E&O

Eastern & Oriental Berhad

ANNUAL REPORT 2008

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 3 core business activities; namely hospitality & 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 travelers 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.

Last year, 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 Delicious restaurants in One Utama (Petaling Jaya), Bangsar Village II and Marc Service Residence (Kuala Lumpur) as well as D'lish in Bangsar Village I and Mid Valley Megamall. 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 recently 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.

Expect nothing Ordinary

'We Draw from Our Past to Forge Our Future'

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

FINANCIAL HIGHLIGHTS
for the financial year ended 31 March 2008

	RM'000 (audited)
INCOME STATEMENT	
Continuing operations Revenue	516,399
Profit before tax from continuing operation	194,565
Profit for the financial year attributable to equity holders	128,854
BALANCE SHEET	
Issued & paid-up share capital	419,061
Shareholders' Fund	729,686
RATIOS	
Basic Earnings per stock unit from continuing operations	22.35
Net Assets *(per stock unit attributable to ordinary equity holders)*	1.55
Net Tangible Assets *(per stock unit attributable to ordinary equity holders)*	1.54

Note:
The Group has applied Financial Reporting Standard 5 (FRS 5): Non-current Assets Held for Sale and Discontinued Operations prospectively. Continuing operations represent solely the results of the Group's principal activities in property development, property investment, hospitality and investment holding.

STRENGTHENING & EXPANDING

The E&O Group's intent of enriching lives and experiences is consistently expressed in its three core business divisions – Property Development, Property Investment and Hospitality & Lifestyle.

Leveraging on E&O's expertise, experience and established brand value, the Group is able to reaffirm its cachet for exclusivity and quality in its portfolio of properties in prime locations. Service standards associated with the luxury heritage E&O Hotel are extended to the management of premier properties developed by the Group.

The focused strategy of strengthening and expanding key earning drivers will position the E&O Group for continued value creation and business growth.

contents

message from our chairman

"The E&O Group is now a single listed entity on Bursa Malaysia, better positioned to seize growth opportunities, better distinguished as an integral brand, and better poised to create value as one platform going forward"

Datuk Azizan bin Abd Rahman
Chairman, Eastern & Oriental Berhad

To Our Valued Stakeholders

Following the recent successful merger between E&O Property Development Berhad and Eastern & Oriental Berhad (now collectively referred to as "The E&O Group"), the E&O Group is now a premier real estate entity that leverages operational synergies and the established E&O brand value across its core business divisions of hospitality and lifestyle, property development and property investment.

BRAND LEADERSHIP: UNIQUELY-POSITIONED

In today's competitive business environment, an increasingly important element that sets companies apart, is the tool of 'branding'.

As a group, E&O has successfully extended its cachet for exclusivity in the branding of its products and services – from the careful crafting of residences, to the personalised attention extended to each hotel guest. In the property development and investment arena, E&O focuses on building premier properties in prime urban locations, embracing innovative concepts appreciated by discerning home buyers and investors. Similarly, both E&O Hotel and Lone Pine Hotel are uniquely-positioned to offer memorable experiences due to their distinctive heritage and charm.

Clear brand positioning allows the E&O Group to remain visible and positively differentiated within the industry. Efforts in branding the newly-enlarged E&O Group continues to be at the forefront, as we stay focused in adding value and delivering tangible results for all our shareholders and stakeholders.

SERVING OUR RESPONSIBILITIES AS A CORPORATE CITIZEN

In the area of Corporate Social Responsibility (CSR), E&O has conscientiously chosen to participate in causes and communities where we have a presence. Most notably, this involves activities in Penang, where both our hotels and largest property development project are located. In addition to disbursing disaster relief funds and emergency aid, we have given direct assistance in supporting local neighbourhood projects and events. In terms of financial contributions, there were two major sponsorships in the fields of education and culture. In September last year, E&O committed RM1.0 million towards the Chancellor Scholarship Fund for Wawasan Open University (WOU), enabling working Malaysians from all walks of life the chance to pursue academic qualifications. This was followed by another RM1.0 million donation as the platinum sponsor of the Penang World Music Festival 2008 held in May, which added an international event to Penang's tourism calendar as well as promoting the culture and heritage platform for the state.

"Under a single entity, the shareholders of the combined group have exposure to both high-growth property development earnings, long-term recurring rental income as well as hospitality / F&B revenue."

"Under one listed company, the E&O group has higher earning capacity, which will essentially have a greater market influence due to the group's combined strength. This should significantly expedite the group's expansion locally and overseas, especially in light of the property market boom in Malaysia and other S.E. Asian property market."

Kenanga Research (20 May 2008)

INDUSTRY ACKNOWLEDGEMENTS: RECOGNISING OUR EFFORTS

July 2007	E&O Property Development Berhad made its inaugural debut in The Edge Malaysia Top 10 Property Developers Award 2007
September 2007	E&O Property Development Berhad won the Best Investor Relations in the Singapore market *(by a Malaysian company)* category, of the IR Magazine South East Asia Awards 2007
October 2007	Eastern & Oriental Berhad was among the Top 100 Malaysia's Largest Listed Companies 2007 *(by Malaysian Business)*
October 2007	Eastern & Oriental Berhad was ranked No. 1 in Highest Increase in Turnover within the Top 100 Malaysia's Largest Listed Companies 2007 *(by Malaysian Business)*
December 2007	Lone Pine Hotel received the Penang Tourism Appreciation Award 2007 *(by the Penang Tourist Centre)*
June 2008	Eastern & Oriental Hotel (E&O Hotel) won The BrandLaureate Awards 2008 for Best Brand in the Heritage Hotel category *(by the Asia Pacific Brands Foundation)*
June 2008	E&O Property Development Berhad won the Brand Leadership Silver Award *(in the Property – Residential and Commercial category)*, of the Malaysia Brand Equity Awards 2008 *(by MediaBanc)*
August 2008	Eastern & Oriental Berhad won the Merdeka Corporate Awards 2008 *(by Malaysia 1000 Corporate Directory and BERNAMA, the national news agency of Malaysia)*

"Brand power is what drives

Eastern & Oriental Berhad's corporate goals to create strong sustainable income in the long term. The E&O Group believes that branding is critical for strong sustainable growth, especially when targeting discerning high-end home buyers. The group has successfully identified niche markets and produced high-quality innovative products; seen in the revamp of Penang's heritage hotels (E&O Hotel, Lone Pine Hotel) and their last 3 high-end residential projects (Idamansara, Seventy Damansara and Dua Residency). Therefore, it is no wonder that E&O has done well in tough markets like Penang."

Kenanga Research (20 May 2008)

BUSINESS ENVIRONMENT: FACING REALITIES, SEIZING OPPORTUNITIES

Malaysia's economy is expected to meet the official 5% growth target this year, with Gross Domestic Product (GDP) predicted to average 6% per annum during the remaining Ninth Malaysia Plan (9MP) from 2008 to 2010. In response to rising inflation and a global credit crunch, the Malaysian government's economic priorities are to manage price stability, enhance competitiveness, stimulate new growth, raise productivity and maintain prudent fiscal management. Economic growth will continue to be largely driven by domestic demand, especially private sector expenditure, and Malaysia remains a destination of choice for foreign direct investments (FDIs), having attracting RM59.9 billion in FDIs *(Ministry of International Trade and Industry, June 2008)*.

The impact of rising building material costs, including steel bars, tiles and cement, is being felt by the property development sector, with subsequent pressure on margins particularly for builders of affordable homes. In this scenario, E&O's business strategy of developing premium properties in the most prime of locations, has proven to be an astute approach as such properties hold their value and remain highly sought-after.

While managing increased costs, E&O will rise to the challenge by stepping up its creativity in marketing more aggressively to new as well as established target audiences, whilst never compromising on the quality of the products and services we are proud to deliver. In fact, it is well-accepted that during times of inflationary pressure, both institutional and retail investors look towards real estate as a preferred hedge and safe haven. Compared to neighbouring countries, Malaysia's pricing of properties offers excellent value, with designs that are on par with international standards. This is attested by the number of foreigners who choose to make Malaysia their home. In a recent survey conducted by The Expat magazine, the Top 5 reasons for expatriates buying a Second Home in Malaysia *(under the Malaysia My Second Home, MM2H programme)* are security, value of property, location, cost of living and amenities offered with the property. For these same factors, it is not surprising that many also choose to live in a home by E&O.

> "We believe this merger will create clear synergies in the long run, as its financial and operational consolidation will enable the group to take advantage of any growth opportunities."
>
> Credit Suisse (28 Feb 2008)

“Returns from real estate investments in Asia will remain higher than the global average for the coming year, backed by strong fundamentals and economic growth. The current subprime fallout in US and Europe may act as a catalyst for the inevitable development of Asia Pacific as a centre of property and investment management. Over the longer-term, outlook should remain positive in Asia region, with REITs generally being good defensive stocks and inflation hedges.”

KPMG, FTSE Group and Asian Public Real Estate Association, Aprea (July 2008)

CHARTING OUR PATH FORWARD: STRENGTHENING AND EXPANDING KEY EARNING DRIVERS (‘SEED’)

With a strengthened business platform and having achieved commendable growth within the E&O Group, our next objective is to expand key earning drivers within E&O’s three core divisions. In property development, our track record of accomplishments in Klang Valley and Penang Island will set the stage for our eventual expansion into the region. Developing commercial properties, be it service apartments or retail / office spaces, will bring the E&O brand to a wider audience, while the Property Investment division will hold properties developed by E&O in the medium term to gain maximum returns in capital appreciation, with a target of RM1.0 billion in prime assets value over the next 5 years. Finally, the hospitality arm will see expansion and upgrading within its current properties, and realise untapped earnings potential through its hotel management expertise for serviced residences.

Much like planting a ‘seed’, the implementation of this business strategy will take time to nurture but the foundation is set and the direction is clear. By outlining our growth strategy and broader vision, we look forward to the continued support of all our shareholders and stakeholders - valued employees, customers, investors, business associates as well as government agencies and regulatory authorities – collectively to whom the E&O Group owes its success.

Sincerely,

Datuk Azizan bin Abd Rahman
Chairman, Eastern & Oriental Berhad

August 2008

managing director's operational reviews

"We believe the Group will be better positioned to become one of the top property players in the country after its merger exercise."

HWANG DBS Vickers Research (9 Jan 2008)

E&OProp's current landbank

totaling 1,687 acres within Klang Valley and Penang Island will sustain development activities for the next 15 years. The management will continue to identify and assess potential landbanks in line with its strategy of developing residential and commercial properties in prime urban locations, both within and outside Malaysia.

PROPERTY DEVELOPMENT DIVISION

Financial Highlights:

- E&O Property Development Berhad (E&OProp) registered profit attributable to shareholders of RM125.6 million for the year ended 31 March 2008 (12-month period).

- Revenue for E&OProp stood at RM554.3 million, mainly contributed by the ongoing launches of properties at Seri Tanjung Pinang, its flagship masterplanned seafront development on Penang Island as well as from its remaining property projects in Klang Valley.

Corporate Highlights:

- **16 August 2007:** E&OProp *(through its associate company Puncak Madu Sdn Bhd)* acquired an additional 2.76 acre land and office block on Jalan Semantan from a wholly-owned subsidiary of Selangor Properties Berhad (SPB), for a cash consideration of RM100.0 million. Additionally, E&OProp increased its joint venture stake in Puncak Madu from 40 to 50%, for the development of 7 blocks of Grade A office space and service apartments on this freehold land totaling in excess of 9 acres.

- **9 June 2008:** E&OProp announced the proposed sale of a 1.29 acre freehold land at Jalan Yap Kwan Seng, to Magna Universe Sdn Bhd for a cash consideration of RM84.3 million. The sale will enable the Group to immediately realise cash resources which can be deployed in other projects and investment opportunities.


Dua Residency


Dua Residency


Seventy Damansara


Seventy Damansara


Idamansara


Idamansara

STATUS OF DEVELOPMENT PROJECTS BY E&O PROPERTY DEVELOPMENT BERHAD:

DUA RESIDENCY

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

- Situated in the vibrant and cosmopolitan 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 up to ~6,000 sf
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 sf to ~5,200 sf Detached : Built-up of ~5,000 sf
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

Ariza

Ariza Duo

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&O Property has completed reclamation works for the 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 food and beverage 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
- Just as Sentosa Cove and The Palm have done for Singapore and Dubai respectively, Seri Tanjung Pinang will ultimately redefine Penang Island on the world map as a vibrant new seafront resort destination to reside, holiday, work and invest

ARIZA (Launch 1)

Type	2 ½-storey Courtyard Terraces
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~3,300 sf to ~3,800 sf
Units	97
Launch Date	October 2005
Status	Completed in December 06

ARIZA DUO (Launch 2)

Type	2 ½-storey Courtyard Terraces
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~3,300 sf to ~3,800 sf
Units	160
Launch Date	November 2006
Status	Completed in September 07

- A modern interpretation of the original Straits Eclectic-style townhouse which grace the heritage quarters of Georgetown
- Dubbed *Ariza* and *Ariza Duo*, 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


Avalon


Avalon


Acacia


Acacia


Acacia


Acacia

AVALON (Launch 1)

Type	3-storey Semi-Detached Homes
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~4,000 sf
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 sf
Units	58
Launch Date	April 2007
Status	Completing in 4Q 2008

ACACIA (Launch 3)

Type	3-storey Semi-Detached Homes
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~4,000 sf
Units	36
Launch Date	April 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 sf to ~19,800 sf
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 landscping, concealed utilities and well-managed grounds


Suites at Waterside


Suites at Waterside


Skye


Skye


Abrezza


Martinique

SKYE

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

ABREZZA

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

SUITES AT WATERSIDE

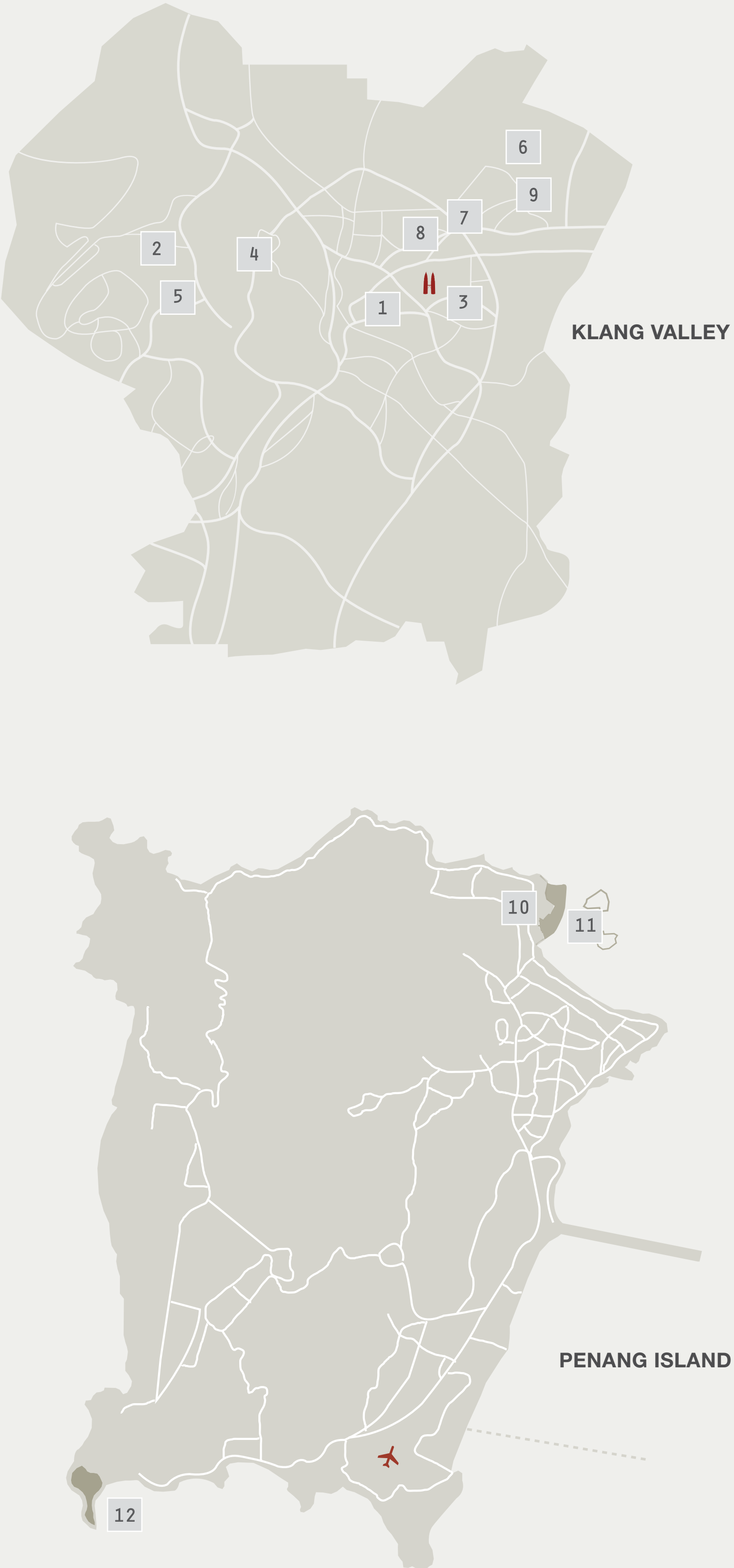
Type	1 and 2-bedrooms Serviced Residences
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~850 sf to ~1,800 sf
Units	160
Launch Date	July 2007
Status	Completing in 3Q 2010

- The first truly 5-star service apartments to be introduced in Penang, with the option of a full range of hotel-style, pay-on-demand services such as housekeeping, concierge and food and beverage (F&B) that is a 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

MARTINIQUE

Type	2-storey Villas-by-the-Sea
Location	Seri Tanjung Pinang, Penang Island
Description	Built-up of ~9,040 sf
Units	4
Launch Date	December 2007
Status	Completing in 3Q 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


6
9
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KLANG VALLEY
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11
PENANG ISLAND
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LIST OF LANDBANKS OF E&O PROPERTY DEVELOPMENT BERHAD:

LANDBANKS	EQUITY INTEREST	LAND SIZE
KLANG VALLEY		
1. St. Mary's Land at Jalan Tengah, Kuala Lumpur (JV with The Lion Group)	50%	4.1 acres
2. Jalan Teruntung, Damansara Heights, Kuala Lumpur	100%	3.9 acres
3. Jalan Conlay, Kuala Lumpur	100%	1.4 acres
4. Jalan Gallagher, Bukit Tunku (Kenny Hills), Kuala Lumpur	100%	3.0 acres
5. Jalan Semantan, Damansara Heights (JV with Selangor Properties Berhad)	50%	9.4 acres
6. Kemensah Heights, Ulu Kelang (Ampang area), Kuala Lumpur	100%	309.5 acres
7. Jalan Tun Razak (Off Jalan Yap Kwan Seng), Kuala Lumpur	100%	0.9 acres
8. Jalan Mayang, Kuala Lumpur	100%	0.4 acres
9. Ukay Heights, Ulu Kelang (Ampang area), Kuala Lumpur	100%	9.4 acres
		342.0 acres
PENANG ISLAND		
10. Seri Tanjung Pinang – completed reclamation works on Phase One, currently under development	94%	240.0 acres
11. Seri Tanjung Pinang – remaining concession to reclaim up to 740 acres	78%	740.0 acres
12. Gertak Sanggul - Southwestern tip of Penang Island	100%	365.0 acres
		1,345.0 acres
GRAND TOTAL		**1,687.0 acres**

"Realising the quality of the properties they develop, the E&O Group decided to keep some for long term recurring income. The group wants to ensure that existing projects sold will continue to be evident track record of their competence for the future projects launched."

