	31.71
Joint venture between E&O Property (Penang) Sdn. Bhd. and Tanjung Pinang Villas Sdn. Bhd.	Malaysia	Property development	**50.00**	31.71

Pursuant to the Joint Venture Agreement entered between Ribuan Imbang Sdn. Bhd. ("RISB") and Lion Courts Sdn. Bhd. ("LCSB"), profit and loss of the MPDSB shall be distributed at 55.32% in favour of LCSB and 44.68% in favour of RISB.

The summarised financial information of the jointly controlled entities are as follows:

	2009 RM'000	2008 RM'000
ASSETS AND LIABILITIES		
Current assets	**33,572**	61,346
Non-current assets	**94,195**	157,524
Total assets	**127,767**	218,870
Current liabilities	**127,665**	219,877
RESULTS		
Revenue	**9,259**	3,565
Profit/(loss) for the financial year	**612**	(1,216)

22. OTHER INVESTMENTS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost:				
Quoted investments in Malaysia:				
- shares	**26,683**	26,683	**-**	-
- warrants	**-**	-	**-**	-
Others	**5,118**	5,118	**3,000**	3,000
	31,801	31,801	**3,000**	3,000
Less: Accumulated impairment losses	**(22,864)**	(12,625)	**(3,000)**	-
	8,937	19,176	**-**	3,000
At market value:				
Quoted shares in Malaysia	**8,891**	14,665	**-**	-
Warrants quoted in Malaysia	**1,004**	2,151	**-**	-

The Group and the Company were granted by Alliance Merchant Bank Berhad ("AMBB") an unsecured fixed rate term loan facility of RM50,000,000 and RM30,000,000 respectively. As an integral part of the facility agreement, the Group and the Company were required to subscribe for a Variable Rate Asset Backed Subordinated Bonds amounting to RM5,000,000 and RM3,000,000 respectively, which shall be redeemed five years from the date of issue on 28 May 2004.

Investments in quoted shares in Malaysia of the Group amounting to RM8,635,000 (2008: RM13,849,000) have been pledged to various financial institutions for credit facilities granted to the Group and to the Company.

The directors are of the opinion that there has been no further impairment loss in the value of investment in shares and accordingly, no further impairment loss is made.

23. RECEIVABLES

		GROUP		COMPANY	
	NOTE	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
NON-CURRENT					
Amount due from subsidiaries	(b)	**-**	-	**346,107**	194,828
Less: Allowance for doubtful debts		**-**	-	**(23,869)**	(23,424)
		-	-	**322,238**	171,404

23. RECEIVABLES (CONTD)

	NOTE	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
CURRENT					
Trade receivables		**31,147**	41,494	**-**	-
Retention sum receivable		**11,913**	32,002	**-**	-
	(c)	**43,060**	73,496	**-**	-
Other receivables		**7,557**	11,333	**13,143**	2,074
Amounts due from subsidiaries	(b)	**-**	-	**186,578**	203,247
Amounts due from associates	(d)	**12**	42,208	**-**	-
Amounts due from jointly controlled entities	(e)	**39,991**	30,622	**-**	-
Performance deposit		**5,250**	5,250	**5,250**	5,250
Deposits and prepayments		**3,878**	5,515	**569**	1,545
Tax recoverable		**12,255**	11,389	**7,139**	3,477
		112,003	179,813	**212,679**	215,593
Less: Allowance for doubtful debts:					
Trade receivables		**(4,965)**	(3,988)	**-**	-
Other receivables		**(1,125)**	(129)	**-**	-
		105,913	175,696	**212,679**	215,593

a. Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit and each customer has a maximum credit limit.

The credit period for completed properties is generally for a period of three months, extending up to four months while the term in respect of its property development activities is approximately 21 (2008: 21) days in accordance with the Housing Development (Control and Licensing) Act 1966, whereas the credit term for other business activities ranges from 7 to 170 (2008: 30 to 170) days.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

b. Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and repayable on demand. The non-trade amounts bear interest rate ranging from 0.5% to 8.25% (2008: 0.5% to 8.25%) per annum.

c. Trade receivables

The Group's trade receivables consist of third party trade receivables.

Retention sum receivables are the monies withheld by lawyer upon delivery of vacant possession to the properties buyers. These funds will be released by the lawyer in two stages, the first release will be at the expiry of six months and the second release will be at the expiry of eighteen months from the date of vacant possessions.

d. Amounts due from associates

Associates are described in Note 20. The amounts due from associates are unsecured, interest free and repayable on demand.

e. Amounts due from jointly controlled entities

Jointly controlled entities are described in Note 21. The amount due from a jointly controlled entity of RM19,021,000 (2008: RM15,197,000) is unsecured, bears interest of 8.5% per annum and has no fixed terms of repayment. The remaining amount due from a jointly controlled entity is unsecured, interest free and repayable on demand.

Further details on related party transactions are disclosed in Note 39.

Other information on financial risks of other receivables are disclosed in Note 43.

24. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP 2009 RM'000	GROUP 2008 RM'000
At 1 April	**(40,938)**	(64,158)
Recognised in income statement (Note 10)	**12,594**	20,810
Disposal of PPB Group	**-**	2,410
At 31 March	**(28,344)**	(40,938)
Presented after appropriate offsetting as follows:		
Deferred tax assets	**18,419**	14,792
Deferred tax liabilities	**(46,763)**	(55,730)
	(28,344)	(40,938)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	UNUTILISED CAPITAL ALLOWANCES RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	INVESTMENT PROPERTIES RM'000	INVENTORIES RM'000	PROVISIONS RM'000	OTHERS RM'000	TOTAL RM'000
At 1 April 2007	3,662	98	-	179	12,261	288	16,488
Reclassification	(393)	-	-	-	694	-	301
Disposal of PPB	-	-	-	(179)	(9,782)	-	(9,961)
Recognised in income statement	132	14,792	-	-	(2,251)	102	12,775
At 31 March 2008	3,401	14,890	-	-	922	390	19,603
Reclassification	-	(979)	979	-	-	-	-
Recognised in income statement	(473)	3,681	(54)	-	25	(23)	3,156
At 31 March 2009	**2,928**	**17,592**	**925**	**-**	**947**	**367**	**22,759**

Deferred tax liabilities of the Group

	UNUTILISED CAPITAL ALLOWANCES RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS RM'000	INVESTMENT PROPERTIES RM'000	INVENTORIES RM'000	OTHERS RM'000	TOTAL RM'000
At 1 April 2007	(98)	(7,929)	(68,714)	(7)	(2,951)	(947)	(80,646)
Reclassification	-	(301)	-	-	-	-	(301)
Disposal of PPB Group	-	3,019	8,891	-	80	381	12,371
Recognised in income statement	-	131	5,653	-	2,251	-	8,035
At 31 March 2008	(98)	(5,080)	(54,170)	(7)	(620)	(566)	(60,541)
Reclassification	-	-	(439)	-	72	367	-
Recognised in income statement	-	732	8,363	7	336	-	9,438
At 31 March 2009	**(98)**	**(4,348)**	**(46,246)**	**-**	**(212)**	**(199)**	**(51,103)**

Deferred tax assets have not been recognised in respect of the following items:

	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
Unabsorbed tax losses	**52,858**	57,204	**-**	-
Unutilised capital allowances	**11,662**	11,372	**154**	533
Unabsorbed reinvestment allowances	**47,755**	47,755	**-**	-
Provisions	**37**	52	**23,869**	23,424
Land held for property development	**21,146**	19,160	**-**	-
Property development costs	**5,970**	7,738	**-**	-
Others	**65**	6	**-**	-
	139,493	143,287	**24,023**	23,957

24. DEFERRED TAX ASSETS/(LIABILITIES) (CONTD)

The availability of the unabsorbed tax losses and unutilised capital allowances for offsetting against future taxable profits of the Company and the respective subsidiaries are subject to no substantial changes in shareholdings of the Company and of the respective subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. Other temporary differences are available indefinitely for offset against future taxable profits of the Company and the respective subsidiaries.

25. PROPERTY DEVELOPMENT COSTS

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	EXPECTED LOSS RM'000	TOTAL RM'000
GROUP					
At 31 March 2009					
Cumulative property development costs					
At 1 April 2008	259,984	79,798	833,014	-	1,172,796
Costs incurred during the financial year	1,271	3,911	235,645	-	240,827
Land conversion	82,367	(82,367)	-	-	-
Re-allocation of costs	1,686	4,316	(6,002)	-	-
Transfer to property, plant and equipment (Note 14)	(6,876)	-	(62,014)	-	(68,890)
Transfer (to)/from land held for property development (Note 15)	(25,501)	176,195	63,413	-	214,107
Reclassified from land held for property development (Note 15)	213	-	-	-	213
Transfer to investment properties (Note 16)	-	-	(203)	-	(203)
Reversal of completed projects	(201,614)	-	(554,754)	-	(756,368)
Unsold units transferred to inventories	(18,524)	-	(48,191)	-	(66,715)
Reclassified to inventories	(848)	-	-	-	(848)
At 31 March 2009	**92,158**	**181,853**	**460,908**	**-**	**734,919**
Cumulative costs recognised in income statement					
At 1 April 2008	(227,279)	(10,736)	(652,183)	(1,780)	(891,978)
Recognised during the financial year	(27,567)	(5,744)	(145,114)	(442)	(178,867)
Land conversion	(6,770)	6,770	-	-	-
Re-allocation of costs	4,883	-	(4,883)	-	-
Reversal of completed projects	201,614	-	554,754	-	756,368
At 31 March 2009	**(55,119)**	**(9,710)**	**(247,426)**	**(2,222)**	**(314,477)**
At 31 March 2009	**37,039**	**172,143**	**213,482**	**(2,222)**	**420,442**
At 31 March 2008					
Cumulative property development costs					
At 1 April 2007	287,393	11,185	668,550	-	967,128
Costs incurred during the financial year	1,317	-	169,307	-	170,624
Re-allocation of costs	(2,639)	2,639	-	-	-
Disposal of PPB Group	(5,950)	-	(43,969)	-	(49,919)
Transfer from land held for property development (Note 15)	5,411	65,974	75,267	-	146,652
Transfer to investment properties (Note 16)	(8,000)	-	(4,098)	-	(12,098)
Reversal of completed projects	(12,676)	-	(23,147)	-	(35,823)
Unsold units transferred to inventories	(4,872)	-	(8,896)	-	(13,768)
At 31 March 2008	259,984	79,798	833,014	-	1,172,796

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	EXPECTED LOSS RM'000	TOTAL RM'000
Cumulative costs recognised in income statement					
At 1 April 2007	(185,177)	(1,895)	(516,788)	-	(703,860)
Recognised during the financial year	(59,585)	(8,841)	(195,580)	-	(264,006)
Disposal of PPB Group	4,807	-	37,038	-	41,845
Reversal of completed projects	12,676	-	23,147	-	35,823
Transfer from land held for property development (Note 15)	-	-	-	(2,846)	(2,846)
Reversal of expected loss	-	-	-	1,066	1,066
At 31 March 2008	(227,279)	(10,736)	(652,183)	(1,780)	(891,978)
At 31 March 2008	32,705	69,062	180,831	(1,780)	280,818

Development properties of the Group with carrying amount of Nil (2008: RM66,147,000) and RM361,255,000 (2008: RM200,468,000) are pledged to the financial institutions as securities for credit facilities granted to certain subsidiaries and for a syndicated bank guarantee facility in connection with the issuance of BG CP/MTNs as disclosed in Note 33, respectively.

Proceeds from sales of development properties of E&O Property (Penang) Sdn. Bhd. are assigned as security for a syndicated bank guarantee facility in connection with the issuance of BG CP/MTNs as disclosed in Note 33.

Included in property development costs incurred during the financial year is an interest expense of RM16,588,000 (2008: RM3,831,000).

26. INVENTORIES

	GROUP 2009 RM'000	GROUP 2008 RM'000
At cost:		
Completed properties	**91,333**	23,158
Trading inventories	**596**	329
Food, beverages and tobacco	**482**	612
General supplies	**778**	321
	93,189	24,420
At net realisable value:		
Completed properties	**3,002**	3,002
	96,191	27,422

Inventories amounting to RM69,388,000 (2008: Nil) have been pledged to the financial institution for credit facility granted to a subsidiary as disclosed in Note 33.

27. CASH AND CASH EQUIVALENTS

	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
Cash on hand and at banks	**70,177**	130,857	**425**	77
Deposits with licensed banks	**175,139**	324,166	**6,640**	215,791
	245,316	455,023	**7,065**	215,868

Notes:

a. Included in cash and bank balances of the Group are amounts of RM51,905,000 (2008: RM112,721,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations. RM30,770,000 (2008: RM55,128,000) of these cash and bank balances are assigned and charged as security for a syndicated bank guarantee facility in connection with the issuance of BG CP/MTNs as disclosed in Note 33.

b. Cash and bank balances of RM70,533,000 (2008: RM45,230,000) are assigned and charged as security for a syndicated bank guarantee facility in connection with the issuance of BG CP/MTNs as disclosed in Note 33.

27. CASH AND CASH EQUIVALENTS (CONTD)

c. Included in deposit with licensed banks is an amount of RM1,745,000 (2008: RM163,000) pledged as security for bank guarantees issued to a utility company and tenors.

d. Cash and bank balances of RM261,000 (2008: Nil) are assigned and charged as security for a syndicated term loan facility as disclosed in Note 33.

e. Other information on financial risks of cash and cash equivalents are disclosed in Note 43.

For the purpose of cash flow statements, cash and cash equivalents comprise the following as at the financial year end:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks	**175,139**	324,166	**6,640**	215,791
Cash on hand and at banks	**70,177**	130,857	**425**	77
Bank overdrafts (Note 33)	**(10,726)**	(2,528)	**(10,726)**	(185)
Total cash and cash equivalents	**234,590**	452,495	**(3,661)**	215,683

28. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	GROUP CARRYING AMOUNT AS AT	
	2009 RM'000	2008 RM'000
ASSETS		
Land held for property development (Notes (i) and 15)	**6,851**	51,538
Investment properties (Notes (ii) and 16)	**-**	4,667
	6,851	56,205

Note (i)

2009

a. E&O Properties Sdn. Bhd., a wholly-owned subsidiary of E&O Property Development Berhad ("E&OPROP"), which in turn is the subsidiary of the Company, has on 19 December 2008 entered into a Sale and Purchase Agreement with Bintang Jendela Sdn. Bhd. to dispose a piece of freehold land held for property develpment with a carrying amount of RM6,851,000.

b. KCB Trading Sdn. Bhd. ("KCB"), a wholly-owned subsidiary of E&OPROP, which in turn is the subsidiary of the Company had on 6 June 2008 entered into a conditional Sale and Purchase Agreement ("SPA") with Magna Universe Sdn. Bhd. ("Magna") to dispose of a piece of freehold land held for property development with a carrying amount of RM51,538,000.

   However, the Company had on 15 October 2008 announced that KCB had served notice on Magna to terminate the SPA due to failure of Magna to meet a payment milestone as provided for in the SPA as supplemented by the Supplemental Agreement.

   In the previous financial year, the land held for property development was classified as non-current asset held for sale in the consolidated balance sheet as at the financial year end, and is stated at lower of carrying amount and fair value less cost to sell. During the financial year, it was reclassified to land held for property development due to the termination of the SPA.

   Further details of the information are disclosed in Note 41(4).

Note (ii)

2008

In the previous financial year, an investment property with a net carrying amount of RM4,667,000 in Ambangan Puri Sdn. Bhd., a wholly-owned subsidiary of the E&OPROP, which in turn is the subsidiary of the Company was to be disposed of. The investment property was classified as non-current asset classifed as held for sale in the consolidated balance sheet as at the financial year end, and is stated at lower of carrying amount and fair value less costs to sell.

29. SHARE CAPITAL

	NUMBER OF ORDINARY STOCK UNITS OF RM1.00 EACH		AMOUNT	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
Authorised:				
At 1 April	**1,000,000**	800,000	**1,000,000**	800,000
Created during the financial year	**-**	200,000	**-**	200,000
At 31 March	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Issued and fully paid:				
At 1 April	**419,061**	358,961	**419,061**	358,961
Ordinary stock units issued during the financial year:				
- pursuant to Members' Scheme	**172,899**	-	**172,899**	-
- warrants exercised	**35**	31,806	**35**	31,806
- conversion of ICULS (Note 30)	**-**	25,597	**-**	25,597
- pursuant to EOB ESOS (Note 36)	**-**	2,697	**-**	2,697
At 31 March	**591,995**	419,061	**591,995**	419,061

During the financial year, the Company increased its issued and paid-up ordinary stock units from RM419,061,376 to RM591,995,485 by way of:

i. the issuance of 172,899,109 ordinary stock units at an issue price of RM2.27 each pursuant to the Members' Scheme as disclosed in Note 41(2); and

ii. the issuance of 35,000 ordinary stock units of RM1.00 each arising from the exercise of 35,000 Warrants 2001/2011 of RM1.00 each.

The new ordinary stock units issued during the financial year rank pari passu in all respects with the existing ordinary stock units of the Company unless the allotment of the new ordinary stock units is made on or prior to the entitlement date of any dividends, rights, allotments and/or other distributions.

Of the total 591,995,485 (2008: 419,061,376) issued and fully paid-up ordinary stock units of RM1.00 each, 7,930,200 (2008: 2,530,300) stock units are held as treasury stock units by the Company. As at 31 March 2009, the number of issued and fully paid-up ordinary stock units (not held as treasury stock units) is 584,065,285 (2008: 416,531,076) ordinary stock units of RM1.00 each.

30. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	GROUP/COMPANY		
	EQUITY COMPONENT RM'000	LIABILITY COMPONENT RM'000	TOTAL RM'000
NOMINAL VALUE			
At 1 April 2007	101,455	49,731	151,186
Converted to ordinary stock units during the financial year	(17,464)	(7,266)	(24,730)
8% coupon ICULS paid during the financial year	-	(11,370)	(11,370)
8% coupon ICULS	-	3,131	3,131
At 31 March 2008	83,991	34,226	118,217
8% coupon ICULS paid during the financial year	-	(9,849)	(9,849)
8% coupon ICULS	-	2,276	2,276
At 31 March 2009	**83,991**	**26,653**	**110,644**

Notes:

The principal terms and conditions of the ICULS are as follows:

- The ICULS are issued at a nominal value of RM1.00 each.
- The ICULS bear a coupon rate of 8% per annum, payable annually in arrears.
- The ICULS are unsecured.

30. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTD)

Notes: (Contd)

The principal terms and conditions of the ICULS are as follows: (Contd)

- The ICULS will mature on 25 July 2011.
- The ICULS are convertible into new ordinary stock units of RM1.00 each in the Company any time during the tenure at a conversion price of RM1.00 nominal value of ICULS for one new ordinary stock unit.
- The ICULS shall not be redeemable. On maturity, ICULS which have not been converted shall automatically be converted into new ordinary stock units.
- The ICULS are constituted by a Trust Deed executed by the Company and a duly authorised trustee, who is acting on behalf of the holders of ICULS.

The equity component of ICULS was classified as part of equity in accordance with the provisions of FRS 132, Financial Instruments: Disclosure and Presentation. Accordingly, the distribution to the holders of the ICULS is disclosed as a distribution of equity.

31. TREASURY STOCK UNITS

	GROUP/COMPANY	
	2009 RM'000	2008 RM'000
At cost:		
At 1 April	**5,110**	749
Purchase of treasury stock units	**4,844**	4,361
At 31 March	**9,954**	5,110

The stockholders of the Company, by a special resolution passed in a general meeting held on 30 September 2008 renewed their approval for the Company's plan to repurchase its own ordinary stock units. The directors of the Company are committed to enhancing the value of the Company for its stockholders and believe that the repurchase plan can be applied in the best interests of the Company and its stockholders.

During the financial year, the Company repurchased 5,399,900 (2008: 1,757,400) of its issued ordinary stock units from the open market at an average price of RM0.90 (2008: RM2.48) per stock unit. The total consideration paid for the repurchase including transaction costs was RM4,843,546 (2008: RM4,361,645). The stock units repurchased are being held as treasury stock units in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2009, the total stock units repurchased and held as treasury stock units amounted to 7,930,200 (2008: 2,530,300) ordinary stock units of RM1.00 each at a total cost of RM9,954,000 (2008: RM5,110,000).

32. RESERVES

		GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Distributable:					
(Accumulated losses)/retained profits	(a)	**(148,111)**	154,054	**100,001**	98,183
Non-distributable:					
Share premium	(b)	**294,657**	76,006	**294,657**	76,006
Share option reserve	(c)	**1,292**	1,294	**1,292**	1,294
Exchange reserve	(d)	**501**	390	**-**	-
		296,450	77,690	**295,949**	77,300
		148,339	231,744	**395,950**	175,483

a. Retained profits

Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 March 2009 and 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2009 and 2008, the Company has sufficient credit in the Section 108 balance to pay franked dividends out of its entire retained profits.

b. Share premium

The share premium of the Group arose mainly from the initial listing exercise of the Company.