Kenanga Research (20 May 2008)

E&O's Property Investment division

was formed to realise optimum gains in capital appreciation over the medium-term from investments comprising residential units and commercial / retail space developed by the E&O Group. This facilitates in nurturing the concept realisation of E&O's properties in the longer term, and ensuring the custodianship of the established E&O brand. With a target of RM1.0 billion in prime asset value over the next 5 years, the E&O Group will also benefit from sustained income streams from leased commercial and tenanted retail space.

Dua Annexe

St. Mary's Land

Jalan Tengah

Jalan Semantan

Waterside at Seri Tanjung Pinang

PROPERTY INVESTMENT DIVISION

Corporate / Operational Highlights:

- **24 August 2007**: Eastern & Oriental Berhad, EOB *(through its subsidiary E&O–PIE Sdn Bhd)* signed a Conditional Sales & Purchase Agreement for the acquisition of a 6.96 acre of freehold land for RM66.7 million from E&O Property (Penang) Sdn Bhd *(a wholly-owned subsidiary of E&OProp)*. A hypermarket building with gross built-up area of approximately 23,400 sq m will be built and subsequently leased to Tesco for a 20-year period, providing yield of approximately 8%

- Work is progressing on the retail Annexe block, alongside E&O's Dua Residency condominium development within the vicinity of the Kuala Lumpur City Centre (KLCC). This serves as a lifestyle-driven boutique complex of niche retail, food & beverage and service outlets to cater to Dua Residency residents as well as the surrounding affluent community. Sitting on a 1 acre land fronting Jalan Tun Razak and directly opposite the US Embassy, the Annexe has approximately 25,000 square feet 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:

    - **Service Suites and Retail Podium at St. Mary's land, Kuala Lumpur**

      In the heart of Kuala Lumpur's Golden Triangle, and connected to the main traffic artery of Jalan Sultan Ismail as well as Jalan Tengah, a joint venture with the Lion Group will see 3 high-rise towers of exclusive service apartments with a street-fronting retail component at the central podium. At 4.13 acres, it represents one of the few remaining sizeable land parcels for development in the central business district

    - **Commercial Tower at Jalan Tengah, Kuala Lumpur**

      In response to strong demand for Grade A office space and its current limited supply within the city centre, a 35-storey commercial tower will be wholly-owned and developed by EOB. The 1.15 acre land is situated immediately adjacent to the St. Mary's service apartment project, allowing a significant integrated commercial development of 5.28 acres when combined

    - **Office and Service Apartments Blocks at Jalan Semantan, Kuala Lumpur**

      Developed jointly with Selangor Properties Berhad, a total of 7 blocks over 9.3 acres will provide much sought-after Grade A office space and service residences. Jalan Semantan is the main thoroughfare into Damansara Heights, an area which is becoming popular as an alternative to Kuala Lumpur city centre as a corporate and retail hub. Already a well-established prime residential neighbourhood, Damansara Heights also boasts a large and growing expatriate community

    - **Waterside at Seri Tanjung Pinang, Penang**

      Set upon 12 acres, Waterside will be the colorful and vibrant commercial, retail and recreational centre of Seri Tanjung Pinang, with a bustling marina at its heart. Displaying Penang's unique charm in architecture while capturing the spirit of the sea, Waterside will attract Seri Tanjung Pinang residents, local visitors as well as become a popular destination draw for tourists. In addition to the lifestyle retail/F&B outlets at the Marketplace and the Beacon, E&O will also manage all the 217 units of Suites at Waterside

    - **Commercial Precincts at Seri Tanjung Pinang, Penang**

      Directly inland from the Waterside development 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 7 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

HOSPITALITY & LIFESTYLE DIVISION

FINANCIAL HIGHLIGHTS:

- Eastern & Oriental Hotel (E&O Hotel) recorded revenue growth of 16.4% from RM21.4 million last year to RM24.9 million for the period ended 31 March 2008. The largest revenue contributor, at approximately 50%, is the Rooms division which generated revenue of RM12.1 million, an increase of 13.1% from the previous year's revenue of RM10.7 million. Occupancy rate for the year stood at 74.3%

- Lone Pine Hotel's revenue stood at RM5.0 million, for the period ended 31 March 2008. This represents an increase of 19.0% when compared to last year's revenue of RM4.2 million. Occupancy rate for the year stood at 73.6%

- The Delicious Group which operates the Delicious, D'lish and Reunion restaurants recorded a revenue of RM13.8 million from 1 July 2007 to 31 March 2008

OPERATIONAL HIGHLIGHTS:

- Plans are underway to expand the number of keys and facilities in the existing hotels under the E&O Group's Hospitality division. With Georgetown listed as a UNESCO World Heritage Site in July this year, development of the E&O Hotel Annexe block is timely as tourist arrivals are expected to increase as a result. The Lone Pine Hotel is also viewed for expansion and upgrading, with the aim of increasing average room rates once improvements are complete. Construction of the Suites at Waterside in Seri Tanjung Pinang is progressing on schedule and will eventually be managed by E&O's Hospitality division

- **E&O Hotel**

  - A total of 30 deluxe suites underwent a refreshment exercise to ensure levels of luxury and comfort are continually enhanced for hotel guests. The remaining 70 suites will be upgraded in phases over the next 2 years in order to minimise disruption to hotel operations and bookings
  - Work to maintain interior and exterior spaces were also carried out, such as the repainting of exterior walls, improved garden landscaping as well as redesigning of the lobby area. The 1885 restaurant was restyled and relaunched as Penang's most elegant and exclusive fine dining venue
  - Security measures for guests and employees were further bolstered with improvements in emergency procedures, occupational health and safety policies and the introduction of a closed-circuit television (CCTV) monitoring system
  - Our staff-to-room ratio stood at 2.2, which is above the hospitality industry average of 1.6, is testament to our emphasis on personalised attention and meticulous service

- **Lone Pine Hotel**

  - As the only boutique hotel along the popular Batu Ferringhi coastline, the Lone Pine is unique in its charm and intimacy, which underpins the high rate of repeat as well as long staying guests.
  - The Bungalow, the resort's all-day dining restaurant has new offerings in its menu, in addition to an informal reading lounge upstairs where guests can access internet facilities.
  - For in-house guests, tour services are made available and provides a new source of revenue for the hotel

- For both E&O Hotel and Lone Pine Hotel, staff training and development activities are ongoing to ensure service standards are continuously raised. On the marketing front, there are initiatives to further tap into key target markets such as Malaysia, Singapore, Hong Kong, Japan, United Kingdom, Australia, USA and Germany, via international travel trade exhibitions, Meetings, Incentives, Conventions and Exhibitions (MICE) trade shows, as well as other marketing and promotions activities

- **The Delicious Group**
  - On 12 April 2007, E&O embarked on a new lifestyle food and beverage (F&B) venture, via acquisition of a 51% stake in The Delicious Group
  - In April last year, the 'Delicious' restaurant in Bangsar Village I was relocated to larger premises at Bangsar Village II, measuring approximately 4,700 sq ft. The next 'Delicious' opening was at Marc Residence on Jalan Pinang in December last year, just across the road from the Kuala Lumpur City Centre (KLCC). A young and promising F&B brand that has broad appeal, Delicious has garnered a loyal and growing clientele in Kuala Lumpur, with ambitions to expand to other major urban centres within Malaysia as well as overseas
  - The Delicious Group has also introduced 'D'Lish' for gourmet fast food, with outlets in Bangsar Village I and Mid Valley Megamall which opened respectively in July and August last year
  - Its latest concept restaurant 'Reunion' opened in August last year at Bangsar Village II, and serves Hong Kong-style Chinese cuisine in a modern setting
  - With F&B closely linked to lifestyle in the modern mindset, synergies arise from the strategic positioning of Delicious Group outlets in E&O's prime commercial / retail properties

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
- 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

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
- Nearly all 50 guestrooms face the sea, shaded by a veil of lofty casuarinas trees, where pristine lawns meet the sandy shore
- Spacious guestrooms open out onto terraces, balconies or private courtyards, inviting the sea breeze inside
- Sunset cocktails in a lazy hammock, leisurely all-day dining at The Bungalow restaurant or romantic outdoor weddings under the conifers, the Lone Pine, is a treasured retreat

Delicious

- Started 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
- A relaxed contemporary setting for informal all day dining and entertaining, uniformly stylised with its signature 'bird-cage' decorative lighting and turquoise and white interior
- Reputation for quality, presentation and value has led to a successful extension in catering for private functions and parties

D'lish

- Witnessing the trend in other capital cities, especially amongst the office crowd, for 'quick bites' and 'food-on-the-go', the concept of D'lish caters to the 'impatient gourmet' where limited time need not be at the expense of quality or diversity
- D'lish offers quick and hassle-free meals that can be as easily wrapped and packed to go, or eaten-in at this modern urban canteen
- In addition to a giant blackboard menu that adorns the full height of each D'Lish main wall, a selection of freshly baked quiches, pastries and pies, made-to-order sandwiches, breads and salads, pastas, soups, entrees and giant cupcakes, are displayed in a deli-style counter

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

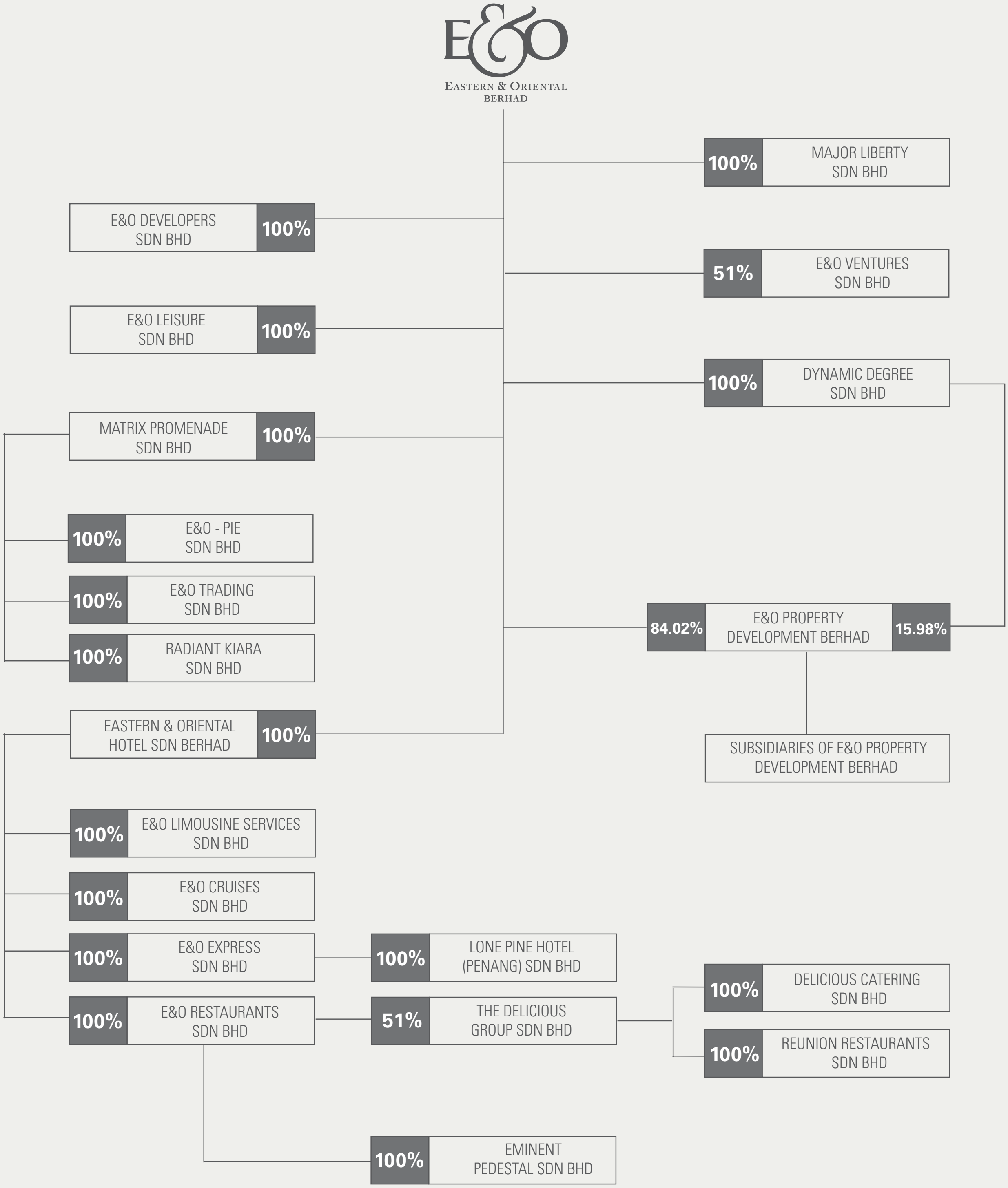
Delicious

D'lish

Reunion

group corporate structure 2008

as at 28th July



corporate *information*

DIRECTORS

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

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

The Main Board of Bursa Malaysia Securities Berhad

WEBSITE

www.easternandoriental.com

10-year group financial highlights

(RM'000)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
INCOME STATEMENT										
Revenue	516,399	518,444#	270,301#	21,130	117,882	33,449	91,156	79,398	141,405	127,859
Profit/(Loss) before tax **	194,565	91,618#	12,536#	13,088	15,295	(34,821)	(25,679)	10,851	13,806	17,319
Taxation	(34,789)	(22,654)#	(2,332)#	1,174	(403)	(1,111)	(838)	(3,083)	(6,109)	41
Profit/(Loss) attributable to equity holders of the Company	128,854	61,178	23,058	15,341	20,553	(32,269)	(24,388)	8,779	7,697	17,360
Dividend - Net	27,563	4,700	3,201	3,348	1,674	1,674	2,511	2,592	2,592	2,592
BALANCE SHEET										
Issued and Paid-up Capital	419,061	358,961	232,472	232,472	232,472	232,472	232,472	122,353	102,841	102,841
Weighted Average Number of stock units	532,804	415,252	221,715	229,384	232,472	232,472	222,274	106,850	102,841	102,841
Shareholders' Fund	729,686	606,733	347,121	388,171	391,816	373,515	405,894	374,098	324,286	319,212
RATIO										
Net Earnings per stock unit (sen)	24.2	14.7	10.4	6.7	8.8	(13.9)	(11.0)	8.2	7.5	16.9
Net Dividend per stock unit (sen)	3.70	2.92	1.4	1.4	0.7	0.7	2.1	2.5	2.5	2.5
Net Assets per stock unit attributable to equity holders of the Company (RM)	1.55*	1.41*	1.55	1.77	1.69	1.61	1.75	3.06	3.15	3.10

* 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 31.3.2008 of 416,531,000 (31.03.2007: 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 is 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.