During the financial year, 172,899,109 ordinary stock units were issued at an issuance price of RM2.27 each pursuant to the Members' Scheme as disclosed in Note 41(2). The nominal value per ordinary stock unit is RM1.00 each. The differences of the issuance price and the nominal value, net of share issuance costs were recognised as share premium.

c. Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

d. Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

33. BORROWINGS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
SHORT TERM BORROWINGS				
Secured:				
Bank overdrafts	**10,726**	2,280	**10,726**	185
Term loans	**29,499**	23,623	**14,000**	3,000
Revolving credits	**174,745**	140,000	**55,000**	55,000
Commercial papers	**80,000**	80,000	**-**	-
Medium term notes	**50,000**	20,000	**-**	-
Hire purchase	**999**	872	**-**	-
	345,969	266,775	**79,726**	58,185
Unsecured:				
Bank overdrafts	**-**	248	**-**	-
Revolving credits	**1,500**	1,500	**-**	-
Term loans	**50,000**	-	**30,000**	-
	51,500	1,748	**30,000**	-
	397,469	268,523	**109,726**	58,185
LONG TERM BORROWINGS				
Secured:				
Term loans	**292,840**	256,850	**140,372**	144,000
Medium term notes	**200,000**	250,000	**-**	-
Hire purchase	**1,449**	2,067	**-**	-
	494,289	508,917	**140,372**	144,000
Unsecured:				
Term loans	**-**	50,000	**-**	30,000
	494,289	558,917	**140,372**	174,000

33. BORROWINGS (CONTD)

	GROUP 2009 RM'000	GROUP 2008 RM'000	COMPANY 2009 RM'000	COMPANY 2008 RM'000
TOTAL BORROWINGS				
Secured:				
Bank overdraft (Note (a))	**10,726**	2,280	**10,726**	185
Term loans (Note (b))	**322,339**	280,473	**154,372**	147,000
Revolving credits (Note (c))	**174,745**	140,000	**55,000**	55,000
Commercial papers (Note (d))	**80,000**	80,000	**-**	-
Medium term notes (Note (d))	**250,000**	270,000	**-**	-
Hire purchase (Note (e))	**2,448**	2,939	**-**	-
	840,258	775,692	**220,098**	202,185
Unsecured:				
Bank overdrafts	**-**	248	**-**	-
Term loans	**50,000**	50,000	**30,000**	30,000
Revolving credits	**1,500**	1,500	**-**	-
	51,500	51,748	**30,000**	30,000
	891,758	827,440	**250,098**	232,185

Notes:

a. **Bank overdrafts**
The bank overdrafts are secured by charge on certain properties, unquoted shares and quoted investments as disclosed in Notes 14, 19 and 22 respectively.

b. **Term loans**
The term loans are secured by corporate guarantees from the Company and E&OPROP and charge on certain assets of the Group and of the Company as disclosed in the relevant notes.

c. **Revolving credits**
The revolving credits are secured by charge on certain land held for property development, unquoted shares and inventories of the Group as disclosed in Notes 15, 19 and 26 respectively.

d. **Commercial paper and medium term notes**
E&O Property Penang Sdn. Bhd. ("EOPP"), has on 15 February 2007 issued RM350,000,000 nominal value of BG CP/MTNs. All the cash proceeds of RM350,000,000 raised from the issuance of BG CP/MTNs by EOPP were fully utilised for corporate expenses, working capital of EOPP, repayment of shareholders' advances, payment of interest, repayment of term loan and bridging loan.

The BG CP/MTNs are guaranteed by Malayan Banking Berhad and Affin Bank Berhad for a sum of RM360,000,000 through a syndicated bank guarantee facility, which is secured by:

i. the developing land charged by Tanjung Pinang Development Sdn. Bhd. ("TPD");

ii. the master land charged by TPD;

iii. the debenture executed by EOPP creating a fixed and floating charge over certain existing and future assets of the subsidiary;

iv. the assignment of sales of proceeds;

v. the assignment and charge over designated accounts;

vi. the assignment and charge over housing development accounts;

vii. the assignment of insurances; and

viii. E&OPROP's undertaking (Note 19(l)).

e. Hire purchase and finance lease liabilities

	GROUP	
	2009 RM'000	2008 RM'000
Future minimum lease payments:		
Not later than 1 year	**1,109**	1,025
Later than 1 year and not later than 2 years	**745**	923
Later than 2 years and not later than 5 years	**801**	1,349
Total future minimum lease payments	**2,655**	3,297
Less: Future finance charges	**(207)**	(358)
Present value of finance lease liabilities	**2,448**	2,939
Less: Amount due within 12 months	**(999)**	(872)
Amount due after 12 months	**1,449**	2,067

f. Other information on financial risks of borrowings are disclosed in Note 43.

34. PROVISIONS

	CONTRACTOR'S CLAIMS AND WARRANTIES RM'000 (a)	RESTORATION COSTS OF PROPERTY, PLANT AND EQUIPMENT RM'000 (b)	OTHERS RM'000	TOTAL RM'000
GROUP				
At 1 April 2007	29,499	-	2,142	31,641
Utilisation of provision during the financial year	(2,298)	-	(1,498)	(3,796)
Unused amount reversed during the financial year	(6,000)	-	-	(6,000)
Disposal of PPB Group	(21,201)	-	-	(21,201)
At 31 March 2008	-	-	644	644
Additional provision	-	307	-	307
Utilisation of provision during the financial year	-	-	(482)	(482)
At 31 March 2009	**-**	**307**	**162**	**469**
At 31 March 2009				
Current	**-**	**17**	**162**	**179**
Non-current:				
Later than 1 year but not later than 2 years	-	99	-	99
Later than 2 years but not later than 5 years	-	191	-	191
	-	**290**	**-**	**290**
	-	**307**	**162**	**469**
At 31 March 2008				
Current	-	-	644	644

a. Contractor's claims and warranties

Provision for warranties is in respect of construction projects undertaken by PPB Group which was disposed of in the previous financial year. A provision is recognised for expected or estimated repair costs for making good certain defects during the warranty periods.

b. Restoration costs of property, plant and equipment

Provision for restoration costs is the estimated costs of dismantling, removal or restoration of property, plant and equipment arising from the acquisition or use of such assets, which are capitalised and included in the cost of property, plant and equipment.

35. PAYABLES

		GROUP		COMPANY	
	NOTE	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	(a)	**66,197**	46,229	**-**	-
Retention sum payable		**27,467**	21,024	**-**	-
		93,664	67,253	**-**	-
Amounts due to subsidiaries	(b)	**-**	-	**199,787**	61,470
Amounts due to jointly controlled entities	(c)	**128**	480	**-**	-
Amount due to an affiliated company	(d)	**12**	74	**-**	-
Amount due to a minority shareholder	(e)	**12,826**	12,826	**-**	-
Other payables		**26,921**	33,737	**47**	67
Other accruals		**26,747**	26,638	**2,404**	4,306
Deposits received		**7,449**	3,653	**-**	-
Dividend payable		**-**	15,412	**-**	15,412
		167,747	160,073	**202,238**	81,255

a. **Trade payables**

Included in trade payables is a creditor amounting to RM15,940,000 in the previous financial year which represents the deferred purchase consideration in respect of certain land held for property development and certain investment properties. This deferred amount was secured against certain land held for property development as disclosed under Note 15 and was fully settled during the financial year.

Interest was payable in arrears calculated on daily basis at the rate equivalent to the Hongkong Bank Malaysia Berhad's base lending rate prevailing at the date of commencement of each half-yearly interest period plus 1.5%. The interest payable is 8.8% per annum in the previous financial year.

The normal credit terms granted by trade creditors to the Group range from 14 to 120 (2008: 14 to 120) days.

b. **Amounts due to subsidiaries**

The amounts due to subsidiaries are unsecured, bear interest rate ranging from 0% to 7% (2008: 0%) and have no fixed terms of repayment.

c. **Amounts due to jointly controlled entities**

Jointly controlled entities are described in Note 21.

The amounts due to jointly controlled entities are unsecured, interest free and repayable on demand.

d. **Amount due to an affiliated company**

Affiliated company is described in Note 39. The amount due to an affiliated company is unsecured, interest free and repayable on demand.

e. **Amount due to a minority shareholder**

The amount due to a minority shareholder in respect of advances to a subsidiary is unsecured, interest-free and is repayable on demand.

Further details on related party transactions are disclosed in Note 39.

Other information on financial risks of payables are disclosed in Note 43.

36. EMPLOYEE BENEFITS

Eastern & Oriental Berhad Employees' Share Option Scheme

The Employees' Share Option Scheme of the Company ("EOB ESOS") which is governed by its by-laws lapsed on 28 April 2007, was approved by the stockholders of the Company at an Extraordinary General Meeting held on 28 September 2006 for an extended period of five years from 29 April 2007 to 28 April 2012.

The salient features of the EOB ESOS are as follows:

a. the number of new stock units to be offered under the Scheme shall be subject to a maximum of 10% of the issued and paid-up share capital of the Company at any time during the existence of the EOB ESOS.

b. any employee shall be eligible to participate in the EOB ESOS if the following conditions are satisfied:

   i. the employee must be a confirmed employee of the Company or of an eligible subsidiary and not be on probation;

   ii. the employee must have served the Company or of an eligible subsidiary for a period of at least six continuous months; and

   iii. the employee must have attained the age of 18 years.

   An Executive Director of the Company is eligible to participate in the EOB ESOS if the Executive Director is involved in the day-to-day management of the Company, on the payroll of the Company, and the allotment to be made to the Executive Director has been approved by the Company in a general meeting.

c. the option price shall be based on a discount of not more than 10% of the five days weighted average market price at the date on which the options are offered. Notwithstanding this, the exercise price per new stock unit shall in no event be less than its par value.

d. the new stock units to be allotted upon exercise of an option will upon allotment rank pari passu in all respects with the then existing issued stock units save and except that they will not be entitled to any dividends, rights, allotment or any distribution declared, made or paid to stockholders in respect of which the entitlement date precedes the allotment date of the aforesaid stock units.

e. the options granted will be valid up to the extended expiry date of the ESOS on 28 April 2012.

The following table illustrates the number and movements in, share options with exercise price of RM1.05 during the financial year:

NUMBER OF SHARE OPTIONS					
OUTSTANDING AT 1 APRIL 2008	MOVEMENT DURING THE FINANCIAL YEAR				OUTSTANDING AT 31 MARCH 2009
	GRANTED	EXERCISED	FORFEITED	EXPIRED	
‘000	‘000	‘000	‘000	‘000	‘000
4,607	-	-	(12)	-	4,595

The fair value of share options granted during the financial year was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

Weighted average share price (RM)	1.07
Weighted average exercise price (RM)	1.05
Expected volatility (%)	52.00
Expected life (years)	5.58
Risk free rate (%)	3.96
Expected dividend yield (%)	2.00

The expected volatility reflects the assumption of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

37. COMMITMENTS

a. Capital commitments

	GROUP	
	2009 RM’000	2008 RM’000
Approved and contracted for		
Property, plant and equipment	**24,116**	7,597

37. COMMITMENTS (CONTD)

b. Non-cancellable lease commitments

The future minimum lease payables of the Group and the Company under non-cancellable operating leases are summarised as follows:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
1 year after balance sheet date	**3,475**	3,091	**816**	788
More than 1 year but not later than 5 years	**3,146**	4,823	**1,013**	1,822
More than 5 years	**1,462**	2,003	**-**	-

38. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Secured:				
Guarantees given to financial institutions for credit granted to subsidiaries *	**-**	-	**90,966**	31,450
Unsecured:				
Contingent liability arising from investment in a subsidiary company:				
Balance of purchase consideration subject to The Delicious Group Sdn. Bhd. ("DGM") attaining certain profit target within 3 financial years (Note (i))	**1,060**	1,060	**-**	-

* The secured portion relates to term loans secured by legal charges over the Group's property, plant and equipment, investment properties and pledge of fixed deposits are disclosed in the relevant notes.

Note (i):

For the financial year ended 31 March 2009, DGM has not attained the targeted profit required, as such the balance payable was not recognised in the financial statements.

39. RELATED PARTY DISCLOSURES

a. In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

	GROUP	
	2009 RM'000	2008 RM'000
Associate:		
Management fee receivable	**(12)**	(10)
Project management and administrative services receivable from a jointly-controlled entity	**(829)**	-
Transactions with companies in which a director of a subsidiary company has financial interest:		
Progress claim from Tidalmarine Engineering Sdn. Bhd.	**2,428**	2,044
Progress claim from Dr.Nik & Associates Sdn. Bhd.	**281**	1,017
Procurement of consultancy services from Regroup Associates Group of companies ("Regroup Group") in which a key management personnel also holds directorship in the Regroup Group	**320**	-
Procurement of design services from Adaptus Design System Sdn. Bhd. ("Adaptus") in which a key management personnel also holds directorship in Adaptus	**69**	-
Procurement of consultancy services from GDP Group of companies ("GDP Group") in which a key management personnel also holds directorship in certain companies in the GDP Group	**2,509**	4,256

	COMPANY	
	2009 RM'000	2008 RM'000
Subsidiaries:		
Dividend income	**(46,212)**	(1,676)
Interest income receivables	**(5,949)**	(7,895)
Management fee receivables	**(466)**	-
Food catering services	**33**	-
Interest expense payables	**3,887**	-
Management fee payables	**575**	771
Procurement of design services from Adaptus Design System Sdn. Bhd. ("Adaptus") in which a key management personnel also holds directorship in Adaptus	**69**	-

The transactions between related parties are set on terms mutually agreed between the parties.

Related companies in these financial statements refer to companies within EOB Group.

Information regarding outstanding balances arising from related party transactions as at 31 March 2009 are disclosed in Notes 23 and 35.

The affiliated company and its relationship with the Group are as follows:

AFFILIATED COMPANY	RELATIONSHIP
Koperasi Gabungan Negeri Pulau Pinang Berhad ("KGN")	KGN was a corporate shareholder of Tanjung Pinang Development Sdn. Bhd.

b. Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year are as follows:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short term employee benefits:				
- continuing operations	**4,634**	12,044	**2,434**	5,013
- discontinued operation	**-**	2,420	**-**	-
Post-employment benefits:				
Defined contribution plan:				
- continuing operations	**925**	1,231	**433**	542
- discontinued operation	**-**	290	**-**	-
Defined benefit plan:				
- discontinued operation	**-**	116	**-**	-
	5,559	16,101	**2,867**	5,555

Included in the total remuneration of key management personnel are:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive directors' remuneration (Note 9):				
- continuing operations	**3,693**	10,551	**2,037**	5,260
- discontinued operation	**-**	719	**-**	-
	3,693	11,270	**2,037**	5,260

39. RELATED PARTY DISCLOSURES (CONTD)

b. Compensation of key management personnel (Contd)

Executive directors of the Group and of the Company and other members of key management have been granted the following number of options under the EOB ESOS:

	GROUP		COMPANY	
	2009 '000	2008 '000	2009 '000	2008 '000
At 1 April	**4,500**	7,000	**4,500**	7,000
Exercised	**-**	(2,500)	**-**	(2,500)
At 31 March	**4,500**	4,500	**4,500**	4,500

The share options were granted on the same terms and conditions as those offered to other employees of the Group as disclosed in Note 36.

40. SEGMENT INFORMATION

a. Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The Group operates mainly in Malaysia. Hence, there is no secondary information to be reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

b. Business segments

The Group operates mainly in three major business segments for the financial year ended 31 March 2009:

Properties - development and investment in residential and commercial properties
Hospitality - management and operations of hotels and restaurants
Investments and others

In the previous financial year, the Group has discontinued the construction and related activities - construction and building contracting works, following the disposal of PPB group as disclosed in Note 11.

c. Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on terms mutually agreed between the parties. Segment revenue, expenses and results include transfer between business segments. These transfers are eliminated on consolidation.

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

2009	PROPERTIES RM'000	HOSPITALITY RM'000	INVESTMENTS AND OTHERS RM'000	ELIMINATION RM'000	TOTAL OPERATIONS RM'000
REVENUE					
External sales	**249,671**	**51,734**	**3,044**	**-**	**304,449**
Inter-segment sales	**304**	**-**	**36,367**	**(36,671)**	**-**
Total revenue	**249,975**	**51,734**	**39,411**	**(36,671)**	**304,449**
RESULTS					
Segment results	**36,193**	**(591)**	**13,097**	**(35,681)**	**13,018**
Loss of disposal of other investment	**-**	**-**	**(19,953)**	**-**	**(19,953)**
Share or results of jointly crontrolled entities	**670**	**-**	**(58)**	**-**	**612**
Share of loss of associates	**-**	**-**	**(3,477)**	**-**	**(3,477)**
Finance costs					**(28,324)**
Loss before tax					**(38,124)**
Income tax expense					**6,067**
Loss for the financial year					**(32,057)**

2009	PROPERTIES RM'000	HOSPITALITY RM'000	INVESTMENTS AND OTHERS RM'000	ELIMINATION RM'000	TOTAL OPERATIONS RM'000
ASSETS					
Segment assets	**1,664,659**	**196,918**	**1,140,349**	**(1,130,047)**	**1,871,879**
Associates	**-**	**-**	**27,216**	**-**	**27,216**
Jointly controlled entities*	**21,230**	**-**	**19,021**	**-**	**40,251**
Unallocated assets					**32,525**
Total assets					**1,971,871**
LIABILITIES					
Segment liabilities	**685,144**	**196,640**	**197,786**	**(911,354)**	**168,216**
Unallocated liabilities					**967,747**
Total liabilities					**1,135,963**

* This includes amount due from jointly controlled entities.

OTHER INFORMATION					
Capital expenditure	**21,858**	**13,137**	**584**	**-**	**35,579**
Depreciation	**1,050**	**9,310**	**1,675**	**-**	**12,035**
Amortisation	**17**	**21**	**131**	**-**	**169**
Impairment loss of:					
other investments	**-**	**-**	**5,026**	**-**	**5,026**
quoted investments	**-**	**-**	**5,213**	**-**	**5,213**
Provision for expected loss	**442**	**-**	**-**	**-**	**442**

	CONTINUING OPERATIONS					DISCONTINUED OPERATION	
2008	PROPERTIES RM'000	HOSPITALITY RM'000	INVESTMENTS AND OTHERS RM'000	ELIMINATION RM'000	TOTAL RM'000	CONSTRUCTION AND RELATED ACTIVITIES RM'000	TOTAL OPERATIONS RM'000
REVENUE							
External sales	469,832	44,681	1,886	-	516,399	241,867	758,266
Inter-segment sales	-	-	29,111	(29,111)	-	-	-
Total revenue	469,832	44,681	30,997	(29,111)	516,399	241,867	758,266
RESULTS							
Segment results	113,313	1,163	23,787	(10,419)	127,844	28,217	156,061
Gain on disposal of PPB Group	-	-	98,941	-	98,941	-	98,941
Share of loss of associates	-	-	(2,874)	-	(2,874)	-	(2,874)
Share of loss of jointly controlled entities	(579)	-	-	-	(579)	-	(579)
Finance costs					(28,767)	(32)	(28,799)
Profit before tax					194,565	28,185	222,750
Income tax expense					(34,789)	(7,508)	(42,297)
Profit for the financial year					159,776	20,677	180,453
ASSETS							
Segment assets	1,626,070	192,804	890,057	(611,442)	2,097,489	-	2,097,489
Associates	-	-	30,777	-	30,777	-	30,777
Jointly controlled entities*	15,606	-	15,016	-	30,622	-	30,622
Unallocated assets					28,032	-	28,032
Total assets					2,186,920	-	2,186,920

40. SEGMENT INFORMATION (CONTD)

	CONTINUING OPERATIONS					DISCONTINUED OPERATION	
2008	PROPERTIES RM'000	HOSPITALITY RM'000	INVESTMENTS AND OTHERS RM'000	ELIMINATION RM'000	TOTAL RM'000	CONSTRUCTION AND RELATED ACTIVITIES RM'000	TOTAL OPERATIONS RM'000
LIABILITIES							
Segment liabilities	677,749	183,232	15,617	(731,293)	145,305	-	145,305
Unallocated liabilities					954,854	-	954,854
Total liabilities					1,100,159	-	1,100,159

* This includes amount due from jointly controlled entities.

OTHER INFORMATION							
Capital expenditure	39,210	22,710	2,813	-	64,733	5,231	69,964
Depreciation	823	8,126	1,479	-	10,428	475	10,903
Amortisation	7	206	134	-	347	33	380
Impairment loss in other investments	-	-	81	-	81	-	81
Reversal of impairment loss in other investments	-	-	(181)	-	(181)	-	(181)

Note:

i. No geographical segment information is presented as the Group operates principally within Malaysia.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In addition to the significant events detailed elsewhere in the financial statements, significant events during the financial year for the Group are as follows:

1. On 23 June 2008, the Company ("EOB") has internally reorganised its group structure involving its wholly-owned subsidiaries, namely Major Liberty Sdn. Bhd. ("MLSB"), Matrix Promenade Sdn. Bhd. ("MPSB"), E&O-Pie Sdn. Bhd. ("EOPIE"), E&O Trading Sdn. Bhd. ("EOT") and Radiant Kiara Sdn. Bhd. ("RKSB").

   MLSB is a direct wholly-owned subsidiary of EOB and MLSB was the immediate holding company of MPSB. EOPIE, EOT and RKSB were direct wholly-owned subsidiaries of EOB.

   The internal reorganisation entails the transfer of MPSB from MLSB to be directly held under EOB and thereafter the transfer of EOPIE, EOT and RKSB from EOB to MPSB ("Transfer").

   The Transfer has neither any effect on EOB's share capital and major shareholdings nor any effect on the consolidated net assets, earnings and gearing of the EOB group as it is transacted between EOB and its wholly-owned subsidiaries.