Martinique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directors' profile

1. Datuk Azizan bin Abd Rahman

YBhg Datuk Azizan bin Abd Rahman, a Malaysian, aged 58 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 and Chairman of Gefung Holdings Berhad. He is also a Director of Apex Equity Holdings Berhad, TH Plantations Berhad and Nagamas International 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 55, 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 123-year old E&O Hotel in Georgetown 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 71, 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 communal 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 58, 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 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 10 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 38, 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 19 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 56, 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, Risk Management 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 28 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 48 was appointed to the board of Eastern & Oriental Berhad as a 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 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 61, a non-independent non-executive Director was appointed to the Board of Eastern & Oriental Berhad on 11 August 2008. He also currently sits on the Board of E&O Property Development Berhad. 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 the 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.

corporate social responsibility

CSR POLICY & OBJECTIVES

At Eastern & Oriental Berhad, we define Corporate Social Responsibility (CSR) as our commitment to conduct business in a socially and environmentally responsible manner, to benefit in particular, the communities in which we operate in.

Our commitment to good governance, ethical conduct and social responsibility is core to our way of doing business, and aligned with our drive to create and increase shareholder value.

In line with our corporate values, we recognise that a brand depends not only on its unique value propositions but also on how a brand cumulatively interacts with the Company's workforce, community and environment.

We believe that results and success is judged not just by its input, but by its outcomes: the difference we make to the world in which we live, and the contributions we make for the betterment of our society.

CSR REPORTING

During the financial year, the E&O Group contributed a total of RM743,000 in CSR activities. While many causes are certainly worthy of support, the E&O Group strove to match available resources to causes where we felt our presence would make a notable positive impact.

The activities the Group supported are diverse in their range, reflecting the wide scope of appeals received. In some cases, we donated to fund raising organisations such as the Wawasan Open University Chancellor's Scholarship Fund which enables working Malaysians to pursue their tertiary education, or directly to the charities concerned, such as the National Stroke Association of Malaysia (NASAM) which raises awareness for stroke prevention in Malaysia.

On an adhoc basis, contributions were given to victims of natural disasters such as the fire victims in the Tanjong Tokong district on Penang island, whereby cash donations and provision of food aid and general supplies were given to more than 40 families over a period of 2 weeks.

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") is committed to ensure that good corporate governance is practiced throughout the Group in accordance with the Malaysian Code on Corporate Governance ("the Code").

The following paragraphs describe how the Group has applied the principles and best practices set out in the Code for the financial year ended 31 March 2008.

DIRECTORS

1. The Board of Directors

The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals, overseeing processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance with laws and regulations, and satisfies itself as to the adequacy of such processes.

The business of the Group is managed under the direction of the Board, but the Board delegates to management the authority and responsibility for managing the everyday affairs of the Group. These matters are subject to oversight by the Board.

2. Board Balance

During the financial year ended 31 March 2008, the Board comprises six (6) members, of which two (2) are Executive Directors, three (3) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director. The profile of each Director is presented on page 36 to 39 of this Annual Report.

The role of the Chairman and the Managing Director are distinct and separate. 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 everyday management of the Group's operations as well as implementation of Board's policies decisions. This clear division of responsibility is to provide a balance of power and authority.

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 met six (6) times during the financial year ended 31 March 2008 and the attendance of the respective Directors was as follows:-

Name of Directors	No. of Meetings Attended	(%)
Datuk Azizan bin Abd Rahman	6/6	100
Dato' Tham Ka Hon	6/6	100
Datuk Henry Chin Poy Wu	6/6	100
Mr Chan Kok Leong	6/6	100
Encik Kamil Ahmad Merican	4/6	67
Mr Vijeyaratnam a/l V. Thamotharam Pillay	6/6	100

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

4. Meetings and Supply of Information

All Directors have access to all information pertaining to the Group's operations in furtherance of their duties.

All Directors are provided with notices and agenda of meetings together with the relevant Board papers prior to the Board meeting. This allows the Directors to study and evaluate the matters to be deliberated. In addition, all Directors have access to the services of the Company Secretary, management and other independent advisors, where necessary at the Group's expense.

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 and shall be eligible for re-election.

6. Directors' Training

Directors are provided with ongoing education and training to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment. To date, all Directors have completed the Mandatory Accreditation Program advocated by the Bursa Securities Listing Requirements. All the Directors have attended directors' training programmes for the financial year, in compliance with paragraph 15.09 of the Bursa Securities Listing Requirements.

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 is chaired by Datuk Henry Chin Poy Wu, an independent non executive Director. The Audit Committee plays an active role in assisting the Board in discharging its governance responsibilities. The composition of the committee, its terms of reference, attendance of meetings and a summary of its activities are set out on pages 52 to 55 of the Annual Report.

2. Risk Management Committee

The Risk Management Committee comprises two (2) independent non executive Directors and one (1) executive Director as follow:

Datuk Henry Chin Poy Wu
(independent and non executive)

Mr Vijeyaratnam a/l V. Thamotharam Pillay
(independent and non executive)

Madam Kok Meng Chow
(executive)

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 management 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 follow:

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, candidates 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 as follow:

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 recommends to the Board the proposed remuneration for each executive and non-executive Director. The committee is empowered by its terms of reference, which is approved by the Board.

5. Option Committee

The Option Committee comprises one (1) non-executive Director and two (2) executive Directors as follow:

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

Mr Chan Kok Leong
(executive)

Madam 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.

DIRECTORS' REMUNERATION

The determination of the remuneration of the executive Directors and non-executive Directors is a matter decided by the Board as a whole, with the Director concerned abstaining from participating in decision in respect of his individual remuneration.

The breakdown of the Directors' remuneration during the financial year ended 31 March 2008 is as follows:-

	Salaries / Fees	Other Emoluments (including bonus, allowances, benefits-in-kind)	Total
	RM '000	RM '000	RM '000
Executive Directors	1,756	8,162	9,918
Non-Executive Directors	378	72	450
Total	2,134	8,234	10,368

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

SHAREHOLDERS

The Board values constant dialogue and is committed to clear communication with its shareholders and investors. In this respect, as part of the Group's investor relations programme, discussions and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group's performance and other matters affecting shareholders' interests. Annual reports, announcements and circulars to Bursa Securities and quarterly financial results also provide shareholders and investors with an overview of the Group's performance.

An important forum for communication and dialogue with the shareholders is through the Annual General Meetings, whereby shareholders are encouraged to meet and communicate with the Board at the Annual General Meeting and to vote on resolutions. The Annual Report and Notice of Annual General Meeting are forwarded to all shareholders at least twenty-one (21) days before the date of the meeting.

In addition to published Annual Report and Quarterly Reports announced to Bursa Securities, the Group has established a website at http://www.easternandoriental.com from which investors and shareholders can access for information.

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders as well as the Chairman's statement and review of operations in the annual report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

2. Internal Controls

The Statement on Internal Control furnished on pages 48 to 51 of the Annual Report provides an overview on the state of internal controls within the Group.

3. Relationship with the Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's auditors, both external and internal in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The role of the Audit Committee in relation to the external auditors may be found in the Audit Committee Report set out in pages 52 to 55.

Dua Residency


statement
on internal
control

INTRODUCTION

The Board of Directors ("the Board") of Eastern & Oriental Berhad is pleased to present its Statement on Internal Control for financial year ended 31 March 2008, which has been prepared pursuant to paragraph 15.27(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and formulated in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance").The statement below outlines the nature and scope of internal controls of the Group during the financial year under review.

BOARD RESPONSIBILITY

The Board recognises the importance of sound systems of internal control and risk management practices to maintaining good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems.

However, due to the inherent limitations in any system of internal control, the system put in place within the Group can only manage rather than eliminate the risk that may impede the achievement of the Group's business objectives. Hence, the internal control system established can only provide reasonable rather than absolute assurance against material misstatements or losses.

In addition to the above, the Board is responsible for determining key strategies and policies to address significant risks and control issues, whilst functional managers are responsible for the effective implementation of Board policies by designing, operating, monitoring and managing risks and controls within processes.

KEY FEATURE OF THE GROUP'S INTERNAL CONTROL SYSTEM

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 internal audit function and senior management ("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 principal features 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:

1. Control Environment

- **Policies & Procedures**
  Written policies and procedures 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.

- **Organisation Structure & Authorisation Procedures**
  The Group maintains a formal organisation structure with clear lines of reporting to Board Committees and senior management including defined lines of accountability within which senior management operates, such as roles and responsibilities, authority limits, review and approval procedures, etc.

- **Monitoring and Reporting Procedures**
  Minimisation of operating risks to ensure appropriate infrastructures, controls, systems and people are in place throughout the Group's businesses. Key organisational controls employed in managing operating risks include segregation of duties, transaction authorisation, financial performance tracking, management reporting, etc.

- **Human Resource Policy**
  Proper guidelines on the employment and retention of staff, formal training programmes, annual performance appraisals and other relevant procedures are in place within the Group to ensure that competent employees are employed and are adequately trained in carrying out their responsibilities.

- **Annual Budget**
  Annual budget for the Group which includes forecasts for each area of business are approved by the Board. Actual performance compared with budget is reviewed regularly by the Management.

2. Risk Management Framework

The Group adopted an ongoing risk management process of identifying, documenting, evaluating, monitoring and managing business risks that will affect the achievement of the Group's key business objective. The establishment of the Group's Enterprise Risk Management provides a structured approach for the Risk Management Committee in managing the Group's business risks.

The Risk Management Committee coordinates and oversees risk management activities across the Group. The Risk Management Committee meets on periodic basis to discuss significant risks affecting the Group. Risk reports and updated risk registers are presented and deliberated in the Risk Management Committee meetings.

3. Internal Audit Function

The Group has outsourced its internal audit function to provide 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 key business risks of the Group. The areas of review were set out in a three year internal audit plan which has been approved by the Audit Committee. Since the appointment of the outsourced internal audit function, periodic internal audit visits have been carried out to monitor compliance with the Group's procedures and to review the adequacy and effectiveness of the Group's systems of internal control.

The internal audit function carried out audits to ensure that controls are in place and any controls deficiencies are reported to the Audit Committee together with recommendations for improvement. Internal control weaknesses during the financial period under review have been identified and the action plans to address the weaknesses found have been implemented.

During the year under review, 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.

4. Information and Communication

Information critical to the identification of risks and achievement of the Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters requiring the Board's and senior management's attention are highlighted for review, deliberation and decision on a timely basis.

5. Review & Monitoring Process

Regular management meetings are held to discuss and monitor the Group's operations and performance, including meetings to discuss deviation of results against performance targets, with significant variances explained for and corrective management action formulated. In addition to the above, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary.

For the financial year ended 31 March 2008, the Group has investments in two jointly controlled entities and 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.

CONCLUSION

The Board is of the view that the risks faced by the Group are within tolerable levels in context of the Group's business environment and the systems of internal control that existed throughout the year are adequate and effective to safeguard the interest of the Group and to facilitate the evolution of its businesses.

This statement is made in accordance with the Board's resolution dated 28 July 2008.

audit commitee report

COMPOSITION OF THE AUDIT COMMITTEE

Datuk Henry Chin Poy Wu
Senior 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)

The Board shall review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

Objectives

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

Authority

The 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.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Structure Of The Audit Committee

The Audit Committee ("Committee") shall be appointed by the board of directors ("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 Committee shall be a member of the Malaysian Institute of Accountants or fulfills such other requirements as prescribed in Chapter 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Chairman of the Committee shall be an independent director and be elected from amongst their members. All members of the Committee, including the Chairman, will hold office until otherwise determined by the Board. In the event of any vacancy in the 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.

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 Committee and the Board.

Meetings and Reporting Procedures

The 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 Board members, senior management and employees may attend the meeting upon invitation of the Committee.

The Chairman of the 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 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 2008 and the records of the attendance of the Audit Committee members are as follows:

Name Of The Members	No. Of Meetings Attended
1. Datuk Henry Chin Poy Wu	5/5
2. Datuk Azizan bin Abd Rahman	5/5
3. Encik Kamil Ahmad Merican	3/5
4. Mr Vijeyaratnam a/l V. Thamotharam Pillay	5/5

ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

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

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 reports; and
v. review of related party transactions.

The Audit Committee through discussions with management and the executive directors, reviews of quarterly financial performance and input from the internal and external auditors had discharged its functions effectively during the year.

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Board had appointed an independent professional service provider firm to assist the Audit Committee in the review of the adequacy and effectiveness of the internal control systems within the Group.

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

The activities of the internal audit function for the financial year were summarised as follows:-

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 to the Committee on a periodic basis;
iv. Followed-up on the implementation of audit recommendations and management's agreed upon action plans;
v. Ensured satisfactory actions taken to address previous internal audit findings; and
vi. Attended Audit Committee meetings to table and discuss the audit reports.

The internal audit reviews conducted did not reveal weaknesses which would result in material losses, contingencies or uncertainties that would require 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)
August 2007	1,736,400	2.23	2.70	2.47	4,312,921
September 2007	1,000	2.86	2.86	2.86	2,881
March 2008	20,000	2.26	2.28	2.27	45,843
Total	**1,757,400**				**4,361,645**

   As at 31 March 2008, there were 2,530,300 Stock Units held in treasury.

3. **OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**

   Employees' Share Option Scheme ("ESOS")

   On 20 November 2003, the Company granted options over 12.486 million Stock Units to eligible employees of the Group under its ESOS. The exercise price per Stock Unit has been fixed at RM1.05.

   During the financial year under review, 2,697,345 Stock Units were allotted pursuant to exercise of ESOS options. As at 31 March 2008, there was a balance of 4,606,600 ESOS options unexercised.

   Warrants 2001/2011 ("Warrants")

   On 18 May 2001, the Company issued 61,176,623 Warrants which entitle the holders to subscribe for one new ordinary stock unit of RM1.00 each in the Company at an exercise price of RM1.03 each. On 9 June 2006, an additional 11,786,357 Warrants were issued and allotted pursuant to an adjustment arising from the fund raising exercise of the Company. The exercise price was adjusted to RM1.00 each hereof.

   A total of 31,806,172 Warrants were exercised during the financial year under review. The number of outstanding Warrants as at 31 March 2008 was 40,560,921.

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

On 26 July 2006, the Company issued RM155,835,446 at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS arising from the fund raising exercise of the Company. Details of the ICULS are disclosed in Note 32 to the financial statements.

The movements in the Company's ICULS are as follows:-

Entitlement for Ordinary Stock Units of RM1.00 each			
	Balance as at 1 April 2007	Exercised	Balance as at 31 March 2008
Number of unexercised ICULS	148,704,046	(25,596,696)	123,107,350

4. **AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME**
During the financial year under review, the Company did not sponsor any ADR or GDR 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 2008, non-audit fees paid to Messrs Ernst & Young by the Company and its subsidiaries amounted to approximately RM17,000.

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. There were no profit estimate, forecast or projection announced during the financial year ended 31 March 2008.

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 41 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 2008 or entered into since the end of the previous financial year ended 31 March 2007.

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 28 September 2007, 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 ("Recurrent Transactions") with related parties. The aggregate value of Recurrent 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 31.03.2008 (RM'000)
GDP Project Management Sdn Bhd and GDP Architects Sdn Bhd	Receipt of interior designing, architectural, building consultancy services and project management services.	(1)KM	4,256
E&O Property Development Berhad Group	Receipt of general and administrative services, including amongst others, provision of management services.	(2)DTKH	888
	Acquisition of land based properties.*	(2)DTKH	16,000

Notes:

(1) Encik Kamil Ahmad Merican ("KM") is a Director of the Company and is a Director and a major shareholder of GDP Project Management Sdn Bhd. He is the Chief Executive Officer of GDP Architects Sdn Bhd.

(2) Dato' Tham Ka Hon ("DTKH") is a Director of the Company and E&O Property Development Berhad ("E&OPROP"). He is also a major stockholder of the Company and E&OPROP.

* Details of the acquisition are disclosed in Note 43A(7) to the financial statements.

On 28 September 2007, the Company has also obtained stockholders' mandate for the provision of financial assistance ("Transactions") within the Group. The aggregate value of the 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 31.03.2008 (RM'000)
E&O Property Development Berhad Group	Pooling of funds to meet operational working capital in the ordinary course of business - Advances from holding company - Settlement by E&OPROP	(1)DTKH	2,000 (2,000)

Note:

(1) Dato' Tham Ka Hon is a Director of the Company and E&OPROP. He is also a major stockholder of the Company and E&OPROP.

financial statements

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2008.

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 except for the discontinuance of the construction and related activities as disclosed in Note 11 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the financial year from continuing operations	159,776	22,714
Profit for the financial year from discontinued operation	20,677	-
Profit for the financial year	180,453	22,714
Attributable to :		
Equity holders of the Company	128,854	22,714
Minority interests	51,599	-
	180,453	22,714

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 subsidiaries, namely Putrajaya Perdana Berhad Group of Companies ("PPB Group"), which resulted in a net gain of RM98,941,000 to the Group and RM35,790,000 to the Company as disclosed in Note 5 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2007 were as follows :

	RM'000
In respect of the financial year ended 31 March 2007 as reported in the directors' report of that year : Final dividend of 4.0% less 27% taxation, on 416,132,000 ordinary stock units of RM1.00 each paid on 22 November 2007	12, 151
In respect of the financial year ended 31 March 2008 : 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 payment of a final dividend in respect of the financial year ended 31 March 2008.