2. AmInvestment Bank Berhad ("AmInvestment") on behalf of EOB had on 27 November 2007 announced that the Company has presented to the Board of E&O Property Development Berhad ("E&OPROP"), a proposal for a members' scheme of arrangement under Section 176 of the Companies Act, 1965 for the exchange of the ordinary shares of RM1.00 each in E&OPROP held by the shareholders of E&OPROP other than EOB and Dynamic Degree Sdn. Bhd. ("E&OPROP MIs") for new ordinary stock units of RM1.00 each in EOB and/or cash ("Members' Scheme").

   On 11 July 2008, AmInvestment announced on behalf of EOB the completion of the Members' Scheme, that 242,259,571 E&OPROP shares have been transferred from the respective securities accounts of the E&OPROP MIs to the Company's securities account. In exchange, 172,899,109 new EOB shares have been credited to the respective securities accounts of the relevant E&OPROP MIs and the cash entitlements amounting to RM212,694,451 have been despatched to the relevant E&OPROP MIs. The new EOB shares were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 11 July 2008. Pursuant thereto, E&OPROP became a wholly-owned subsidiary of the Company.

   Accordingly, the Members' Scheme was completed and the shares of E&OPROP have been removed from the Official List of Bursa Securities with effect from 8 August 2008, pursuant to Paragraph 8.15(6) of the Listing Requirements.

3. On 27 August 2008, MPSB, a wholly-owned subsidiary of the Company entered into a facility agreement for a syndicated term loan facility of up to RM472.0 million from participating lenders namely Affin Bank Berhad, EON Bank Berhad and Public Bank Berhad ("Facility").

   The facility has a tenure of seven (7) years from the date of initial drawdown and repayment will commence on the fifth anniversary after date of initial drawdown.

   The purpose of the Facility is to part-finance the acquisition and/or development cost of properties for the EOB group's property investment division.

4. KCB Trading Sdn. Bhd. ("KCB"), a wholly-owned subsidiary of the Company had on 6 June 2008 entered into a conditional Sale and Purchase Agreement ("SPA") with Magna Universe Sdn Bhd ("Magna") to dispose a piece of freehold land held under GN 63251, Lot No. 287, Seksyen 43, Bandar and District of Kuala Lumpur, Wilayah Persekutuan measuring approximately 5,221 square metres for a cash consideration of RM84,295,555.

   The Company had on 15 October 2008 announced that KCB had served notice on Magna to terminate the SPA due to failure of Magna to meet a payment milestone as provided for in the SPA as supplemented by the Supplemental Agreement ("Agreements").

   Pursuant to the terms of the Agreements, a sum of RM2,185,911 was immediately forfeited.

5. The Delicious Group Sdn. Bhd. ("DGM"), a 51% owned subsidiary of E&O Restaurants Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had on 23 January 2009 acquired two (2) ordinary shares of RM1.00 each representing 100% equity interest in the capital of Food Emporium Sdn. Bhd. ("FESB") for a total cash consideration of RM2.00. Accordingly, FESB became a wholly-owned subsidiary of DGM.

6. Galaxy Prestige Sdn. Bhd. ("GPSB") and Major Liberty Sdn. Bhd. ("MLSB"), which are subsidiaries of EOB had on 17 March 2009 entered into a Share Sale Agreement ("SSA") with Damansara Developments Sdn. Bhd., a wholly owned subsidiary of Selangor Properties Berhad in relation to:

   a. disposal by GPSB of its entire 50% equity interest in Puncak Madu Sdn. Bhd. ("PMSB") represented by 60,000 ordinary shares of RM1.00 each in the issued and paid-up capital of PMSB; and

   b. disposal by MLSB of 20,155,000 preference shares of RM0.01 each in PMSB issued at a premium of RM0.99 each and entitlement of non-cumulative dividend of 6% per annum

   for a total cash consideration of RM261,550 ("Disposal").

   The Disposal was completed on 25 March 2009 and PMSB ceased to be an associate of the Group.

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

On 26 May 2009, Affin Investment Bank Berhad ("AIBB") on behalf of EOB announced that the Company proposed to undertake the following proposals:

a. Proposed Renounceable Rights Issue of up to RM244,574,033 nominal value Ten (10)-Year Irredeemable Convertible Secured Loan Stocks 2009/2019 of RM0.65 each ("ICSLS 2009/2019") in EOB on the basis of one (1) new ICSLS 2009/2019 for every two (2) ordinary stock units of RM1.00 each in EOB at an issue price to be determined by the Board later ("Proposed Rights Issue"); and

b. Proposed increase in the authorised share capital of the Company from the existing RM1,000,000,000 comprising 1,000,000,000 EOB stock units to RM1,200,000,000 comprising 1,200,000,000 EOB stock units by the creation of an additional 200,000,000 EOB stock units.

On 7 July 2009, AIBB announced on behalf of EOB that the nominal value of ICSLS 2009/2019 to be issued pursuant to the Proposed Rights Issue has been revised from RM244,574,033 to RM246,896,158.

AIBB further had on 9 July 2009 submitted the following applications:

i. Securities Issues Department of the Securities Commission ("SC") in relation to the Proposed Rights Issue; and

ii. Private Debt Securities Department of the SC in relation to the issuance of ICSLS 2009/2019 arising from the Proposed Rights Issue.

43. FINANCIAL INSTRUMENTS

a. Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

b. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	NOTE	WAEIR %	WITHIN 1 YEAR RM'000	1-2 YEARS RM'000	2-3 YEARS RM'000	3-4 YEARS RM'000	4-5 YEARS RM'000	MORE THAN 5 YEARS RM'000	TOTAL RM'000
2009									
GROUP									
Fixed Rate									
Deposits	27	**3.02**	**50,293**	**-**	**-**	**-**	**-**	**-**	**50,293**
Amount due from a jointly controlled entity	23	**8.50**	**19,021**	**-**	**-**	**-**	**-**	**-**	**19,021**
Term loans	33	**5.33**	**(52,775)**	**(43,660)**	**(50,660)**	**(52,905)**	**(10,372)**	**-**	**(210,372)**
Irredeemable convertible unsecured loan stocks	30	**8.00**	**-**	**-**	**(26,653)**	**-**	**-**	**-**	**(26,653)**
Commercial papers	33	**4.00**	**(80,000)**	**-**	**-**	**-**	**-**	**-**	**(80,000)**
Medium term notes	33	**4.65**	**(50,000)**	**(100,000)**	**(100,000)**	**-**	**-**	**-**	**(250,000)**
Hire purchase	33	**4.73**	**(999)**	**(682)**	**(557)**	**(178)**	**(32)**	**-**	**(2,448)**
Floating Rate									
Deposits	27	**2.88**	**124,846**	**-**	**-**	**-**	**-**	**-**	**124,846**
Bank overdrafts	33	**6.80**	**(10,726)**	**-**	**-**	**-**	**-**	**-**	**(10,726)**
Revolving credits	33	**4.73**	**(176,245)**	**-**	**-**	**-**	**-**	**-**	**(176,245)**
Term loans	33	**5.49**	**(26,724)**	**(24,688)**	**(21,250)**	**(18,250)**	**(71,055)**	**-**	**(161,967)**
COMPANY									
Fixed Rate									
Deposits	27	**2.00**	**40**	**-**	**-**	**-**	**-**	**-**	**40**
Term loans	33	**4.94**	**(30,000)**	**(30,000)**	**(30,000)**	**(40,000)**	**(10,372)**	**-**	**(140,372)**
Irredeemable convertible unsecured loan stocks	30	**8.00**	**-**	**-**	**(26,653)**	**-**	**-**	**-**	**(26,653)**
Floating Rate									
Deposits	27	**1.80**	**6,600**	**-**	**-**	**-**	**-**	**-**	**6,600**
Bank overdrafts	33	**6.80**	**(10,726)**	**-**	**-**	**-**	**-**	**-**	**(10,726)**
Revolving credits	33	**3.99**	**(55,000)**	**-**	**-**	**-**	**-**	**-**	**(55,000)**
Term loans	33	**5.61**	**(14,000)**	**(10,000)**	**(10,000)**	**(10,000)**	**-**	**-**	**(44,000)**

	NOTE	WAEIR %	WITHIN 1 YEAR RM'000	1-2 YEARS RM'000	2-3 YEARS RM'000	3-4 YEARS RM'000	4-5 YEARS RM'000	MORE THAN 5 YEARS RM'000	TOTAL RM'000
2008									
GROUP									
Fixed Rate									
Deposits	27	3.35	23,900	-	-	-	-	-	23,900
Amount due from a jointly controlled entity	23	8.50	15,197	-	-	-	-	-	15,197
Term loans	33	5.52	(8,279)	(56,270)	(39,600)	(46,600)	(57,370)	(9,000)	(217,119)
Irredeemable convertible unsecured loan stocks	30	8.00	-	-	-	(34,226)	-	-	(34,226)
Commercial papers	33	4.10	(80,000)	-	-	-	-	-	(80,000)
Medium term notes	33	4.63	(20,000)	(50,000)	(100,000)	(100,000)	-	-	(270,000)
Hire purchase	33	5.16	(872)	(809)	(621)	(510)	(127)	-	(2,939)
Floating Rate									
Deposits	27	3.25	300,266	-	-	-	-	-	300,266
Bank overdrafts	33	8.24	(2,528)	-	-	-	-	-	(2,528)
Revolving credits	33	7.30	(141,500)	-	-	-	-	-	(141,500)
Term loans	33	6.28	(15,344)	(27,125)	(24,688)	(21,250)	(18,250)	(6,697)	(113,354)
Trade payables	35	8.75	(15,940)	-	-	-	-	-	(15,940)
COMPANY									
Fixed Rate									
Deposits	27	3.30	20,148	-	-	-	-	-	20,148
Term loans	33	4.86	-	(30,000)	(30,000)	(30,000)	(40,000)	-	(130,000)
Irredeemable convertible unsecured loan stocks	30	8.00	-	-	-	(34,226)	-	-	(34,226)
Floating Rate									
Deposits	27	3.26	195,643	-	-	-	-	-	195,643
Bank overdrafts	33	8.05	(185)	-	-	-	-	-	(185)
Revolving credits	33	4.10	(55,000)	-	-	-	-	-	(55,000)
Term loans	33	6.04	(3,000)	(14,000)	(10,000)	(10,000)	(10,000)	-	(47,000)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans and floating rate loans which are repriced annually. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

c. Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia.

The Group is not engaged in any hedging transactions.

d. Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

43. FINANCIAL INSTRUMENTS (CONTD)

e. Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group has no significant concentrations of credit risk other than those receivables as analysed in Note 23. The Group's maximum exposure to credit risk, in the event that the counter-party to the transaction with the Group fails to perform its obligation as of 31 March 2009, is the carrying amount of the trade receivables as indicated in the balance sheet.

f. Fair values

The carrying amounts of the Group and of the Company's borrowings, which are variable rate borrowings, are considered to be a reasonable estimate of the fair values as the borrowings will be repriced immediately in the event of any changes to the market interest rates.