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

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 41 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 1.4.2007	**ACQUIRED DURING THE FINANCIAL YEAR**	**SOLD**	**AT 31.3.2008**
Direct interest :				
Datuk Azizan bin Abd Rahman	3,000,000	-	-	3,000,000
Dato' Tham Ka Hon	8,849,586	2,362,500	-	11,212,086
Kamil Ahmad Merican	1,100,000	-	-	1,100,000
Chan Kok Leong	-	4,695,000	-	4,695,000
Indirect interest :				
Dato' Tham Ka Hon	90,339,861	-	-	90,339,861

DIRECTORS' INTERESTS (CONTD)

INTEREST IN THE COMPANY (CONTD)

	NUMBER OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AT NOMINAL VALUE OF RM1.00 EACH			
	AT 1.4.2007	ACQUIRED DURING THE FINANCIAL YEAR	SOLD / EXERCISED DURING THE FINANCIAL YEAR	AT 31.3.2008
Direct interest :				
Dato' Tham Ka Hon	14,930,000	-	(1,172,000)	13,758,000
Kamil Ahmad Merican	150,000	-	-	150,000
Chan Kok Leong	4,695,000	-	(4,695,000)	-
Indirect interest :				
Dato' Tham Ka Hon	34,889,793	-	(773,000)	34,116,793

	NUMBER OF WARRANTS 2001/2011 OF RM1.00 EACH			
	AT 1.4.2007	ACQUIRED DURING THE FINANCIAL YEAR	SOLD / EXERCISED DURING THE FINANCIAL YEAR	AT 31.3.2008
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 1.4.2007	GRANTED DURING THE FINANCIAL YEAR	EXERCISED/ LAPSED DURING THE FINANCIAL YEAR	AT 31.3.2008
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 RM358,961,163 to RM419,061,376 by way of :

i. the issuance of 2,697,345 ordinary stock units of RM1.00 each for cash pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM1.05 per ordinary stock unit;

ii. the issuance of 31,806,172 ordinary stock units of RM1.00 each arising from the exercise of 31,806,172 Warrants 2001/2011 of RM1.00 each; and

iii. the issuance of 25,596,696 ordinary stock units of RM1.00 each arising from the conversion of 25,596,696 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM1.00 nominal value each.

The new ordinary stock units issued during the financial year ranked 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.

In the previous financial year, an additional 11,786,357 warrants were issued and allotted to entitled warrant holders pursuant to adjustment arising from the fund raising exercise of the Company. The new exercise price was adjusted to RM1.00 each.

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

	ENTITLEMENT FOR ORDINARY STOCK UNITS OF RM1.00 EACH			
	BALANCE AT 1.4.2007	**ADJUSTMENT**	**EXERCISED**	**BALANCE AT 31.3.2008**
Number of unexercised warrants	72,367,093	-	(31,806,172)	40,560,921

TREASURY STOCK UNITS

During the financial year, the Company repurchased 1,757,400 of its issued ordinary stock units from the open market at an average price of RM2.48 per stock unit. The total consideration paid for the repurchase including transaction costs was 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 2008, the Company held as treasury stock units a total of 2,530,300 of its 419,061,376 issued ordinary stock units. Such treasury stock units are held at a carrying amount of RM5,110,000 and further relevant details are disclosed in Note 33 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 38(B)(I) 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 provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision 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 provision 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 43 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

Significant events subsequent to the financial year end are disclosed in Note 44 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 28 July 2008.

DATO' THAM KA HON **CHAN KOK LEONG**

STATEMENT BY DIRECTORS

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

We, DATO' THAM KA HON 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 71 to 163 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 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 July 2008.

DATO' THAM KA HON **CHAN KOK LEONG**

STATUTORY DECLARATION

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

I, KOK MENG CHOW, being the officer primarily responsible for the financial management of EASTERN & ORIENTAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 71 to 163 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 28 July 2008.

KOK MENG CHOW

Before me,

SOH AH KAU
No. W315
Commissioner for Oaths

REPORT OF THE AUDITORS

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 2008 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 71 to 163.

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 judgment, 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 2008 and of their financial performance and cash flows of the Group and of the Company for the 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 have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 19 to the financial statements.

c. We are satisfied that the financial statements 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.

d. The auditors' reports on the financial statements 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
28 July 2008

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	NOTE	GROUP 2008 RM'000	GROUP 2007 RM'000 (Restated)	COMPANY 2008 RM'000	COMPANY 2007 RM'000
Continuing Operations					
Revenue	3	**516,399**	518,444	**1,676**	103,704
Cost of sales	4	**(329,738)**	(362,810)	**-**	-
Gross profit		**186,661**	155,634	**1,676**	103,704
Other income	5	**120,759**	41,442	**48,287**	44,193
Administrative expenses		**(46,741)**	(39,696)	**(10,204)**	(9,161)
Selling and marketing expenses		**(12,002)**	(6,416)	**-**	-
Other expenses		**(21,892)**	(14,165)	**(1,081)**	(7,583)
Operating profit		**226,785**	136,799	**38,678**	131,153
Finance costs	6	**(28,767)**	(38,383)	**(15,746)**	(22,038)
Share of loss of associates		**(2,874)**	(6,772)	**-**	-
Share of loss of jointly controlled entities		**(579)**	(26)	**-**	-
Profit before tax	7	**194,565**	91,618	**22,932**	109,115
Income tax expense	10	**(34,789)**	(22,654)	**(218)**	(24,722)
Profit for the financial year from continuing operations		**159,776**	68,964	**22,714**	84,393
Discontinued Operation					
Profit for the financial year from discontinued operation	11	**20,677**	35,742	**-**	-
Profit for the financial year		**180,453**	104,706	**22,714**	84,393
Attributable to :					
Equity holders of the Company		**128,854**	61,178	**22,714**	84,393
Minority interests		**51,599**	43,528	**-**	-
		180,453	104,706	**22,714**	84,393

	NOTE	GROUP 2008 Sen	GROUP 2007 Sen
Earnings per stock unit attributable to equity holders of the Company :			
Basic, for profit from continuing operations	12(a)	**22.35**	10.69
Basic, for profit from discontinued operation	12(a)	**1.84**	4.04
Basic, for profit for the financial year	12(a)	**24.19**	14.73
Diluted, for profit from continuing operations	12(b)	**21.04**	9.96
Diluted, for profit from discontinued operation	12(b)	**1.73**	3.76
Diluted, for profit for the financial year	12(b)	**22.77**	13.72
Net dividends per ordinary stock unit	13	**3.70**	2.92

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

BALANCE SHEETS

AS AT 31 MARCH 2008

	NOTE	GROUP 2008 RM'000	GROUP 2007 RM'000 (Restated)	COMPANY 2008 RM'000	COMPANY 2007 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	**249,506**	208,232	**3**	10
Land held for property development	15	**837,166**	983,493	**-**	-
Investment properties	16	**12,098**	4,678	**-**	-
Prepaid lease payments	17	**987**	1,777	**-**	-
Intangible assets	18	**2,318**	750	**-**	-
Investments in subsidiaries	19	**-**	-	**415,223**	472,967
Investments in associates	20	**30,777**	24,670	**-**	-
Investment in jointly controlled entities	21	**-**	99	**-**	-
Other investments	22	**19,176**	35,330	**3,000**	3,134
Long term receivable	23	**-**	2,822	**-**	-
Receivables	24	**-**	-	**171,404**	141,477
Deferred tax assets	25	**14,792**	14,181	**-**	-
		1,166,820	1,276,032	**589,630**	617,588
Current assets					
Property development costs	26	**280,818**	263,268	**-**	-
Inventories	27	**27,422**	40,592	**-**	-
Receivables	24	**175,696**	443,451	**215,593**	241,461
Amount due from customers on construction work	28	**-**	30,382	**-**	-
Accrued billings in respect of property development costs		**24,936**	68,664	**-**	-
Cash and cash equivalents	29	**455,023**	344,882	**215,868**	52,838
		963,895	1,191,239	**431,461**	294,299
Non-current assets classified as held for sale	30	**56,205**	14,205	**-**	-
		1,020,100	1,205,444	**431,461**	294,299
TOTAL ASSETS		**2,186,920**	2,481,476	**1,021,091**	911,887

	NOTE	GROUP 2008 RM'000	GROUP 2007 RM'000 (Restated)	COMPANY 2008 RM'000	COMPANY 2007 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	31	**419,061**	358,961	**419,061**	358,961
Irredeemable convertible unsecured loan stocks	32	**83,991**	101,455	**83,991**	101,455
Treasury stock units	33	**(5,110)**	(749)	**(5,110)**	(749)
Reserves	34	**231,744**	147,066	**175,483**	181,315
		729,686	606,733	**673,425**	640,982
Minority interests		**357,075**	390,525	**-**	-
Total equity		**1,086,761**	997,258	**673,425**	640,982
Non-current liabilities					
Irredeemable convertible unsecured loan stocks	32	**34,226**	49,731	**34,226**	49,731
Borrowings	35	**558,917**	506,143	**174,000**	141,090
Deferred tax liabilities	25	**55,730**	78,339	**-**	-
		648,873	634,213	**208,226**	190,821
Current liabilities					
Payables	36	**160,073**	443,012	**81,255**	8,988
Amount due to customers on construction work	28	**-**	7,331	**-**	-
Progress billings in respect of property development costs		**-**	7,711	**-**	-
Provisions	37	**644**	31,641	**-**	-
Borrowings	35	**268,523**	347,483	**58,185**	71,096
Taxation		**22,046**	12,827	**-**	-
		451,286	850,005	**139,440**	80,084
Total liabilities		**1,100,159**	1,484,218	**347,666**	270,905
TOTAL EQUITY AND LIABILITIES		**2,186,920**	2,481,476	**1,021,091**	911,887

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

GROUP	NOTE	SHARE CAPITAL (NOTE 31) RM'000	ICULS (NOTE 32) RM'000	SHARE PREMIUM (NOTE 34) RM'000
At 1 April 2006		232,472	-	129,212
Currency translation differences		-	-	-
Profit for the financial year		-	-	-
Total recognised income and expense for the financial year		-	-	-
Issue of ordinary stock units :				
- Rights issue		80,557	-	(52,362)
- Pursuant to ESOS		4,497	-	-
- Special bumiputra issue		33,709	-	-
- Warrants exercised		595	-	-
Issue of ICULS		-	106,321	-
Conversion of ICULS (equity portion)		4,866	(4,866)	-
Conversion of ICULS (liability portion)		2,265	-	80
Purchase of treasury stock units		-	-	-
Sale of treasury stock units		-	-	3,061
Shares issuance costs		-	-	(3,725)
Dilution arising from additional shares issued by subsidiaries		-	-	-
Realignment of reserves due to changes in group structure		-	-	-
Acquisition of remaining equity interest in subsidiaries		-	-	-
Share options granted under EOB ESOS		-	-	-
Share options granted under PPB ESOS		-	-	-
Transfer from revaluation reserve		-	-	-
Dividend	13	-	-	-
At 31 March 2007		358,961	101,455	76,266

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			
TREASURY STOCK UNITS (NOTE 33)	REVALUATION RESERVE (NOTE 34)	EXCHANGE RESERVE (NOTE 34)	SHARE OPTION RESERVE (NOTE 34)	(ACCUMULATED LOSSES)/ RETAINED PROFITS (NOTE 34)	TOTAL		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(6,281)	26,757	66	-	(35,105)	347,121	214,242	561,363
-	-	20	-	-	20	-	20
-	-	-	-	61,178	61,178	43,528	104,706
-	-	20	-	61,178	61,198	43,528	104,726
-	-	-	-	-	28,195	-	28,195
-	-	-	-	-	4,497	-	4,497
-	-	-	-	-	33,709	-	33,709
-	-	-	-	-	595	-	595
-	-	-	-	-	106,321	-	106,321
-	-	-	-	-	-	-	-
-	-	-	-	-	2,345	-	2,345
(534)	-	-	-	-	(534)	-	(534)
6,066	-	-	-	-	9,127	-	9,127
-	-	-	-	-	(3,725)	-	(3,725)
-	-	-	-	(427)	(427)	12,427	12,000
-	-	-	-	20,994	20,994	133,103	154,097
-	-	-	-	-	-	6,890	6,890
-	-	-	2,017	-	2,017	-	2,017
-	-	-	-	-	-	918	918
-	(2,244)	-	-	2,244	-	-	-
-	-	-	-	(4,700)	(4,700)	(20,583)	(25,283)
(749)	24,513	86	2,017	44,184	606,733	390,525	997,258

GROUP	NOTE	SHARE CAPITAL (NOTE 31) RM'000	ICULS (NOTE 32) RM'000	SHARE PREMIUM (NOTE 34) RM'000
At 1 April 2007		358,961	101,455	76,266
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		-	-	-
Share issuance 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

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			
TREASURY STOCK UNITS (NOTE 33)	REVALUATION RESERVE (NOTE 34)	EXCHANGE RESERVE (NOTE 34)	SHARE OPTION RESERVE (NOTE 34)	RETAINED PROFITS (NOTE 34)	TOTAL		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(749)	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)	-	(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)
(5,110)	-	390	1,294	154,054	729,686	357,075	1,086,761

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

COMPANY	NOTE	SHARE CAPITAL (NOTE 31) RM'000
At 1 April 2006		232,472
Profit for the financial year, representing total recognised income and expense for the financial year		-
Issue of ordinary stock units :		
- Rights issue		80,557
- Pursuant to ESOS		4,497
- Special bumiputra issue		33,709
- Warrants exercised		595
Issue of ICULS		-
Conversion of ICULS (equity portion)		4,866
Conversion of ICULS (liability portion)		2,265
Purchase of treasury stock units		-
Sale of treasury stock units		-
Shares issuance costs		-
Share options granted under ESOS		-
Dividend	13	-
At 31 March 2007		358,961
Profit for the financial year, representing 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
- Conversion of ICULS (liability portion)		8,133
Purchase of treasury stock units		-
Share issuance costs		-
Share options granted under ESOS lapsed		-
Share options granted under ESOS exercised		-
Dividends	13	-
At 31 March 2008		419,061

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

NON-DISTRIBUTABLE				DISTRIBUTABLE	
ICULS (NOTE 32) RM'000	SHARE PREMIUM (NOTE 34) RM'000	TREASURY STOCK UNITS (NOTE 33) RM'000	SHARE OPTION RESERVE (NOTE 34) RM'000	RETAINED PROFITS (NOTE 34) RM'000	TOTAL EQUITY RM'000
-	129,212	(6,281)	-	23,339	378,742
-	-	-	-	84,393	84,393
-	(52,362)	-	-	-	28,195
-	-	-	-	-	4,497
-	-	-	-	-	33,709
-	-	-	-	-	595
106,321	-	-	-	-	106,321
(4,866)	-	-	-	-	-
-	80	-	-	-	2,345
-	-	(534)	-	-	(534)
-	3,061	6,066	-	-	9,127
-	(3,725)	-	-	-	(3,725)
-	-	-	2,017	-	2,017
-	-	-	-	(4,700)	(4,700)
101,455	76,266	(749)	2,017	103,032	640,982
-	-	-	-	22,714	22,714
-	-	-	-	-	2,697
-	-	-	-	-	31,806
(17,464)	-	-	-	-	-
-	(867)	-	-	-	7,266
-	-	(4,361)	-	-	(4,361)
-	(113)	-	-	-	(113)
-	-	-	(3)	-	(3)
-	720	-	(720)	-	-
-	-	-	-	(27,563)	(27,563)
83,991	76,006	(5,110)	1,294	98,183	673,425

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	NOTE	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from :			
Continuing operations		194,565	91,618
Discontinued operation		28,185	48,938
Adjustments for :			
Amortisation of intangible assets		181	181
Amortisation of prepaid lease payments		199	262
Depreciation of property, plant and equipment		10,892	8,392
Depreciation of investment properties		11	478
Impairment loss in other investments		81	-
Interest expense		28,799	38,417
Inventories written off		34	-
Land held for property development written off		-	332
Property, plant and equipment written off		324	423
Provision for retirement benefits		-	693
Doubtful debts written back		(2)	(43)
Loss/(gain) on disposal of :			
- investment properties		108	66
- property, plant and equipment		100	(256)
- quoted investments		(534)	(6,374)
- unquoted investments		(2,276)	(390)
- other investments		-	8
Gain on partial disposal of a subsidiary		-	(23,134)
Gain on disposal of PPB Group		(98,941)	-
Reversal of impairment loss in other investments		(181)	(3,872)
Reversal of provision of expected loss		(1,066)	-
Write-back of provision		(10,000)	-
Write-down of inventories		493	-
Amount carried forward		150,972	155,739

	NOTE	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD)			
Amount brought forward		150,972	155,739
Adjustments for (Contd) :			
Interest income		(12,879)	(4,426)
Dividend income		(1,886)	(1,042)
Share of loss of associates		2,874	6,772
Share of loss of jointly controlled entities		579	26
Share options (lapsed)/granted under EOB ESOS		(3)	2,017
Share options granted under PPB ESOS		-	918
Short term accumulating compensated absences		-	66
Operating profit before working capital changes		139,657	160,070
Working capital changes :			
Non-current asset classified as held for sale		8,705	-
Land held for property development		(125,745)	(87,170)
Property development costs		96,138	87,665
Inventories		19,312	3,969
Amount due from/(to) customers on construction work		(2,818)	16,415
Receivables		56,296	(176,274)
Payables		(100,129)	72,225
Cash generated from operations		91,416	76,900
Interest received		11,875	4,426
Interest paid		(61,223)	(72,551)
Payment for retirement benefits		-	(747)
Income tax refunded		1,416	2,455
Income tax paid		(50,935)	(35,929)
Net cash used in operating activities		(7,451)	(25,446)

	NOTE	2008 RM'000	2007 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(68,513)	(13,148)
Purchase of intangible assets		(69)	(213)
Purchase of other investments		-	(134)
Net cash flow on acquisitions of subsidiaries	19(a)	(1,758)	(22,282)
Disposal of PPB Group	11	190,647	-
Additional investment in associates		(8,981)	-
Investment in a jointly controlled entity		-	(125)
Proceeds from disposal of property, plant and equipment		435	1,098
Proceeds from disposal of investment properties		-	184
Proceeds from disposal of investment property previously classified as held for sale		5,392	-
Proceeds from partial disposal of a subsidiary		-	116,265
Proceeds from disposal of other investments		18,686	15,856
Acquisitions of additional equity interest in subsidiaries from minority shareholders		(49,775)	(1,620)
Dividends received		1,484	540
Long term receivable		(70)	1,007
Net cash generated from investing activities		87,478	97,428
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary stock units, net of issuance costs		2,584	62,676
Proceeds from issuance of ordinary shares in subsidiaries		45,443	82,111
Proceeds from issuance of ICULS		-	155,835
Proceeds from exercise of warrants		31,806	595
Purchase of treasury stock units		(4,361)	(534)
Proceeds from sale of treasury stock units		-	9,127
Drawdown of borrowings		260,000	465,135
Repayment of borrowings		(289,580)	(647,422)
Repayment of hire purchase liabilities		(646)	(148)
Dividend paid to minority shareholders of subsidiaries		(5,514)	(20,583)
Dividends paid		(12,151)	(4,700)
Net cash generated from financing activities		27,581	102,092
Effects of exchange translation differences		304	20
NET INCREASE IN CASH AND CASH EQUIVALENTS		107,912	174,094
CASH AND CASH EQUIVALENTS AT 1 APRIL		344,583	170,489
CASH AND CASH EQUIVALENTS AT 31 MARCH	29	452,495	344,583

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

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	NOTE	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		22,932	109,115
Adjustments for :			
Allowance for doubtful debts		-	7,070
Depreciation of property, plant and equipment		7	2
(Gain)/loss on disposal of other investments		(344)	8
Interest expense		15,746	22,038
Dividend income		(1,676)	(103,704)
Gain on partial disposal of a subsidiary		-	(28,932)
Gain on disposal of PPB Group		(35,790)	-
Interest income		(12,153)	(15,261)
Share options (lapsed)/granted under EOB ESOS		(3)	2,017
Operating loss before working capital changes		(11,281)	(7,647)
Receivables		2,828	(18,489)
Payables		(1,166)	(17,947)
Cash used in operations		(9,619)	(44,083)
Interest paid		(24,374)	(20,853)
Income tax paid		(592)	-
Income tax refunded		-	2,033
Net cash used in operating activities		(34,585)	(62,903)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from partial disposal of a subsidiary		-	116,265
Proceeds from disposal of PPB Group		95,741	-
Purchase of other investments		-	(134)
Proceeds from disposal of other investments		478	92
Additional investment in subsidiaries		(2,207)	(53,864)
Dividend received		2,674	15,555
Interest received		3,302	775
Net cash generated from investing activities		99,988	78,689

	NOTE	2008 RM'000	2007 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary stock units, net of issuance costs		**2,584**	62,676
Proceeds from issuance of ICULS		**-**	155,835
Proceeds from exercise of warrants		**31,806**	595
Purchase of treasury stock units		**(4,361)**	(534)
Proceeds from sale of treasury stock units		**-**	9,127
Drawdown of borrowings		**150,000**	-
Repayment of borrowings		**(130,186)**	(169,751)
Advances to subsidiaries		**59,750**	7,415
Dividends paid		**(12,151)**	(4,700)
Net cash generated from financing activities		**97,442**	60,663
NET INCREASE IN CASH AND CASH EQUIVALENTS		**162,845**	76,449
CASH AND CASH EQUIVALENTS AT 1 APRIL		**52,838**	(23,611)
CASH AND CASH EQUIVALENTS AT 31 MARCH	29	**215,683**	52,838

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2008

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 except for the discontinuance of the construction and related activities as disclosed in Note 11.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 July 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared on a historical basis and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia ("FRS"). In addition to those FRSs which are mandatory for financial periods beginning on or after 1 January 2006 that the Group and the Company had adopted in the previous financial year, the Group and the Company had adopted revised FRSs which are mandatory for the current financial period as described fully in Note 2.3.

The financial statements are presented in Ringgit Malaysia (RM) and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

b. Associates (Contd)

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 accrual basis unless collectibility is in doubt, in which case it is recognised on receipt basis.

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).

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 an 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	7.5% - 33.3%
Vessel	10%
Motor vehicles	16% - 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. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(r).

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

h. Land Held for Property Development and Property Development Costs (Contd)

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.

Depreciation of investment properties is provided for on a straight-line basis to write off the cost of investment properties 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

n. Financial Instruments (Contd)

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.

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 investments in foreign operations. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, 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 the income statement. Exchange differences arising on monetary items that form part of the Group's net investments in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognised in income statement for the period. Exchange differences arising on monetary items that form part of the Company's net investments in foreign operations, regardless of the currency of the monetary item, are recognised in income statement in the Company's 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 income statement 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.

ii. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.2 Summary of Significant Accounting Policies (Contd)

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 statutory pension scheme.

iii. Defined Benefit Plans

Certain subsidiaries of the Group contribute to a funded, defined benefit scheme, known as the Putrajaya Perdana Group Retirement Benefit Scheme ("the Scheme") for its eligible employees. These subsidiaries' obligations under the Scheme, calculated using the Project Credit Unit Method, is determined based on actuarial computations by independent actuaries in every three years, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

iv. Share-based Compensation

The Group has two employee share option schemes, namely the Eastern & Oriental Berhad Employees' Share Option Scheme ("EOB ESOS") and the Putrajaya Perdana Berhad Employees' Share Options Scheme ("PPB ESOS") which are equity-settled, share-based compensation plans. EOB ESOS allows certain employees to acquire ordinary stock units of the Company and PPB ESOS allows the PPB Group's employees and directors to acquire ordinary shares in PPB. 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 Company and PPB Group revise the estimates of the number of options that are expected to become exercisable on vesting date. The subsidiary 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 earnings.

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 Revised FRSs

The MASB has issued FRS 117 and FRS 124 which are mandatory for financial periods beginning on and after 1 October 2006. It has also issued Amendment to FRS 119_{2004} and FRS 6 : Exploration for and Evaluation of Mineral Resources which will be mandatory for financial periods beginning on or after 1 January 2007. FRS 6 is not applicable to the Group or the Company.

On 1 April 2007, the Group and the Company adopted the following revised FRSs and Amendment to FRS :

FRS 117	Leases
FRS 124	Related Party Disclosures
Amendment to FRS 119_{2004}	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of the revised FRS 124 and Amendment to FRS 119_{2004} give rise to additional disclosures but do not have significant financial impact of the Group and of the Company. The principal changes in accounting policies and their effects resulting from the adoption of the revised FRS 117 are discussed as follows :

Leasehold land and building held for own use

Prior to 1 April 2007, leasehold land and building held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and building. Leases of land and building are classified as operating or finance lease in the same way as leases of other assets and the land and building elements of a lease of land and building are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and when necessary, the minimum lease payments or the up-front payments made are allocated between the land and the building elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment relating to the land element represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land and building in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised amount of leasehold land and building is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The effect on the consolidated balance sheet as at 31 March 2008 are set out below :

	2008 RM'000
Decrease in property, plant and equipment	(987)
Increase in prepaid lease payments	987

There were no effects on the consolidated income statement for the financial year ended 31 March 2008 and the Company's separate financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of Revised FRSs (Contd)

Leasehold land and building held for own use (Contd)

The following comparative figures have been restated as a result of adopting the revised FRS 117 :

	PREVIOUSLY STATED RM'000	(DECREASE)/ INCREASE RM'000	RESTATED RM'000
At 31 March 2007			
GROUP			
BALANCE SHEET			
Property, plant and equipment	210,009	(1,777)	208,232
Prepaid lease payments	-	1,777	1,777

2.4 Standards and Interpretations Issued but Not Yet Effective

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

FRSs, Amendment to FRS and Interpretations	**EFFECTIVE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER**
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129_{2004} – Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.4 Standards and Interpretations Issued but Not Yet Effective (Contd)

The above new and revised FRSs, Amendment to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application.

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

2.5 Significant Accounting Estimates and Judgements

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 seperately (or leased out seperately under a finance lease), the Group would account for the portions seperately. If the portions could not be sold seperately, 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.

During the financial year, the Group has temporarily sub-let few levels of vacant freehold land and building but has decided not to treat this property as an investment property because it is not the Group's intention to hold this property in the long term for capital appreciation or rental income. Accordingly, this property is still 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 24.

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. Construction Contracts

The Group recognises construction contract revenue and expenses in the income statement 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.

Significant judgement is required in determining the stage of completion, the extent of the construction contract costs incurred, provision for warranties, the estimated total construction contract revenue and costs, as well as the recoverability of the construction contracts. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

iv. 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 RM72,475,000 (2007: RM73,547,000) at the financial year end.

3. REVENUE

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Revenue from				
Property development activities	**396,429**	469,473	**-**	-
Sales of land held for property development	**15,619**	14,785	**-**	-
Sales of completed properties	**19,518**	2,370	**-**	-
Sale of land classified as non-current assets held for sale	**38,266**	-	**-**	-
Construction and related activities	**-**	2,224	**-**	-
Hotel and restaurant operations	**44,681**	28,557	**-**	-
Investments and others	**1,886**	1,035	**1,676**	103,704
	516,399	518,444	**1,676**	103,704

4. COST OF SALES

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Property development costs	**261,553**	339,832	**-**	-
Cost of land held for property development	**17,928**	4,188	**-**	-
Cost of land classified as non-current assets held for sale	**8,705**	-	**-**	-
Construction contract costs	**-**	487	**-**	-
Cost of hotel and restaurant operations	**25,646**	15,376	**-**	-
Cost of inventories sold	**15,906**	2,927	**-**	-
	329,738	362,810	**-**	-

5. OTHER INCOME

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Gross dividend income from quoted investments outside Malaysia	**-**	7	**-**	-
Interest income :				
- subsidiaries	**-**	-	**7,895**	14,486
- others	**12,487**	3,229	**4,258**	775
Doubtful debts written back	**2**	32	**-**	-
Gain on disposal of :				
- property, plant and equipment	**4**	132	**-**	-
- quoted investments	**534**	6,374	**344**	28,932
- unquoted investments	**2,276**	390	**-**	-
Gain on disposal of PPB Group	**98,941**	-	**35,790**	-
Gain on partial disposal of a subsidiary	**-**	23,134	**-**	-
Reversal of impairment loss in other investments	**181**	3,872	**-**	-
Reversal of provision for expected loss	**1,066**	-	**-**	-
Hotel related services	**1,106**	1,079	**-**	-
Rental income	**1,545**	1,183	**-**	-
Miscellaneous	**2,617**	2,010	**-**	-
	120,759	41,442	**48,287**	44,193

6. FINANCE COSTS

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Interest expense on :				
Bank overdrafts	**626**	1,593	**19**	1,399
Term loans	**20,246**	52,470	**11,562**	17,636
Bridging loans	**-**	306	**-**	-
Revolving credits	**4,714**	2,185	**1,101**	356
Redeemable secured bonds	**-**	5,100	**-**	-
Bank guarantee	**5,039**	-	**-**	-
Irredeemable convertible unsecured loan stocks	**3,064**	2,624	**3,064**	2,624
Commercial papers	**3,280**	3,311	**-**	-
Medium term notes	**12,529**	1,541	**-**	-
Hire purchase	**155**	16	**-**	-
Others	**1,214**	2,005	**-**	23
Less : interest expense capitalised in :	**50,867**	71,151	**15,746**	22,038
Land held for property development (Note 15(c))	**(18,269)**	(15,029)	**-**	-
Property development costs (Note 26)	**(3,831)**	(17,739)	**-**	-
	28,767	38,383	**15,746**	22,038

7. PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Auditors' remuneration :				
- statutory audits	**377**	338	**35**	35
- underprovision in prior year	**6**	20	**-**	5
- other services	**17**	132	**5**	81
Amortisation of :				
- prepaid lease payments	**198**	260	**-**	-
- intangible assets	**149**	129	**-**	-
Allowance for doubtful debts	**-**	-	**-**	7,070
Depreciation of :				
- property, plant and equipment	**10,417**	7,484	**7**	2
- investment properties	**11**	478	**-**	-
Employee benefits expense (Note 8)	**30,334**	25,946	**4,976**	4,308
Non-executive directors' remuneration (Note 9)	**1,016**	596	**288**	148
Impairment loss in other investments	**81**	-	**-**	-
Land held for property development written off	**-**	332	**-**	-
Inventories written off	**34**	-	**-**	-
Loss on disposal of :				
- investment properties	**108**	66	**-**	-
- property, plant and equipment	**200**	-	**-**	-
- other investments	**-**	8	**-**	8
Loss on foreign exchange	**679**	322	**-**	-
Property, plant and equipment written off	**316**	411	**-**	-
Rental of land and buildings	**3,251**	1,502	**217**	216
Rental of plant and machinery	**53**	-	**-**	-
Write-down of inventories	**493**	-	**-**	-

8. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Charged to income statement	**30,334**	25,946	**4,976**	4,308
Wages and salaries	**25,490**	20,594	**4,428**	1,954
Social security contributions	**142**	99	**-**	-
Contributions to defined contribution plan	**3,033**	1,974	**542**	317
Share options granted under EOB ESOS (Note 38(B))	**-**	2,017	**-**	2,017
Other benefits	**1,669**	1,262	**6**	20
	30,334	25,946	**4,976**	4,308

Included in employee benefits expense of the Group and of the Company from continuing operations are executive directors' remuneration amounting to RM10,116,000 (2007: RM7,652,000) and RM5,260,000 (2007: RM2,222,000) respectively, as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Executive directors' remuneration :				
Fees	**352**	36	**125**	-
Other emoluments :				
- continuing operations	**9,764**	7,616	**5,135**	2,222
- discontinued operation	**719**	984	**-**	-
	10,835	8,636	**5,260**	2,222
Non-executive directors' remuneration :				
Fees :				
- continuing operations	**581**	586	**288**	148
- discontinued operation	**158**	278	**-**	-
Other emoluments :				
- continuing operations	**435**	10	**-**	-
- discontinued operation	**19**	-	**-**	-
	1,193	874	**288**	148
Total directors' remuneration	**12,028**	9,510	**5,548**	2,370
Estimated money value of benefits-in-kind :				
Share options granted under ESOS :				
- continuing operations	**-**	1,980	**-**	1,980
- discontinued operation	**-**	54	**-**	
Others :				
- continuing operations	**265**	171	**72**	-
- discontinued operation	**8**	24	**-**	-
Total directors' remuneration including benefits-in-kind	**12,301**	11,739	**5,620**	4,350

9. DIRECTORS' REMUNERATION (CONTD)

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

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Executive :				
Salaries and other emolument	**8,605**	6,233	**4,624**	1,911
Fees	**280**	36	**125**	-
Defined contribution plan	**863**	948	**511**	311
Share options granted under EOB ESOS	**-**	1,980	**-**	1,980
Estimated money value of benefits-in-kind	**170**	153	**-**	-
	9,918	9,350	**5,260**	4,202
Non-executive :				
Fees	**378**	220	**288**	148
Others	**72**	-	**72**	-
	450	220	**360**	148
	10,368	9,570	**5,620**	4,350

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	
	2008	2007
Executive directors :		
Below RM50,000	**1**	-
RM350,001 to RM400,000	**-**	1
RM2,450,001 - RM2,500,000	**-**	1
RM3,550,001 - RM3,600,000	**1**	-
RM4,500,001 - RM4,550,000	**-**	1
RM6,250,001 - RM6,300,000	**1**	-
Non-executive directors :		
Below RM50,000	**-**	3
RM50,001 to RM100,000	**2**	-
RM100,001 to RM160,000	**2**	1

10. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Continuing operations				
Current income tax :				
Malaysian income tax	**59,414**	27,840	**-**	24,722
(Over)/underprovision in prior years	**(1,617)**	(1,346)	**218**	-
	57,797	26,494	**218**	24,722
Real property gains tax	**-**	39	**-**	-
Deferred tax (Note 25) :				
Relating to origination and reversal of temporary differences	**(23,404)**	(4,771)	**-**	-
Relating to changes in tax rate	**(1,150)**	(68)	**-**	-
Underprovision in prior years	**1,546**	960	**-**	-
	(23,008)	(3,879)	**-**	-
Total income tax expense from continuing operations	**34,789**	22,654	**218**	24,722
Discontinued operation				
Current income tax :				
Malaysian income tax	**5,310**	11,975	**-**	-
Overprovision in prior years	**-**	(816)	**-**	-
	5,310	11,159	**-**	-
Deferred tax (Note 25) :				
Relating to origination and reversal of temporary differences	**1,795**	1,283	**-**	-
Relating to changes in tax rate	**403**	986	**-**	-
Overprovision in prior years	**-**	(232)	**-**	-
	2,198	2,037	**-**	-
Total income tax expense from discontinued operation	**7,508**	13,196	**-**	-
Total income tax expense	**42,297**	35,850	**218**	24,722

10. INCOME TAX EXPENSE (CONTD)

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the financial year, except for tax incentive of 6% (2007:7%) exemption on the first RM500,000 (2007 : RM500,000) taxable profit of certain subsidiaries granted by the Authority. The domestic statutory tax rate will be reduced to 25% from the current financial year's rate of 26%, effective year of assesment of 2009. The computation of deferred tax as at 31 March 2008 has reflected these changes.