The carrying amounts of financial assets and liabilities approximate their fair value. For unquoted investments, it is not practical to estimate the fair value of the unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the Group and the Company believe that the carrying amount represents the recoverable amount.

GROUP'S PROPERTIES

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2009 RM'000
PT No. 6332, Mukim Petaling Daerah Petaling, Selangor	Freehold	2006	2.445 sq. ft.	Vacant Land	-	16
PT 1623 H.S.(D) 3572 PT 1691 H.S.(D) 3640 Mukim Beseri, Perlis	Freehold	2009	2 units	Single Storey Terrace	20	67
Lot No. 305, 633-637, 643, 644, 646 & 647 Mukim 2, Daerah Barat Daya Pulau Pinang	Freehold	2006	16.398 acres	Vacant Land	-	12,831
Lot No. 43, 62, 72, 73, 76, 77, 88, 89, 91, 93, 94, 137-140, 149, 150, 168, 169, 171, 172, 177, 179, 183-189, 192 (New Lot 244), 194, 202-204, 222-224, 228-234 & PT No. 2 Mukim 8, South-West District Pulau Pinang	Freehold	2006	339.184 acres	Vacant Land	-	116,981
	Lease expiring 10.12.2022	2006	7.787 acres	Vacant Land	-	2,789
	Lease expiring 9.6.2019	2006	1.397 acres	Vacant Land	-	518
	Lease expiring 29.6.2053	2006	0.245 acres	Vacant Land	-	92
Lot No. 334, Seksyen 63 Bandar dan Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Freehold	2006	5,842 sq. mt.	Vacant Land	-	40,746
PT No. 258-325, 419-421, 423-429, 432, 434-449, 453-455, 457, 460, 462, 475, 476-539, 540-557, 558-630, 645, 651, 654-655, 676-678, 688-693, 695, 697, 698 All within Bandar Tanjung Pinang Daerah Timur Laut Pulau Pinang	Freehold	2007	31.52 acres	Currently Under Development	-	637,554
	Lease expiring 28.4.2103	2006	45.77 acres			
PT No. 251 and 257 All within Bandar Tanjung Pinang Daerah Timur Laut Pulau Pinang	Freehold	2009	2 units	2 ½ Storey Terrace	2	1,618
Lot No. 1300 to 1314, 1316, 1318 to 1320, 1322, 1323, 1325, 1326, 1329 to 1333, 1335, 1336, 1338 to 1340, 1342, 1343, 1345 to 1347, 1349, 1351 to 1354, 1356, 1357, 1359, 1360, 1363 to 1369, 1372 to 1374, 1376, 1377, 1379 to 1393 All within Mukim of Ulu Kelang District of Gombak Selangor Darul Ehsan	Lease expiring 2088/89	2006	303.276 acres	Vacant Land	-	104,804
	Lease expiring 19.05.2097	2006	6.256 acres	Vacant Land	-	1,261
PT No. 867, 930-933, 935-938 942-945, 947-948, 952, 964, 967, 969-973, 976, 979, 986, 994-996, 1000, 1003 HS(D) 44764, 44825, 44827-830, 44832-835, 44839-842, 44844-845, 44849, 44861, 44864, 44866-870, 44873, 44876, 44883, 44891-893, 44897, 44900 Mukim of Batu District of Gombak Selangor Darul Ehsan	Freehold	2006	58 units	Strata Shop/Office	10	3,002

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2009 RM'000
202 Desa Cahaya Jalan Ampang Kuala Lumpur	Freehold	2006	2 units	Residential Condominium	16	3,280
Geran 26963 Lot 183 Seksyen 43 Bandar Kuala Lumpur	Freehold	2006	1427.687 sq. mt.	Land held for development	-	6,851
Jalan Batai Barat Damansara Heights Kuala Lumpur PT No. 1357 H.S.(D) 32559, Lot No. 46346 H.S.(D) 45608 & Lot No. 45424 (G 22944) All in Mukim and District of Kuala Lumpur Wilayah Persekutuan	Freehold	2006	0.309 acres	Vacant Bungalow Land	-	2,001
Ukay Heights Selangor Darul Ehsan Lot No. 1621 to 1625, 1641 to 1645, 1647 to 1648 Mukim of Ulu Kelang Lot No. 4779, 4780, 4782, 4786 to 4790, 4796, 4797 Mukim of Ampang All on the District of Kuala Lumpur	Freehold	2006	9.365 acres	Vacant Land	-	16,264
Jalan Teruntung Damansara Heights Kuala Lumpur PT No. 783 & PT No. 784 Mukim and District of Kuala Lumpur Wilayah Persekutuan	Freehold	2006	3.933 acres	Land held for development	-	52,698
Geran 53370, Lot No. 55332 Geran 53373, Lot No. 55335 Geran 53379, Lot No. 55340 Jalan Damansara Kuala Lumpur Mukim and District of Kuala Lumpur Wilayah Persekutuan	Freehold	2007	3 units	Luxurious detached houses	2	15,405
Jalan Tun Razak H.S.(D) 116240, PT 65 Seksyen 63 Daerah of Kuala Lumpur Wilayah Persekutuan	Freehold	2007	21 units	High end condominiums	2	65,982
Lot No. 45191 Geran 9337 Lot No. 55482 Geran 50059 Daerah Kuala Lumpur Mukim Kuala Lumpur	Freehold	2007	2 units	Semi-detached houses	2	4,980
H.S.(D) 115130, PT 7888 Daerah Kuala Lumpur Mukim Kuala Lumpur	Freehold	2007	727 sq. mt.	Vacant Land	-	1,249
GN63251, Lot No.287, Seksyen 43 Bandar dan District Kuala Lumpur	Freehold	2007	5,219 sq. mt.	Vacant Land	-	54,364
GM 3011, Lot No. 55502 GM 3012 Lot No. 55503 Daerah Kuala Lumpur Mukim Kuala Lumpur	Freehold	2007	12,312 sq. mt.	Vacant Land	-	34,902
Geran 36397, Lot 53, Seksyen 43 Geran 36399, Lot 55, Seksyen 43 Geran 36400, Lot 56, Seksyen 43 Daerah Kuala Lumpur Bandar Kuala Lumpur	Freehold	2007	3,545.942 sq. mt.	Vacant Land	-	18,133

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2009 RM'000
H.S.(D) 13097 PT No.694 Bandar Tanjong Pinang Sek. 1 Dearah Timor Laut Negeri Pulau Pinang	Freehold	2008	28,164.7 sq. mt.	Vacant Land	-	69,020
CT 12571, Lot 595 Section 57, Town and District of Kuala Lumpur	Freehold	2008	50,050 sq. ft.	Vacant Land	-	55,062
Annexe Portion Jalan Tun Razak Section 63, Town and District of Kuala Lumpur	Freehold	2008	2,747 sq. mt.	3-Storey designated Commercial Block together with an aggregate of 54 car parking bays	2	18,747
Dua Residency Condominium Jalan Tun Razak Kuala Lumpur	Freehold	2009	1 unit	Residential Condominium	2	5,180
Lot No. 696, PT (D/M) No.1215 H.S.(D) No. 15927 Lot No. 703, PT (D/M) No. 1216 H.S.(D) No. 15928 All within Bandar Tanjung Pinang Daerah Timur Laut Pulau Pinang	Freehold	2009	557,334.72 sq. ft. 17,953.75 sq. ft.	Currently under development	-	67,081
Lot No. 2 & 3 Section 2, Town of Batu Ferringgi North East District Penang	Freehold	1995	1.682 acres	Land with building for hotel use	-	12,513
Lot No. 589, Geran 49047 Town of Batu Ferringgi North East District Penang	Freehold	2008	1.86 acres	Land with building for hotel use	-	17,942
Lot No. 124, Geran 35844 Lot No. 831, Geran 61602 (previously Lot No. 125, Geran 35845) 10 Farquhar Street 10200 Penang	Freehold	1978	1.95 acres	Land held for development	-	62,844
Lot No. 224, Geran 63919 Lot No. 249, Geran 35873 10 Farquhar Street 10200 Penang	Lease expiring in 01.01.2013	1978	0.10 acres	Land with building for hotel use	-	42
	Freehold	1978	2.42 acres	Land with building for hotel use	-	84,685
Lot No. 407, PN 1380 10 Farquhar Street 10200 Penang	Lease expiring in 31.12.2055	1978	0.08 acres	Land with building for hotel use	-	226

ANALYSIS OF STOCKHOLDINGS

AS AT 28 JULY 2009

ORDINARY SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Fully Paid Up Capital	:	RM600,716,781
Class of Share	:	Ordinary Stock Unit of RM1.00 each
Voting Rights	:	One (1) vote per Ordinary Stock Unit
Number of Treasury Stock Units held	:	7,930,200

DISTRIBUTION OF STOCKHOLDINGS

SIZE OF STOCKHOLDINGS	NO. OF STOCKHOLDERS	%	NO. OF STOCK UNITS	%
Less than 100	416	2.02	13,014	0.00
100 to 1,000	8,895	43.15	4,477,567	0.75
1,001 to 10,000	9,435	45.77	30,821,017	5.13
10,001 to 100,000	1,589	7.71	45,584,297	7.59
100,001 to less than 5% of issued Stock Units	277	1.34	422,239,765	70.29
5% and above of issued Stock Units	2	0.01	97,581,121	16.24
TOTAL	20,614	100.00	600,716,781	100.00

THIRTY LARGEST STOCKHOLDERS BASED ON THE RECORD OF DEPOSITORS

NO.	NAME OF STOCKHOLDERS	NO. OF STOCK UNITS	%
1.	Cimsec Nominees (Asing) Sdn Bhd *CIMB-GK Securities Pte Ltd for Ample Echo Limited*	62,427,333	10.39
2.	HSBC Nominees (Asing) Sdn Bhd *BBH And Co Boston for Halfmoon Bay Enterprises Limited*	35,153,788	5.85
3.	Halfmoon Bay Enterprises Limited	25,851,044	4.30
4.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)*	23,770,940	3.96
5.	Terra Realty Sdn Bhd	20,755,000	3.45
6.	Mayban Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	20,580,766	3.43
7.	CitiGroup Nominees (Asing) Sdn Bhd *UBS AG*	17,645,700	2.94
8.	Mayban Nominees (Asing) Sdn Bhd *G.K. Goh Strategic Holdings Pte Ltd (260551)*	14,400,000	2.40
9.	Cimsec Nominees (Asing) Sdn Bhd *Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)*	13,039,072	2.17
10.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Pusaka Setia Sendirian Berhad (Pusaka)*	11,371,928	1.89
11.	CitiGroup Nominees (Asing) Sdn Bhd *JP Morgan CLR Corp for Third Avenue Real Estate Opportunities Fund LP*	10,667,697	1.78
12.	UOBM Nominees (Asing) Sdn Bhd *Tael One Partners Ltd for Indo Capital Growth Limited*	10,087,000	1.68
13.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for J.P. Morgan Bank Luxembourg S.A.*	10,031,340	1.67
14.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (Denmark)*	8,972,000	1.49
15.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tham Ka Hon (8038756)*	8,699,586	1.45
16.	Mayban Nominees (Tempatan) Sdn Bhd *Mayban Trustees Berhad for Saham Amanah Sabah (ACC 2-940410)*	8,206,800	1.37