A reconciliation of income tax expense applicable to 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 :

	2008 RM'000	2007 RM'000
GROUP		
Profit before tax from :		
Continuing operations	**194,565**	91,618
Discontinued operation	**28,185**	48,938
	222,750	140,556
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	**57,915**	37,950
Effect of changes in tax rates on opening balance of deferred tax	**(747)**	918
Effect of expenses not deductible for tax purposes	**11,557**	9,172
Effect of income subject to tax rate of 20%	**(228)**	(245)
Effect of income not subject to tax	**(26,978)**	(12,701)
Effect of utilisation of previously unrecognised deferred tax assets	**(3,379)**	(6,709)
Effect of share of loss of associates	**747**	1,828
Effect of share of loss of jointly controlled entities	**151**	7
Deferred tax assets not recognised during the year	**2,903**	6,240
Deferred tax recognised at different tax rate	**88**	(84)
Real property gains tax on disposal of an associate	**-**	39
Overprovision of income tax in prior years	**(1,617)**	(2,162)
Underprovision of deferred tax in prior years	**1,546**	728
Other tax items	**339**	869
Income tax expense for the financial year	**42,297**	35,850
COMPANY		
Profit before tax	**22,932**	109,115
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	**5,962**	29,461
Effect of income not subject to tax	**(9,395)**	(8,259)
Effect of expenses not deductible for tax purposes	**3,433**	3,520
Underprovision of income tax in prior years	**218**	-
Income tax expense for the financial year	**218**	24,722

11. DISCONTINUED OPERATION

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	2007 RM'000
Revenue	**241,867**	537,257
Cost of sales	**(216,661)**	(477,256)
Gross profit	**25,206**	60,001
Other income	**11,842**	4,126
Administrative expenses	**(8,034)**	(14,619)
Selling and marketing expenses	**(477)**	(35)
Other expenses	**(320)**	(501)
Operating profit	**28,217**	48,972
Finance costs	**(32)**	(34)
Profit before tax	**28,185**	48,938
Income tax expense (Note 10)	**(7,508)**	(13,196)
Profit for the financial year from discontinued operation	**20,677**	35,742

11. DISCONTINUED OPERATION (CONTD)

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

	GROUP	
	2008 RM'000	2007 RM'000
Employee benefits expense	**4,408**	8,497
Non-executive directors' remuneration	**177**	278
Auditors' remuneration :		
- statutory audits	**55**	72
- other services	**-**	56
Amortisation of :		
- prepaid lease payments	**1**	2
- intangible assets	**32**	52
Construction contract costs	**214,452**	471,863
Cost of inventories sold	**76**	-
Depreciation of property, plant and equipment	**475**	908
Interest expense	**32**	34
Property development costs	**2,453**	5,393
Property, plant and equipment written off	**8**	12
Rental of plant and equipment	**14**	21
Rental of premises	**14**	24
Doubtful debts written-back	**-**	(11)
Write-back of provision	**(10,000)**	-
Gain on disposal of property, plant and equipment	**(96)**	(124)
Interest income	**(392)**	(1,197)
Rental income	**(352)**	(517)
Revenue from proportionate sales value of development properties attributable to the work performed	**(3,254)**	(6,968)
Revenue from construction and related activities	**(238,613)**	(530,289)

The total amount of employee benefits expense capitalised under construction contract cost incurred to date is amounting to RM14,864,000 (2007: RM22,181,000) is disclosed in Note 28. Included in employee benefits expense are executive directors' remuneration amounting to RM719,000 (2007: RM984,000).

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

	GROUP	
	2008 **RM'000**	2007 RM'000
Operating cash flows	**(52,979)**	46,427
Investing cash flows	**(5,138)**	(3,973)
Financing cash flows	**(3,404)**	(58,003)
Total cash flows	**(61,521)**	(15,549)
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 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. EARNINGS PER STOCK UNIT

a. Basic

Basic earnings per ordinary stock unit is calculated by dividing the 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.

	2008 RM'000	2007 RM'000
GROUP		
Profit from continuing operations attributable to ordinary stockholders of the Company	**119,074**	44,410
Profit from discontinued operation attributable to ordinary stockholders of the Company	**9,780**	16,768
Profit attributable to ordinary stockholders of the Company	**128,854**	61,178

	2008 '000	2007 '000
Weighted average number of ordinary stock units in issue	**403,584**	313,714
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS	**129,220**	101,538
Adjusted weighted average number of ordinary stock units	**532,804**	415,252

	2008 Sen	2007 Sen
Basic earnings per stock unit for :		
Profit from continuing operations	**22.35**	10.69
Profit from discontinued operation	**1.84**	4.04
Profit for the financial year	**24.19**	14.73

b. Diluted

For the purpose of calculating diluted earnings per stock unit, the 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.

	2008 RM'000	2007 RM'000
GROUP		
Profit from continuing operations attributable to ordinary stockholders of the Company	**119,074**	44,410
Profit from discontinued operation attributable to ordinary stockholders of the Company	**9,780**	16,768
Profit attributable to ordinary stockholders of the Company	**128,854**	61,178

	2008 '000	2007 '000
Weighted average number of ordinary stock units in issue	**403,584**	313,714
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS	**129,220**	101,538
Effect of exercise of warrants	**29,635**	26,541
Effect of dilution of ESOS	**3,432**	4,101
Adjusted weighted average number of ordinary stock units in issue and issuable	**565,871**	445,894

b. Diluted (Contd)

	2008 Sen	2007 Sen
Diluted earnings per stock unit for :		
Profit from continuing operations	**21.04**	9.96
Profit from discontinued operation	**1.73**	3.76
Profit for the financial year	**22.77**	13.72

13. DIVIDENDS

i. NET DIVIDENDS PER STOCK UNIT

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

		GROUP/COMPANY	
	NOTES	2008 Sen	2007 Sen
Final dividend of 4.0% less 27% taxation	a	**-**	2.92
Special dividend of 5.0% less 26% taxation	b	**3.70**	-
		3.70	2.92

Notes :

a. Final dividend per stock unit is calculated by dividing the final dividend declared for the financial year less 27% taxation of RM12,151,000 by the number of ordinary stock units in issue of 416,132,000 of RM1.00 each.

b. 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	2007 RM'000
In respect of financial year ended 31 March 2006 : Final dividend of 2.0 sen less 27% taxation, on 312,890,000 ordinary stock units of RM1.00 each	**-**	4,700
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	4,700

The directors do not recommend payment of a final dividend in respect of the financial year ended 31 March 2008.

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 2008							
Cost							
At 1 April 2007 (restated)	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
Accumulated depreciation and impairment losses							
At 1 April 2007 (restated)	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 (Note 28)	-	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 (restated)	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

	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 2007							
Cost							
At 1 April 2006 (restated)	195,607	62,955	22,874	4,560	14,943	-	300,939
Effects of adopting FRS 117	(3,340)	-	-	-	-	-	(3,340)
At 1 April 2006 (restated)	192,267	62,955	22,874	4,560	14,943	-	297,599
Additions	1,680	4,612	2,410	-	3,033	4,828	16,563
Disposals	-	(1,257)	(84)	-	(2,490)	-	(3,831)
Written off	(296)	(10)	(501)	-	-	-	(807)
At 31 March 2007	193,651	66,300	24,699	4,560	15,486	4,828	309,524

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 2007 (Contd)							
Accumulated depreciation and impairment losses							
At 1 April 2006 (restated)	13,065	57,435	12,713	1,710	10,756	-	95,679
Effects of adopting FRS 117	(2,073)	-	-	-	-	-	(2,073)
At 1 April 2006 (restated)	10,992	57,435	12,713	1,710	10,756	-	93,606
Depreciation charge for the financial year :	4,645	2,062	3,180	456	716	-	11,059
- recognised in income statement	4,645	226	2,554	456	511	-	8,392
- capitalised in construction contract costs (Note 28)	-	1,836	626	-	205	-	2,667
Disposals	-	(545)	(68)	-	(2,376)	-	(2,989)
Written off	(18)	(10)	(356)	-	-	-	(384)
At 31 March 2007	15,619	58,942	15,469	2,166	9,096	-	101,292
Analysed as :							
Accumulated depreciation	15,619	58,942	15,312	2,166	9,096	-	101,135
Accumulated impairment losses	-	-	157	-	-	-	157
	15,619	58,942	15,469	2,166	9,096	-	101,292
Net carrying amount	178,032	7,358	9,230	2,394	6,390	4,828	208,232

*** Land and Buildings of the Group**

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	FREEHOLD LAND AND BUILDING RM'000	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
At 31 March 2007								
Cost								
At 1 April 2006 (restated)	24,900	48,656	118,711	386	2,000	363	591	195,607
Effects of adopting FRS 117	-	-	-	(386)	(2,000)	(363)	(591)	(3,340)
At 1 April 2006 (restated)	24,900	48,656	118,711	-	-	-	-	192,267
Additions	-	-	1,680	-	-	-	-	1,680
Written off	-	-	(296)	-	-	-	-	(296)
At 31 March 2007	24,900	48,656	120,095	-	-	-	-	193,651
Accumulated depreciation								
At 1 April 2006 (restated)	-	1,440	9,552	307	1,602	117	47	13,065
Effects of adopting FRS 117	-	-	-	(307)	(1,602)	(117)	(47)	(2,073)
At 1 April 2006 (restated)	-	1,440	9,552	-	-	-	-	10,992
Depreciation charge for the financial year	-	60	4,585	-	-	-	-	4,645
Written off	-	-	(18)	-	-	-	-	(18)
At 31 March 2007	-	1,500	14,119	-	-	-	-	15,619
Net carrying amount	24,900	47,156	105,976	-	-	-	-	178,032

14. PROPERTY, PLANT AND EQUIPMENT (CONTD)

	FURNITURE, FITTINGS AND EQUIPMENT	
	2008 TOTAL RM'000	2007 TOTAL RM'000
COMPANY		
Cost		
At 1 April/31 March	**26**	26
Accumulated depreciation		
At 1 April	**16**	14
Depreciation charge for the financial year	**7**	2
At 31 March	**23**	16
Net carrying amount at 31 March	**3**	10

a. The net book value of freehold land and buildings of the Group pledged for borrowings at the financial year end are RM155,611,000 (2007 : RM105,938,000) as disclosed in Note 35.

b. During the financial year, the Group acquired property, plant and equipment at aggregate costs of RM69,964,000 (2007 : RM16,563,000) of which RM1,451,000 (2007 : RM1,922,000) were acquired by means of hire purchase agreement. Net carrying amounts of property, plant and equipment held under hire puchare arrangement are as follows :

	GROUP	
	2008 RM'000	2007 RM'000
Equipment	**773**	-
Motor Vehicles	**3,170**	2,102
	3,943	2,102

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 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 26)	(5,411)	(65,974)	(75,267)	2,846	(143,806)
Transfer to non-current assets classified as held for sale (Note 30)	(49,192)	-	(2,346)	-	(51,538)
Carrying amount at 31 March 2008	315,412	429,841	91,913	-	837,166
At 31 March 2007					
At 1 April 2006 (restated)	247,224	532,965	81,825	(2,846)	859,168
Acquisition of subsidiaries	-	30,054	-	-	30,054
Additions	9,320	12,864	75,481	-	97,665
Land conversion	34,393	(34,393)	-	-	-
Disposals	(370)	(2,139)	(1,372)	-	(3,881)
Written off	-	-	(332)	-	(332)
Transfer from/(to) property development costs (Note 26)	43,316	(23,263)	(10,529)	-	9,524
Transfer to non-current assets classified as held for sale (Note 30)	(6,412)	-	(2,293)	-	(8,705)
Carrying amount at 31 March 2007	327,471	516,088	142,780	(2,846)	983,493

15. LAND HELD FOR PROPERTY DEVELOPMENT (CONTD)

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. (formerly known as KGN-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 RM285,483,000 (2007: RM302,268,000) and RM274,261,000 (2007: RM376,877,000) 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 35.

c. Included in development expenditure incurred during the financial year is interest expense of RM18,269,000 (2007: RM15,029,000).

d. The titles to certain freehold land and buildings with an aggregate carrying value of RM24,949,000 (2007: RM26,347,000) will be delivered to the Group by the vendor upon full payment of the purchase price as disclosed under Note 36.

e. Included in land held for property development in the previous year is development land in Precinct 16, Putrajaya where a subsidiary is held as beneficiary owner pursuant to the Development Agreement dated 30 January 2004. The land is registered under the name of an affiliated company, as disclosed in Note 41.

16. INVESTMENT PROPERTIES

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	TOTAL RM'000
GROUP			
At 31 March 2008			
Cost			
At 1 April 2007	-	4,856	4,856
Transfer from property development costs (Note 26)	8,000	4,098	12,098
Transfer to non-current assets classified as held for sale (Note 30)	-	(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 30)	-	(189)	(189)
At 31 March 2008	-	-	-
Net carrying amount	8,000	4,098	12,098

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	TOTAL RM'000
At 31 March 2007			
Cost			
At 1 April 2006	-	10,906	10,906
Disposal	-	(250)	(250)
Transfer to non-current assets classified as held for sale (Note 30)	-	(5,800)	(5,800)
At 31 March 2007	-	4,856	4,856
Accumulated depreciation			
At 1 April 2006	-	-	-
Depreciation charge for the financial year	-	478	478
Transfer to non-current assets classified as held for sale (Note 30)	-	(300)	(300)
At 31 March 2007	-	178	178
Net carrying amount	-	4,678	4,678

The estimated market value of the investment properties held at the previous financial year end 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. Subsequently, certain investment properties were to be disposed of as at the financial year end and was classified as non-current asset classified as held for sale as disclosed in Note 30.

A freehold land and building with a carrying value of RM250,000, whereby the titles will be delivered to the Group by the vendor upon full payment of the purchase price was disposed of in the previous financial year.

17. PREPAID LEASE PAYMENTS

	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

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 (CONTD)					
At 31 March 2008 (Contd)					
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
At 31 March 2007					
Cost					
At 1 April 2006	-	-	-	-	-
Effects of adopting FRS 117	386	2,000	363	591	3,340
At 1 April 2006 (restated)	386	2,000	363	591	3,340
Additions	-	-	-	54	54
Transfer	-	-	-	718	718
At 31 March 2007	386	2,000	363	1,363	4,112
Accumulated amortisation					
At 1 April 2006	-	-	-	-	-
Effects of adopting FRS 117	307	1,602	117	47	2,073
At 1 April 2006 (restated)	307	1,602	117	47	2,073
Amortisation charge for the financial year	14	237	5	6	262
At 31 March 2007	321	1,839	122	53	2,335
Net carrying amount	65	161	241	1,310	1,777

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 RM287,000 (2007:RM306,000) are pledged as security for credit facilities granted to a subsidiary, as disclosed in Note 35.