NO.	NAME OF STOCKHOLDERS	NO. OF STOCK UNITS	%
17.	Mayban Nominees (Asing) Sdn Bhd *DBS Bank for the Singapore Fund Inc. (201013)*	7,512,000	1.25
18.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for the Bank of New York Mellon (Mellon ACCT)*	7,267,075	1.21
19.	HSBC Nominees (Asing) Sdn Bhd *Pictet And Cie for Swissca Emerging Markets Fund (PAM REF 3923)*	7,000,000	1.17
20.	HSBC Nominees (Tempatan) Sdn Bhd *Nomura Asset Mgmt Malaysia for Employees Provident Fund*	6,000,000	1.00
21.	HSBC Nominees (Asing) Sdn Bhd *TNTC for Shenton Thrift Fund*	5,965,700	0.99
22.	Minister of Finance *Akaun Jaminan Pinjaman Kerajaan Persekutuan*	5,600,000	0.93
23.	CitiGroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Fund*	4,904,766	0.82
24.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Terra Realty Sdn Bhd*	4,325,000	0.72
25.	Multi-Purpose Holdings Berhad	4,218,100	0.70
26.	AmSec Nominees (Tempatan) Sdn Bhd *AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-Dali)*	3,875,900	0.64
27.	CitiGroup Nominees (Asing) Sdn Bhd *Goldman Sachs International*	3,770,943	0.63
28.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chan Kok Leong*	3,695,000	0.61
29.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for HwangDBS Select Opportunity Fund (3969)*	3,595,300	0.60
30.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Azizan Bin Abd Rahman (MY0531)*	3,400,000	0.57
	TOTAL	**372,789,778**	**62.06**

SUBSTANTIAL STOCKHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL STOCKHOLDERS AS AT 28 JULY 2009

	STOCKHOLDINGS			
NAME OF STOCKHOLDERS	DIRECT	%	INDIRECT	%
Ample Echo Limited	62,427,333	10.53	-	-
Halfmoon Bay Capital Limited *(formerly known as Halfmoon Bay Enterprises Limited)*	61,004,832	10.29	-	-
Dato' Tham Ka Hon	11,212,086	1.89	(1)98,879,261	16.68
Nik Anida Binti Nik Manshor, Puan Sri	1,051,600	0.18	(2)63,762,832	10.76
Datin Chua Cheng Boon	-	-	(3)36,451,928	6.15
G. K. Goh Holdings Limited	-	-	(4)97,408,099	16.43
GKG Investment Holdings Pte Ltd	-	-	(5)99,435,299	16.77
Goh Yew Lin	-	-	(6)99,435,299	16.77
Goh Geok Khim	-	-	(6)99,435,299	16.77

Notes:

(1) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through Ample Echo Limited ("AEL"), Terra Realty Sdn Bhd ("TRSB") and Pusaka Setia Sendirian Berhad ("PSSB") and his spouse's shareholdings in TRSB and PSSB.
(2) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through Halfmoon Bay Capital Limited and Malayasset Ventures Sdn Bhd.
(3) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through TRSB and PSSB.
(4) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through AEL, G.K. Goh Strategic Holdings Pte Ltd and Cacona Pte Ltd.
(5) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through G. K. Goh Holdings Limited and Alpha Securities Pte Ltd.
(6) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through GKG Investment Holdings Pte Ltd.

DIRECTORS' INTEREST IN STOCK UNITS BASED ON THE REGISTER OF DIRECTORS' INTEREST AS AT 28 JULY 2009

	STOCKHOLDINGS			
NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
Dato' Tham Ka Hon	11,212,086	1.89	[1]98,879,261	16.68
Datuk Azizan Bin Abd Rahman	3,600,000	0.61	-	-
Datuk Henry Chin Poy Wu	-	-	-	-
Kamil Ahmad Merican	1,100,000	0.19	-	-
Vijeyaratnam a/l V. Thamotharam Pillay	-	-	-	-
Chan Kok Leong	4,695,000	0.79	-	-
Kok Meng Chow	300,000	0.05	-	-
Christopher Martin Boyd	-	-	-	-
Teo Liang Huat Thomas	29,300	-	-	-

Note:

(1) Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through AEL, TRSB and PSSB and his spouse's shareholdings in TRSB and PSSB.

DIRECTORS' INTEREST IN ESOS OPTIONS AS AT 28 JULY 2009

	ESOS OPTIONS			
NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
Dato' Tham Ka Hon	4,500,000	-	-	-
Datuk Azizan Bin Abd Rahman	-	-	-	-
Datuk Henry Chin Poy Wu	-	-	-	-
Kamil Ahmad Merican	-	-	-	-
Vijeyaratnam a/l V. Thamotharam Pillay	-	-	-	-
Chan Kok Leong	-	-	-	-
Kok Meng Chow	-	-	-	-
Christopher Martin Boyd	-	-	-	-
Teo Liang Huat Thomas	-	-	-	-

ANALYSIS OF WARRANT HOLDINGS

AS AT 28 JULY 2009

WARRANTS 2001/2011

Total No. of Warrants Issued	:	72,962,980
Outstanding Warrants	:	40,525,921
Exercise Price of Warrants	:	RM1.00
Voting Rights	:	One (1) vote per Warrant

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	345	36.98	17,491	0.04
100 to 1,000	104	11.15	60,395	0.15
1,001 to 10,000	300	32.15	1,329,309	3.28
10,001 to 100,000	153	16.40	5,386,097	13.29
100,001 to less than 5% of Warrants in issue	28	3.00	7,135,913	17.61
5% and above of Warrants in issue	3	0.32	26,596,716	65.63
TOTAL	**933**	**100.00**	**40,525,921**	**100.00**

THIRTY LARGEST WARRANTHOLDERS BASED ON THE RECORD OF DEPOSITORS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1.	DB (Malaysia) Nominees (Asing) Sdn Bhd *Exempt An for Deutsche Bank AG Singapore (PWM Asing)*	11,927,000	29.43
2.	Terra Realty Sdn Bhd	7,871,820	19.42
3.	Tham Ka Hon	6,797,896	16.77
4.	Mayban Naminees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	1,495,000	3.69
5.	Universal Trustee (Malaysia) Berhad *Pacific Premier Fund*	873,800	2.16
6.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Gan Eng Kwong (8040871)*	527,072	1.30
7.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Chin Fah Onn (MY0618)*	446,000	1.10
8.	Raja Zainal Abidin Bin Raja Hussin	346,598	0.86
9.	CitiGroup Nominees (Asing) Sdn Bhd *Goldman Sachs International*	343,500	0.85
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Sin Chong (8040854)*	295,474	0.73
11.	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tee Kai Shiang (REM 166)]*	243,600	0.60
12.	ECML Nominees (Asing) Sdn. Bhd. *DBS Vickers Securities (Singapore) Pte Ltd for Optimus Capital International Limited*	176,900	0.44
13.	Eng Ah Leak @ Ng Kok Wah	168,540	0.42
14.	Geh Siew Yin (Mrs Eng Ah Leak @ Ng Kok Wah)	168,540	0.42
15.	A.A. Anthony Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for T C Holdings Sdn Bhd*	166,587	0.41
16.	Susan Liew Shau Nyee	160,000	0.39
17.	Wong Seng Mow	142,043	0.35
18.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Deutsche Bank AG London for RAB-Northwest Fund Limited*	128,573	0.32
19.	Maria A/P Tio Jau Hong	123,100	0.30

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
20.	Kenanga Nominees (Asing) Sdn Bhd *Exempt An for Phillip Securities Pte Ltd (Client Account)*	120,043	0.30
21.	HDM Nominees (Asing) Sdn Bhd *Phillip Securities Pte Ltd for Topline Asia Limited*	120,000	0.30
22.	Madam Lee Kim Chin	119,452	0.29
23.	Tong Chin Hen	119,270	0.29
24.	Pek Chern Kuok Don (Bai Zhenguo Don)	118,540	0.29
25.	Wong Soh Hua Rosemary	108,905	0.27
26.	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Khor Chin Kee*	108,014	0.27
27.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chan Gin Seong*	107,500	0.26
28.	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Suresh Nair*	105,051	0.26
29.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Oo Siew Chin (E-KLC)*	103,124	0.25
30.	Wong Bak Kiong	100,665	0.25
	TOTAL	**33,632,607**	**82.99**

DIRECTORS' INTEREST IN WARRANTS BASED ON THE REGISTER OF DIRECTORS' INTEREST AS AT 28 JULY 2009

	WARRANTHOLDINGS			
NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
Dato' Tham Ka Hon	6,797,896	16.77	(1)7,871,820	19.42
Datuk Azizan Bin Abd Rahman	-	-	-	-
Datuk Henry Chin Poy Wu	-	-	-	-
Kamil Ahmad Merican	-	-	-	-
Vijeyaratnam a/l V. Thamotharam Pillay	-	-	-	-
Chan Kok Leong	-	-	-	-
Kok Meng Chow	-	-	-	-
Christopher Martin Boyd	-	-	-	-
Teo Liang Huat Thomas	-	-	-	-

Note:

(1) Deemed interest by virtue of section 6A(4) of the Companies Act, 1965 held through Terra Realty Sdn Bhd ("TRSB") and his spouse's shareholdings in TRSB.

ANALYSIS OF ICULS HOLDINGS

AS AT 28 JULY 2009

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2006/2011 ("ICULS")

Nominal Value of ICULS Issued	:	RM155,835,446
Nominal Value of Outstanding ICULS	:	RM114,386,054
Conversion Price of ICULS	:	RM1.00
Voting Rights	:	One (1) vote per ICULS

DISTRIBUTION OF ICULS HOLDINGS

SIZE OF ICULS HOLDINGS	NO. OF ICULS HOLDERS	%	NO. OF ICULS	%
Less than 100	123	18.47	1,474	0.00
100 to 1,000	134	20.12	80,771	0.07
1,001 to 10,000	310	46.55	1,007,900	0.88
10,001 to 100,000	70	10.51	2,399,657	2.10
100,001 to less than 5% of ICULS in issue	22	3.30	16,276,536	14.23
5% and above of ICULS in issue	7	1.05	94,619,716	82.72
TOTAL	**666**	**100.00**	**114,386,054**	**100.00**

THIRTY LARGEST ICULS HOLDERS BASED ON THE RECORD OF DEPOSITORS

NO.	NAME OF ICULS HOLDERS	NO. OF ICULS	%
1.	Wisma Perkasa Sdn Bhd	20,075,923	17.55
2.	Cimsec Nominees (Asing) Sdn Bhd *CIMB-GK Securities Pte Ltd for Ample Echo Limited*	20,000,000	17.48
3.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Pusaka Setia Sendirian Berhad (Pusaka)*	16,745,493	14.64
4.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Aloysius Choong Kok Sin (Aloysius)*	10,025,000	8.76
5.	Mayban Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	9,291,300	8.12
6.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Tham Ka Hon (KA THAM)*	9,258,000	8.09
7.	Halfmoon Bay Enterprises Limited	9,224,000	8.06
8.	Tham Ka Hon	4,500,000	3.93
9.	HSBC Nominees (Asing) Sdn Bhd *RBS Coutts SG for Bedford Finance Limited*	2,250,000	1.97
10.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Kok Meng Chow (MC KOK)*	1,550,500	1.36
11.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Chong Kim Chuan @ Chong Leong Cheng (KC Chong)*	1,550,500	1.36
12.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Chai Kim-Lyn (KL CHAI)*	991,200	0.87
13.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Lum Kwok Weng @ Lum Kok Weng*	991,200	0.87
14.	Cimsec Nominees (Asing) Sdn Bhd *Exempt An for CIMB-GK Securities Pte Ltd for (Retail Clients)*	725,786	0.63
15.	Nordic Summer Sdn Bhd	650,000	0.57
16.	Fong Moh Cheek @ Fong Mow Kit	500,000	0.44
17.	Mayban Nominees (Asing) Sdn Bhd *Alpha Securities Pte Ltd (260550)*	300,000	0.26
18.	Kok Meng Chow	297,000	0.26

NO.	NAME OF ICULS HOLDERS	NO. OF ICULS	%
19.	CitiGroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Fund*	283,150	0.25
20.	Public Invest Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Chee Kiat (C)*	260,000	0.23
21.	Mohamed Razeek Bin Md Hussain Maricar	234,500	0.20
22.	Salter's Assets Limited	208,700	0.18
23.	Lai Kum Sim	170,200	0.15
24.	CitiGroup Nominees (Asing) Sdn Bhd *Merrill Lynch International*	155,000	0.14
25.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Lee Thoi Ying (MY0550)*	150,000	0.13
26.	Kamil Ahmad Merican	150,000	0.13
27.	Chong Kim Chuan @ Chong Leong Cheng	139,500	0.12
28.	Loo Khee Kwong @ Danny Loo	109,800	0.10
29.	PM Nominees (Tempatan) Sdn Bhd *PCB Asset Management Sdn Bhd for Gelombang Sinar Sdn Bhd*	109,500	0.10
30.	Yap Ah Ngah @ Yap Neo Nya	100,000	0.09
	TOTAL	**110,996,252**	**97.04**

DIRECTORS' INTEREST IN ICULS BASED ON THE REGISTER OF DIRECTORS' INTEREST AS AT 28 JULY 2009

	ICULS HOLDINGS			
NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
Dato' Tham Ka Hon	13,758,000	12.03	(1)36,745,493	32.12
Datuk Azizan Bin Abd Rahman	-	-	-	-
Datuk Henry Chin Poy Wu	-	-	-	-
Kamil Ahmad Merican	150,000	0.13	-	-
Vijeyaratnam a/l V. Thamotharam Pillay	-	-	-	-
Chan Kok Leong	-	-	-	-
Kok Meng Chow	1,847,500	1.62	-	-
Christopher Martin Boyd	-	-	-	-
Teo Liang Huat Thomas	-	-	-	-

Note:

(1) Deemed interest by virtue of section 6A(4) of the Companies Act, 1965 held through Ample Echo Limited and Pusaka Setia Sendirian Berhad ("PSSB") and his spouse's shareholdings in PSSB.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty-Second Annual General Meeting of Eastern & Oriental Berhad will be held at Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 29 September 2009 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2009 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To re-elect Dato' Tham Ka Hon who retires in accordance with Article 98 of the Company's Articles of Association. **(Resolution 2)**

3. To re-elect Mr Chan Kok Leong who retires in accordance with Article 98 of the Company's Articles of Association. **(Resolution 3)**

4. To re-elect Mr Teo Liang Huat Thomas who retires in accordance with Article 103 of the Company's Articles of Association. **(Resolution 4)**

5. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

   "**THAT** pursuant to Section 129(6) of the Companies Act, 1965, Datuk Henry Chin Poy Wu be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 5)**

6. To approve the payment of Directors' fees of RM484,602 in respect of the financial year ended 31 March 2009. **(Resolution 6)**

7. To re-appoint Messrs Ernst & Young as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

8. To consider and if thought fit, to pass the following Ordinary Resolution:

   Authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965 **(Resolution 8)**

   "**THAT**, subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue ordinary stock units in the Company ("Stock Units") from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of Stock Units issued pursuant to this resolution does not exceed ten percent (10%) of the total issued capital of the Company and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. To transact any other business for which due notice shall have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

By Order of the Board

ANG HONG MAI
Company Secretary

Kuala Lumpur
7 September 2009

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

3. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, shall be deposited at the Registered Office of the Company at Level 3A (Annexe), Menara Milenium, 8 Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur not later than 48 hours before the time set for the meeting or at any adjournment thereof.

4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary stock units of the Company standing to the credit of the said securities account.

EXPLANATORY NOTE ON SPECIAL BUSINESS

Authority pursuant to Section 132D of the Companies Act, 1965

The proposed resolution 8, if passed, will empower the Directors to allot and issue new ordinary stock units in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The general mandate has been sought for in the last Annual General Meeting of the Company. There were no proceeds raised from the previous mandate.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors standing for re-election or re-appointment at the Eighty-Second Annual General Meeting of the Company are as follows:

i. Pursuant to Article 98 of the Company's Articles of Association
   - Dato' Tham Ka Hon
   - Mr Chan Kok Leong

ii. Pursuant to Article 103 of the Company's Articles of Association
   - Mr Teo Liang Huat Thomas

iii. Pursuant to Section 129(6) of the Companies Act, 1965
   - Datuk Henry Chin Poy Wu

The details of the above Directors standing for re-election or re-appointment are set out in the Directors' Profile in this Annual Report.

The interests of the above Directors in the securities of the Company are set out in the Analysis of Stockholdings in this Annual Report.

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EASTERN & ORIENTAL BERHAD

FORM OF PROXY

Number of stock units held

I/We ....
(Full Name in Capital Letters)

NRIC No/Company No ....

CDS Account No ....

of ....
(Full Address)

being a member(s) of **EASTERN & ORIENTAL BERHAD** (Company No.: 555 – K) hereby appoint ....

....
(Full Name and NRIC No)

of ....
(Full Address)

or failing him/her ....
(Full Name and NRIC No)

of ....
(Full Address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Eighty-Second Annual General Meeting of the Company to be held at Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 29 September 2009 at 10.00 a.m. and at any adjournment thereof.

RESOLUTIONS	FOR *	AGAINST *
1. To receive the Audited Financial Statements		
2. To re-elect Dato' Tham Ka Hon		
3. To re-elect Mr Chan Kok Leong		
4. To re-elect Mr Teo Liang Huat Thomas		
5. To re-appoint Datuk Henry Chin Poy Wu		
6. To approve payment of Directors' fees		
7. To re-appoint Messrs Ernst & Young as Auditors of the Company		
8. To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965		

*Please indicate with a cross (x) in spaces provided whether you wish your vote(s) to be cast for or against the resolutions set out in the Notice of Meeting. In the absence of specific direction, your proxy may vote or abstain as he/she thinks fit.

Signed this day of 2009 ....

Signature of member(s)/Seal

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, shall be deposited at the Registered Office of the Company at Level 3A (Annexe), Menara Milenium, 8 Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur not later than 48 hours before the time set for the meeting or at any adjournment thereof.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary stock units of the Company standing to the credit of the said securities account.

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affix
stamp

The Company Secretary
EASTERN & ORIENTAL BERHAD (555-K)
Level 3A (Annexe), Menara Milenium
8 Jalan Damanlela, Damansara Heights
50490 Kuala Lumpur

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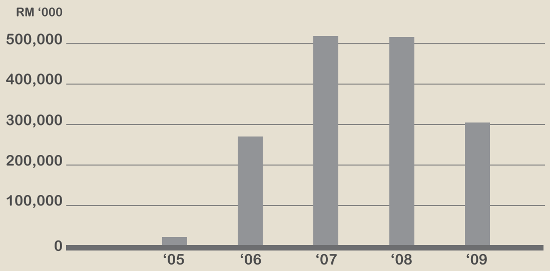
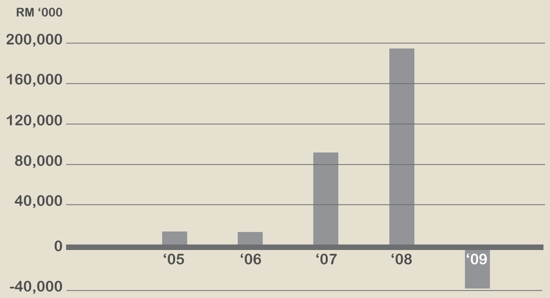
5-YEAR GROUP FINANCIAL HIGHLIGHTS

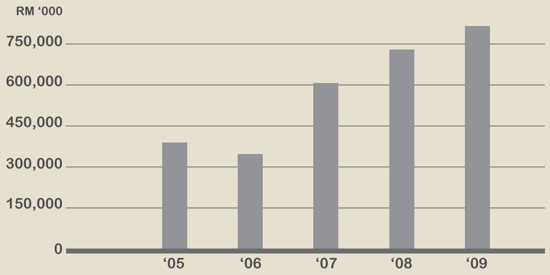
REVENUE



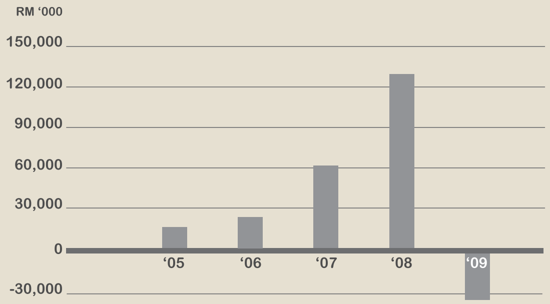
(LOSS) / PROFIT BEFORE TAX



SHAREHOLDERS' FUND



(LOSS) / PROFIT ATTRIBUTABLE TO EQUITY HOLDERS



Note:
Please refer to page 2 for Eastern & Oriental Berhad's 10-year financial highlights

EASTERN & ORIENTAL BERHAD (555-K)

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