18. INTANGIBLE ASSETS

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

	GOODWILL RM'000	COMPUTER SOFTWARE RM'000	TOTAL RM'000
GROUP			
Cost			
At 1 April 2006	-	1,335	1,335
Additions	-	213	213
At 31 March 2007	-	1,548	1,548
Additions	-	69	69
Acquisition of a subsidiary (Note 19)	1,851	92	1,943
Disposal of PPB Group	-	(943)	(943)
At 31 March 2008	1,851	766	2,617
Accumulated amortisation			
At 1 April 2006	-	571	571
Amortisation :			
- charged to income statement	-	181	181
- capitalised under construction contract costs incurred to date (Note 28)	-	46	46
At 31 March 2007	-	798	798
Amortisation :			
- charged to income statement	-	181	181
- capitalised under construction contract costs incurred to date (Note 28)	-	28	28
Acquisition of a subsidiary (Note 19)	-	19	19
Disposal of PPB Group		(727)	(727)
At 31 March 2008	-	299	299
Net carrying amount			
At 31 March 2008	**1,851**	**467**	**2,318**
At 31 March 2007	-	750	750

19. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2008 RM'000	2007 RM'000
Quoted shares at cost in Malaysia	**385,570**	443,314
Unquoted shares at cost	**75,050**	75,050
	460,620	518,364
Less : Accumulated impairment losses	**(45,397)**	(45,397)
	415,223	472,967
Market value of quoted shares	**593,518**	959,238

Details of the subsidiaries are as follows :

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2008 %	2007 %	PAID-UP SHARE CAPITAL RM
i. SUBSIDIARIES OF THE COMPANY					
## E&O Property Development Berhad ("E&OPROP")	Malaysia	Investment holding	**63.4**	65.2	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 investment and development	**100**	100	920,004
E&O-Pie Sdn. Bhd.	Malaysia	Property investment and development	**100**	100	2
Major Liberty Sdn. Bhd.	Malaysia	Investment holding	**100**	100	300,000

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST		PAID-UP SHARE CAPITAL
			2008	2007	
			%	%	RM
i. SUBSIDIARIES OF THE COMPANY (CONTD)					
E&O Trading Sdn. Bhd.	Malaysia	Property Investment	**100**	-	2
## Putrajaya Perdana Berhad	Malaysia	Investment Holding	**-**	51	69,814,500
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**	70	100
@ The Delicious Group Sdn. Bhd. (Formerly known as Delicious by Ms. Read (M) Sdn. Bhd.)	Malaysia	Cafe and restaurant operator	**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**	-	2
@ Reunion Restaurants Sdn. Bhd.	Malaysia	Restaurant operator	**51**	-	2
iii. SUBSIDIARY OF MAJOR LIBERTY SDN. BHD.					
Matrix Promenade Sdn. Bhd.	Malaysia	Investment holding	**100**	100	300,000
iv. SUBSIDIARIES OF PUTRAJAYA PERDANA BERHAD					
Putra Perdana Construction Sdn.Bhd.	Malaysia	Construction	**-**	51	20,000,000
Putra Perdana Development Sdn. Bhd.	Malaysia	Property development and investment holding	**-**	51	10,000,000

19. INVESTMENTS IN SUBSIDIARIES (CONTD)

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2008 %	2007 %	PAID-UP SHARE CAPITAL RM
iv. SUBSIDIARIES OF PUTRAJAYA PERDANA BERHAD (CONTD)					
a. Subsidiaries of Putra Perdana Development Sdn. Bhd.					
Perdana Land Development Sdn. Bhd.	Malaysia	Dormant	-	51	2
Sarjana Sejati (M) Sdn. Bhd.	Malaysia	Property development	-	51	2
Senandung Budiman Sdn. Bhd.	Malaysia	Property development and construction	-	51	250,000
v. SUBSIDIARIES OF E&OPROP					
Ambangan Puri Sdn. Bhd.	Malaysia	Property development and property investment	**63.4**	65.2	1,250,000
Edisi Utama Sdn. Bhd.	Malaysia	Property development	**63.4**	65.2	250,000
E&O Properties Sdn. Bhd.	Malaysia	Property development and property investment	**63.4**	65.2	16,580,000
E&O Sales and Marketing Sdn. Bhd.	Malaysia	Sales and marketing services	**63.4**	65.2	6,000,000
* E&O Property (Singapore) Pte. Ltd. (formerly known as Kamunting Investments (S) Pte. Ltd.)	Singapore	Sales and marketing services	**63.4**	65.2	S$500,000
Emerald Designs Sdn. Bhd.	Malaysia	Property development	**63.4**	65.2	300,000
Galaxy Prestige Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	250,000
Kamunting Management Services Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	100,000
KCB Holdings Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
** Kamunting Tin Dredging Limited	England	Investment holding	**63.4**	65.2	£2,006,250
Pelicrest Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	119,005
Prime-Lite Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
Regal Alliance Sdn. Bhd.	Malaysia	Property development	**63.4**	65.2	24,152,582

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2008	2007	PAID-UP SHARE CAPITAL
			%	%	RM
v. SUBSIDIARIES OF E&OPROP (CONTD)					
Ribuan Imbang Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
Staboc Marketing Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
Tinggi Murni Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	120,488
Teratak Warisan (M) Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	100,000
Twenty First Century Realty Sdn. Bhd.	Malaysia	Investment holding	**63.4**	-	2
a. Subsidiary of Ambangan Puri Sdn. Bhd.					
Seventy Damansara Sdn. Bhd.	Malaysia	Property development and investment holding	**63.4**	65.2	3,250,000
b. Subsidiaries of E&O Properties Sdn. Bhd.					
E&O Management Services Sdn. Bhd.	Malaysia	Property management and property investment	**63.4**	65.2	2
Kayangan Budaya Sdn. Bhd.	Malaysia	Property development	**55.5**	57.1	12,700
Minat Ganda Sdn. Bhd.	Malaysia	Property development and property investment	**63.4**	65.2	500,060
c. Subsidiaries of Kamunting Management Services Sdn. Bhd.					
Bridgecrest Resources Sdn. Bhd.	Malaysia	Investment holding	**59.6**	45.7	100,000
E&O-PDC Holdings Sdn. Bhd. (formerly known as KGN-PDC Holdings Sdn. Bhd.)	Malaysia	Investment holding	**38.0**	39.1	35,000
i. Subsidiaries of Bridgecrest Resources Sdn. Bhd.					
Permaijana Ribu (M) Sdn. Bhd.	Malaysia	Investment holding	**54.3**	32.9	5,000,000
E&O Property (Penang) Sdn Bhd.	Malaysia	Propery development	**59.6**	45.6	1,000,000

19. INVESTMENTS IN SUBSIDIARIES (CONTD)

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2008 %	2007 %	PAID-UP SHARE CAPITAL RM
v. SUBSIDIARIES OF E&OPROP (CONTD)					
c. Subsidiaries of Kamunting Management Services Sdn. Bhd. (Contd)					
ii. Subsidiary of Permaijana Ribu (M) Sdn. Bhd.					
Tanjung Pinang Development Sdn. Bhd.	Malaysia	Land reclamation and development	**49.5**	34.8	5,000,000
d. Subsidiaries of KCB Holdings Sdn. Bhd.					
KCB Geotechnics Sdn. Bhd.	Malaysia	Piling construction and consultancy	**63.4**	65.2	500,000
KCB Trading Sdn. Bhd.	Malaysia	Property development and investment	**63.4**	65.2	5,000,000
Trans-Mutual Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
WCW Technologies Sdn. Bhd.	Malaysia	General contractor	**63.4**	65.2	667,000
i. Subsidiary of KCB Trading Sdn. Bhd.					
E&O Customer Services Sdn. Bhd.	Malaysia	Property management and property investment	**63.4**	65.2	500,000
ii. Subsidiary of Trans-Mutual Sdn. Bhd.					
* Kamunting Management (HK) Limited	Hong Kong	Dormant	**63.4**	65.2	HK$1,000
e. Subsidiaries of Tinggi Murni Sdn. Bhd.					
Samudra Pelangi Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
i. Subsidiaries of Samudra Pelangi Sdn. Bhd.					
Hexon Housing Development Sdn. Bhd.	Malaysia	Property development and property investment	**63.4**	65.2	100,000
Indasu Housing Development Sdn. Bhd.	Malaysia	Housing development	**63.4**	65.2	2
KSM Property Development Sdn. Bhd.	Malaysia	Inactive	**63.4**	65.2	500,002
Patsawan Properties Sdn.Bhd.	Malaysia	Property development	**63.4**	65.2	140,000

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST		PAID-UP SHARE CAPITAL
			2008	2007	
			%	%	**RM**
v. SUBSIDIARIES OF E&OPROP (CONTD)					
e. Subsidiaries of Tinggi Murni Sdn. Bhd. (Contd)					
i. Subsidiaries of Samudra Pelangi Sdn. Bhd. (Contd)					
Rhinever Housing Development Sdn. Bhd.	Malaysia	Housing development	**63.4**	65.2	2
Rimelite Sdn. Bhd.	Malaysia	Dormant	**63.4**	65.2	2
Senna Sdn. Bhd.	Malaysia	Investment holding	**63.4**	65.2	2
Terra Damansara Sdn. Bhd.	Malaysia	Property development	**63.4**	65.2	540,000
Unicorn Housing Development Sdn. Bhd.	Malaysia	Housing development	**63.4**	65.2	2
i. Subsidiary of Indasu Housing Development Sdn. Bhd.					
Monplus Housing Development Sdn. Bhd.	Malaysia	Housing development	**63.4**	65.2	250,000
f. Subsidiary of Pelicrest Sdn. Bhd.					
** KCB (Guernsey) Limited	Channel Islands	Investment holding	**63.4**	65.2	£1,000
g. Subsidiary of Kamunting Tin Dredging Limited					
** Goldtap Services Limited	England	Food and beverage	**63.4**	65.2	£1

* Audited by affiliate of Ernst & Young Global

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

@ Audited by firms of auditors other than Ernst & Young and the financial year end are 31 December.

The quoted shares in the subsidiaries with carrying amount of RM360,691,000 (2007: RM432,263,000) have been pledged as security for borrowings as disclosed in Note 35.

(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 35.

a. ACQUISITIONS OF SUBSIDIARIES

2008

As disclosed in Note 43(A), 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 are no disclosure of the financial position and financial results of EOT and TFCR as the amounts involved are immaterial.

19. INVESTMENTS IN SUBSIDIARIES (CONTD)

a. ACQUISITIONS OF SUBSIDIARIES (CONTD)

2008 (Contd)

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 as disclosed in Note 40.

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
Fair value of total net assets	292
Less : Minority interest	(143)
Goodwill on acquisition (Note 18)	1,851
Cost of investment	2,000

	DGM RM'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)

2007

During the previous financial year, a subsidiary of the Company, E&OPROP, had completed the acquisitions of E&O-PDC Holdings Sdn. Bhd. (formerly known as KGN-PDC Holdings Sdn. Bhd.) ("E&O-PDC"), Teratak Warisan (M) Sdn. Bhd. ("TWSB") and Goldtap Services Limited ("GSL").

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

The costs of acquisition comprised the following :

	E&O-PDC RM'000	TWSB RM'000	TOTAL RM'000
Purchase consideration satisfied by :			
- cash	18,000	8,341	26,341
- amount due from Koperasi Gabungan Negeri Pulau Pinang Berhad	6,000	-	6,000
- part of the proceeds from disposal of land to KGN	13,000	-	13,000
Incidental costs attributable to the acquisitions, paid in cash	111	-	111
Total costs of acquisitions	37,111	8,341	45,452

The results of the acquired subsidiaries are immaterial to the Group's revenue and profit for the financial year.

	E&O-PDC RM'000	TWSB RM'000	TOTAL RM'000
The assets and liabilities arising from the acquisitions are as follows :			
Fair value recognised on acquisitions			
Land held for property development (Note 15)	30,054	-	30,054
Investment in associate	-	17,558	17,558
Receivables	-	38	38
	30,054	17,596	47,650
Payables	76	8,689	8,765
Deferred tax liabilities	7,814	566	8,380
	7,890	9,255	17,145

19. INVESTMENTS IN SUBSIDIARIES (CONTD)

a. ACQUISITIONS OF SUBSIDIARIES (CONTD)

2007 (Contd)

	E&O-PDC RM'000	TWSB RM'000	TOTAL RM'000
Fair value recognised on acquisitions (Contd)			
Fair value of net assets	22,164	8,341	30,505
Add : Minority interests	14,947	-	14,947
Group's share of net assets, representing total costs of acquisitions	37,111	8.341	45,452
Acquiree's carrying amount			
Investment in associate	-	6,230	6,230
Receivables	-	38	38
	-	6,268	6,268
Payables	76	8,689	8,765
The cash outflow on acquisitions is as follows :			
Purchase consideration satisfied by cash	18,000	8,341	26,341
Incidental costs attributable to the acquisitions, paid in cash	111	-	111
Total cash outflow of E&OPROP Group	18,111	8,341	26,452
Cash settlement within the Group	-	(4,170)	(4,170)
Net cash outflow of the Group	18,111	4,171	22,282

b. DISPOSAL OF SUBSIDIARIES

2008

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

2007

During the previous financial year, pursuant to a Joint Venture Agreement between Ribuan Imbang Sdn. Bhd. and Lion Courts Sdn. Bhd., the Group's equity interest in Mergexcel Property Development Sdn. Bhd. ("MPDSB") was diluted from 100% to 50%, resulting in MPDSB became a jointly controlled entity of the Group.

The effect of dilution of interest in MPDSB on the financial position at the reporting date, the results for the reporting period and on the corresponding amounts for the preceding period were immaterial.

20. INVESTMENTS IN ASSOCIATES

	GROUP	
	2008 RM'000	2007 RM'000
In Malaysia :		
Quoted shares, at cost	**27,344**	18,383
Unquoted shares, at cost	**16,870**	16,850
Share of post-acquisition reserves	**(13,437)**	(10,563)
	30,777	24,670
Market value of quoted shares	**13,829**	4,531

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

NAME OF ASSOCIATES	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST		PROPORTION OF VOTING POWER	
		2008 %	2007 %	**2008 %**	2007 %
Renown Heritage Sdn. Bhd.	Property invesment	**31.71**	32.61	**31.71**	32.61
Fututech Berhad ("Fututech")	Investment holding	**17.56**	16.23	**17.56**	16.23
Puncak Madu Sdn. Bhd. ("PMSB")	Property development	**31.71**	26.08	**31.71**	26.08

During the financial year, Fututech had undertaken a capital reduction exercise, capital consolidation and Rights Issue. Subsequent to the Rights Issue exercise, the Group has 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 during the 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 2008 and their respective financial year ends.

The summarised financial information of the associates are as follows :

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	**25,879**	24,276
Non-current assets	**308,779**	200,336
Total assets	**334,658**	224,612

20. INVESTMENTS IN ASSOCIATES (CONTD)

The summarised financial information of the associates are as follows : (Contd)

	2008 RM'000	2007 RM'000
Assets and liabilities (Contd)		
Current liabilities	**125,897**	103,284
Non-current liabilities	**148,539**	5,118
Total liabilities	**274,436**	108,402
Results		
Revenue	**32,079**	50,875
Loss for the financial year	**(10,215)**	(38,142)

Investments in associates of the Group amounted to RM15,980,000 (2007: RM7,792,000) 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 its 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 RM113,000 (2007: RM8,127,000). The recoverable amount was based on best estimate by the management.

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	GROUP	
	2008 RM'000	2007 RM'000
Unquoted shares at cost	**125**	125
Share of post-acquisition reserves	**(605)**	(26)
Transfer to amounts due to jointly controlled entities (Note 36)	**480**	-
	-	99

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

Details of the jointly controlled entities are as follows :

NAME OF JOINTLY CONTROLLED ENTITIES	COUNTRY OF INCRPORATION	PRINCIPAL ACTIVITY	PROPORTION OF OWNERSHIP INTEREST	
			2008 %	2007 %
MPDSB	Malaysia	Property development	**31.71**	32.61
Joint venture between E&O Property (Penang) Sdn. Bhd. and Tanjung Pinang Villas Sdn. Bhd.	Malaysia	Property development	**31.71**	-

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

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	**61,346**	8,660
Non-current assets	**157,524**	6,861
Total assets	**218,870**	15,521
Current liabilities	**219,877**	15,311
Results		
Revenue	**3,565**	-
Loss for the financial year	**(1,216)**	(38)

22. OTHER INVESTMENTS

	GROUP		**COMPANY**	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
At Cost :				
Quoted investments in Malaysia :				
- shares	**26,683**	26,683	**-**	-
- warrants	**-**	-	**-**	-
Quoted investments outside Malaysia :				
- shares	**-**	51	**-**	-
Unquoted shares	**-**	15,692	**-**	-
Others	**5,118**	5,629	**3,000**	3,134
	31,801	48,055	**3,000**	3,134
Less : Accumulated impairment losses	**(12,625)**	(12,725)	**-**	-
	19,176	35,330	**3,000**	3,134
At Market Value :				
Quoted shares :				
- in Malaysia	**14,665**	14,007	**-**	-
- outside Malaysia	**-**	105	**-**	-
Warrants quoted in Malaysia	**2,151**	-	**-**	-

The Group and the Company were granted by Alliance Merchant Bank Berhad 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.

22. OTHER INVESTMENTS (CONTD)

Investments in quoted shares in Malaysia of the Group amounting to RM13,849,000 (2007: RM13,750,000) 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.

In the previous financial year, included in other investments was an amount of RM378,000 which has been disposed of during the current financial year following the disposal of the subsidiary as disclosed in Note 11.

23. LONG TERM RECEIVABLE

This represents a secured advance by a subsidiary to a joint venture partner in the previous financial year end, subject to the terms and conditions as stipulated in the Joint Venture Agreement. No development activity has been commenced as at previous financial year end.

24. RECEIVABLES

		GROUP		COMPANY	
	NOTE	**2008 RM'000**	2007 RM'000	**2008 RM'000**	2007 RM'000
Non-current					
Amount due from subsidiaries	b	**-**	-	**194,828**	164,901
Less : Allowance for doubtful debts		**-**	-	**(23,424)**	(23,424)
		-	-	**171,404**	141,477
Current					
Trade receivables		**41,494**	330,515	**-**	-
Retention sum receivable		**32,002**	43,087	**-**	-
	c	**73,496**	373,602	**-**	-
Other receivables	d	**11,333**	12,182	**2,074**	2,857
Amounts due from subsidiaries	b	**-**	-	**203,247**	226,617
Amounts due from associates	e	**42,208**	19,360	**-**	-
Amounts due from jointly controlled entities	f	**30,622**	6,527	**-**	-
Performance deposit		**5,250**	6,250	**5,250**	6,250
Deposits and prepayments	g	**5,515**	15,791	**1,545**	2,260
Tax recoverable		**11,389**	13,858	**3,477**	3,477
		179,813	447,570	**215,593**	241,461
Less : Allowance for doubtful debts :					
Trade receivables		**(3,988)**	(3,990)	**-**	-
Other receivables		**(129)**	(129)	**-**	-
		175,696	443,451	**215,593**	241,461

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 (2007: 21) days in accordance with the Housing Development (Control and Licensing) Act 1966, whereas the credit term for other business activities ranges from 30 to 170 (2007: 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 at rates ranging from 0.5% to 8.25% (2007: 0.5% to 7.0%) per annum.

Included in the amount due from subsidiaries of the Company in the previous financial year is an amount of RM135,000 due from a subsidiary, which was disposed of during the current financial year.

c. TRADE RECEIVABLES

The Group's trade receivables are analysed as follows :

	GROUP	
	2008 RM'000	2007 RM'000
Amounts due from affiliated companies	**-**	34,279
Third party receivables	**73,496**	339,323
	73,496	373,602

Affliliated companies are described in Note 41.

Retention sum receivable are the monies withheld by lawyer upon delivery of vacant possession to the properties owners. 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. OTHER RECEIVABLES

Included in other receivables of the Company in the previous financial year is an amount of RM125,000 owing by a subsidiary acquired in the current financial year.

e. AMOUNTS DUE FROM ASSOCIATES

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

f. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

Jointly controlled entities are described in Note 21. The amount due from a jointly controlled entity of RM15,197,000 is unsecured, bears interest of 8.5% interest 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.

g. DEPOSITS AND PREPAYMENTS

Included in deposits and prepayments in the previous financial year was a deposit of RM2,250,000 paid to Mechmar Corporation (Malaysia) Berhad for the acquisition of 900,000 ordinary shares of RM1.00 each representing 18% equity interest in Permaijana Ribu (M) Sdn. Bhd. as disclosed in Note 43(A)(4).

Further details on related party transactions are disclosed in Note 41.

Other information on financial risks of other receivables are disclosed in Note 45.

25. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2008 RM'000	2007 RM'000
At 1 April	**(64,158)**	(52,684)
Acquisitions of subsidiaries	**-**	(8,380)
Acquisitions of remaining equity interest in subsidiaries	**-**	(4,936)
Recognised in income statement (Note 10)	**20,810**	1,842
Disposal of PPB Group	**2,410**	-
At 31 March	**(40,938)**	(64,158)
Presented after appropriate offsetting as follows :		
Deferred tax assets	**14,792**	14,181
Deferred tax liabilities	**(55,730)**	(78,339)
	(40,938)	(64,158)

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	INVENTORIES RM'000	PROVISIONS RM'000	OTHERS RM'000	TOTAL RM'000
At 1 April 2006	3,687	98	148	15,281	29	19,243
Acquisition of remaining equity interest in subsidiaries	-	-	31	-	-	31
Recognised in income statement	(25)	-	-	(3,020)	259	(2,786)
At 31 March 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**

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 2006	(98)	(6,989)	(61,536)	(7)	(3,297)	-	(71,927)
Acquisitions of subsidiaries	-	-	(7,814)	-	-	(566)	(8,380)
Acquisition of remaining equity interest in subsidiaries	-	(433)	(3,202)	-	(104)	(1,228)	(4,967)
Recognised in income statement	-	(507)	3,838	-	450	847	4,628
At 31 March 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)**

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

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Unabsorbed tax losses	**54,971**	58,753	**-**	1,104
Unutilised capital allowances	**17,504**	14,794	**533**	531
Unabsorbed reinvestment allowances	**47,755**	47,755	**-**	-
Provisions	**52**	43	**23,424**	23,424
Land held for property development	**19,159**	17,603	**-**	-
Property development costs	**7,739**	8,627	**-**	-
Property, plant and equipment	**6**	8	**-**	-
Others	**466**	-	**-**	-
	147,652	147,583	**23,957**	25,059

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 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.

26. 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 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	(2,846)	143,806
Transfer to investment properties (Note 16)	(8,000)	-	(4,098)	-	(12,098)
Reversal of completed projects to inventories	(12,676)	-	(23,147)	-	(35,823)
Unsold units transferred to inventories	(4,872)	-	(8,896)	-	(13,768)
Reversal of expected loss	-	-	-	1,066	1,066
At 31 March 2008	259,984	79,798	833,014	(1,780)	1,171,016
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 to inventories	12,676	-	23,147	-	35,823
At 31 March 2008	(227,279)	(10,736)	(652,183)	-	(890,198)
At 31 March 2008	32,705	69,062	180,831	(1,780)	280,818

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	TOTAL RM'000
At 31 March 2007				
Cumulative property development costs				
At 1 April 2006	261,143	50,135	376,554	687,832
Costs incurred during the financial year	6,831	1,653	283,137	291,621
Land conversion	63,866	(63,866)	-	-
Transfer from land held for property development (Note 15)	(43,316)	23,263	10,529	(9,524)
Reversal of completed projects to inventories	(963)	-	(1,670)	(2,633)
Unsold units transferred to inventories	(168)	-	-	(168)
At 31 March 2007	287,393	11,185	668,550	967,128

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	TOTAL RM'000
At 31 March 2007 (Contd)				
Cumulative costs recognised in income statement				
At 1 April 2006	(70,975)	(12,120)	(270,915)	(354,010)
Recognised during the financial year	(80,677)	(24,263)	(247,543)	(352,483)
Land conversion	(34,488)	34,488	-	-
Reversal of completed projects to inventories	963	-	1,670	2,633
At 31 March 2007	(185,177)	(1,895)	(516,788)	(703,860)
At 31 March 2007	102,216	9,290	151,762	263,268

Development properties of the Group with carrying amount of RM66,147,000 (2007: RM119,100,000) and RM200,468,000 (2007: RM84,339,000) respectively, 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 35.

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 35.

Included in property development costs incurred during the financial year is an interest expense of RM3,831,000 (2007: RM17,739,000).

27. INVENTORIES

	GROUP	
	2008 RM'000	2007 RM'000
At cost :		
Complete properties	**23,158**	39,501
Trading inventories	**329**	329
Food, beverages and tobacco	**612**	472
General supplies	**321**	290
	24,420	40,592
At net realisable value :		
Completed properties	**3,002**	-
	27,422	40,592

28. AMOUNT DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION WORK

	GROUP
	2007 RM'000
Construction contract cost incurred to date	972,641
Attributable profit	80,251
	1,052,892
Less : Progress billings	(1,029,841)
	23,051
Represented by :	
Amount due from customers on construction work	30,382
Amount due to customers on construction work	(7,331)
	23,051

	GROUP	
	2008 RM'000	2007 RM'000
Contract revenue recognised as revenue in the financial year	**238,613**	530,289
Contract cost recognised as expenses in the financial year	**(213,040)**	(467,872)

The costs incurred to date on construction contracts include the following charges made during the financial year :

	GROUP	
	2008 RM'000	2007 RM'000
Employee benefits expense (inclusive of contributions to defined contribution plan of RM1,416,000 (2007 : RM2,067,000))	**14,864**	22,181
Depreciation of property, plant and equipment (Note 14)	**1,717**	2,667
Amortisation of intangible assets (Note 18)	**28**	46
Hire of machinery	**3,270**	3,368
Rental of premises	**325**	466

29. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Cash on hand and at banks	**130,857**	212,979	**77**	2,631
Deposits with :				
Licensed banks	**324,166**	115,586	**215,791**	50,207
Other financial institutions	**-**	16,317	**-**	-
	324,166	131,903	**215,791**	50,207
	455,023	344,882	**215,868**	52,838

Notes :

a. Other financial institutions are licensed discount houses and a trust company in Malaysia.

b. Included in cash and bank balances of the Group are amounts of RM112,721,000 (2007: RM75,927,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations. RM55,128,000 (2007: RM11,640,000) 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 35.

c. Cash and bank balances of RM45,230,000 (2007: RM30,486,000) 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 35.

d. Included in deposit with licensed banks is an amount of RM163,000 (2007: RM183,000) pledged as security for bank guarantees issued to an utility company.

e. Other information on financial risks of cash and cash equivalents are disclosed in Note 45.

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

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Deposits with :				
Licensed banks	**324,166**	115,586	**215,791**	50,207
Other financial institutions	**-**	16,317	**-**	-
Cash on hand and at banks	**130,857**	212,979	**77**	2,631
Bank overdrafts (Note 35)	**(2,528)**	(299)	**(185)**	-
Total cash and cash equivalents	**452,495**	344,583	**215,683**	52,838

30. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	GROUP	
	CARRYING AMOUNT AS AT	
	2008 RM'000	2007 RM'000
Assets		
Land held for property development (Notes (i) and 15)	**51,538**	8,705
Invesment properties (Notes (ii) and 16)	**4,667**	5,500
	56,205	14,205

Note (i) :

2008

As disclosed in Note 44(1), KCB Trading Sdn. Bhd., a wholly-owned subsidiary of E&O Property Development Berhad ("E&OPROP"), which in turn is the subsidiary of the Company had on 6 June 2008 entered into a conditional Sale and Purchase Agreement with Magna Universe Sdn. Bhd. to dispose a piece of freehold land held for property development with a carrying amount of RM51,538,000.

30. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONTD)

Note (i) (Contd) :

2008 (Contd)

The land held for property development was classified as non-current asset classified 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 cost to sell.

This asset is pledged to the financial institution as security for the credit facility granted to the subsidiary as disclosed in Note 35.

2007

As disclosed in Note 43(A)(6) and in accordance with Joint Venture Agreement entered between E&O Property (Penang) Sdn. Bhd. ("EOPP") and Tanjung Pinang Villas Sdn. Bhd. (formerly known as K.L. Park City Sdn. Bhd.) ("TPV") on 21 September 2006, EOPP had disposed of a parcel of land held for property development with a net carrying amount of RM8,705,000 to TPV as its capital participation in an unincorporated joint-venture. The land held for property development was classified as non-current asset classified as held for sale in the consolidated balance sheet as at the previous financial year end, and is stated at lower of carrying amount and fair value less costs to sell.

This asset was pledged to the financial institutions as security 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 35.

Note (ii) :

2008

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 as at the financial year end. 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.

2007

An investment property with a net carrying amount of RM5,500,000 of E&O Management Services Sdn. Bhd., a wholly-owned subsidiary of the E&OPROP, which in turn is the subsidiary of the Company, was disposed of during the financial year.

The investment property was classified as non-current asset classified as held for sale in the consolidated balance sheet as at the previous financial year end, and is stated at lower of carrying amount and fair value less costs to sell.

31. SHARE CAPITAL

	NUMBER OF ORDINARY STOCK UNITS OF RM1.00 EACH		AMOUNT	
	2008 '000	2007 '000	**2008 RM'000**	2007 RM'000
Authorised :				
At 1 April	**800,000**	800,000	**800,000**	800,000
Created during the financial year	**200,000**	-	**200,000**	-
At 31 March	**1,000,000**	800,000	**1,000,000**	800,000

	NUMBER OF ORDINARY STOCK UNITS OF RM1.00 EACH		AMOUNT	
	2008 **'000**	2007 '000	**2008** **RM'000**	2007 RM'000
Issued and fully paid :				
At 1 April	**358,961**	232,472	**358,961**	232,472
Ordinary stock units issued during the financial year :				
- rights issue (Note a)	**-**	80,557	**-**	80,557
- special bumiputra issue (Note b)	**-**	33,709	**-**	33,709
- warrants exercised	**31,806**	595	**31,806**	595
- conversion of ICULS (Note 32)	**25,597**	7,131	**25,597**	7,131
- pursuant to EOB ESOS (Note 38(B)(I))	**2,697**	4,497	**2,697**	4,497
At 31 March	**419,061**	358,961	**419,061**	358,961

During the financial year, the Company increased its issued and paid-up ordinary stock units from RM358,961,163 to RM419,061,376 by way of :

i. the issuance of 2,697,345 ordinary stock units of RM1.00 each for cash pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM1.05 per ordinary stock unit;

ii. the issuance of 31,806,172 ordinary stock units of RM1.00 each arising from the exercise of 31,806,172 Warrants 2001/2011 of RM1.00 each; and

iii. the issuance of 25,596,696 ordinary stock units of RM1.00 each arising from the conversion of 25,596,696 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM1.00 nominal value each.

The new ordinary stock units issued during the financial year ranked 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.

a. RIGHTS ISSUE

In the previous financial year, the Company issued 80,556,964 ordinary stock units of RM1.00 each pursuant to a renounceable two-call rights issue of 80,556,964 new ordinary stock units of RM1.00 each at an issue price of RM1.00 each (of which the first call of RM0.35 is payable in cash on application and the second call of RM0.65 is payable out of the Company's share premium account) on the basis of one right stock unit for every three existing ordinary stock units.

b. SPECIAL BUMIPUTRA ISSUE

In the previous financial year, the Company issued 33,709,000 ordinary stock units of RM1.00 each through a special issue to identified Bumiputra investors to comply with the 30% Bumiputra equity condition imposed by the Securities Commission and the Foreign Investment Committee.

Of the total 419,061,376 (2007: 358,961,163) issued and fully paid-up ordinary stock units of RM1.00 each, 2,530,300 (2007: 772,900) stock units are held as treasury stock units by the Company. As at 31 March 2008, the number of issued and fully paid-up ordinary stock units (not held as treasury stock units) is 416,531,076 (2007: 358,188,263) ordinary stock units of RM1.00 each.

32. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	GROUP/COMPANY		
	EQUITY COMPONENT RM'000	LIABILITY COMPONENT RM'000	TOTAL RM'000
Nominal value			
At 1 April 2006	-	-	-
Issued during the financial year	106,321	49,514	155,835
Converted to ordinary stock units during the financial year	(4,866)	(2,345)	(7,211)
8% coupon ICULS	-	2,562	2,562
At 31 March 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**

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.
- 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.

33. TREASURY STOCK UNITS

	GROUP/COMPANY	
	2008 RM'000	2007 RM'000
At cost :		
At 1 April	**749**	6,281
Purchase of treasury stock units	**4,361**	534
Sale of treasury stock units	**-**	(6,066)
At 31 March	**5,110**	749

The stockholders of the Company, by a special resolution passed in a general meeting held on 28 September 2007 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 1,757,400 (2007: 492,900) of its issued ordinary stock units from the open market at an average price of RM2.48 (2007: RM1.08) per stock unit. The total consideration paid for the repurchase including transaction costs was RM4,361,645 (2007: RM534,086). The stock units repurchased are being held as treasury stock units in accordance with Section 67A of the Companies Act, 1965.

The Company had, in the previous financial year, sold 7,920,400 treasury stock units in the open market. The average sale price of the treasury stock units was RM1.15 per stock unit. The total proceeds from the sale are for working capital purposes.

As at 31 March 2008, the total stock units repurchased and held as treasury stock units amounts to 2,530,300 (2007: 792,900) ordinary stock units of RM1.00 each at a total cost of RM5,110,000 (2007: RM749,000).

34. RESERVES

		GROUP		COMPANY	
	NOTE	**2008 RM'000**	2007 RM'000	**2008 RM'000**	2007 RM'000
Distributable :					
Retained profits	a	**154,054**	44,184	**98,183**	103,032
Non-distributable :					
Share premium	b	**76,006**	76,266	**76,006**	76,266
Share option reserve	c	**1,294**	2,017	**1,294**	2,017
Revaluation reserve	d	**-**	24,513	**-**	-
Exchange reserve	e	**390**	86	**-**	-
		77,690	102,882	**77,300**	78,283
		231,744	147,066	**175,483**	181,315

34. RESERVES (CONTD)

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 gazzetted 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 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 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.

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. REVALUATION RESERVE

The revaluation reserve of the Group arose as a result of the revaluation of lands and buildings of subsidiaries, net of deferred tax effect.

e. 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.

35. BORROWINGS

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Short Term Borrowings				
Secured :				
Bank overdrafts	**2,280**	10	**185**	-
Term loans	**23,623**	186,262	**3,000**	66,096
Bridging loans	**-**	4,000	**-**	-
Revolving credits	**140,000**	75,000	**55,000**	5,000
Commercial papers	**80,000**	80,000	**-**	-
Medium term notes	**20,000**	-	**-**	-
Hire purchase	**872**	422	**-**	-
	266,775	345,694	**58,185**	71,096

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Short Term Borrowings (Contd)				
Unsecured :				
Bank overdrafts	**248**	289	**-**	-
Revolving credits	**1,500**	1,500	**-**	-
	1,748	1,789	**-**	-
	268,523	347,483	**58,185**	71,096
Long Term Borrowings				
Secured :				
Term loans	**256,850**	184,791	**144,000**	111,090
Medium term notes	**250,000**	270,000	**-**	-
Hire purchase	**2,067**	1,352	**-**	-
	508,917	456,143	**144,000**	111,090
Unsecured :				
Term loans	**50,000**	50,000	**30,000**	30,000
	558,917	506,143	**174,000**	141,090
Total Borrowings				
Secured :				
Bank overdrafts	**2,280**	10	**185**	-
Term loans (Note (a))	**280,473**	371,053	**147,000**	177,186
Bridging loans (Note (b))	**-**	4,000	**-**	-
Revolving credits (Note (c))	**140,000**	75,000	**55,000**	5,000
Commercial papers (Note (d))	**80,000**	80,000	**-**	-
Medium term notes (Note (d))	**270,000**	270,000	**-**	-
Hire purchase (Note (e))	**2,939**	1,774	**-**	-
	775,692	801,837	**202,185**	182,186
Unsecured :				
Bank overdrafts	**248**	289	**-**	-
Term loans (Note (a))	**50,000**	50,000	**30,000**	30,000
Revolving credits (Note (c))	**1,500**	1,500	**-**	-
	51,748	51,789	**30,000**	30,000
	827,440	853,626	**232,185**	212,186

35. BORROWINGS (CONTD)

Notes :

a. 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.

b. BRIDGING LOANS

The bridging loans in previous year were secured by charge on certain development properties of the Group as disclosed in Note 26.

c. REVOLVING CREDITS

The revolving credits are secured by charge on certain development properties of the Group as disclosed in Note 26.

d. COMMERCIAL PAPERS 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. The utilisation of the cash proceeds of RM350,000,000 raised from the issuance of BG CP/MTNs by EOPP was as follows :

	GROUP
	2007 RM'000
Expenses for the corporate proposal	1,198
Repayments of term loan and bridging loan	244,393
Working capital of EOPP and repayment of shareholders' advances	101,098
Payment of interest	3,311
	350,000

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	
	2008 RM'000	2007 RM'000
Future minimum lease payments :		
Not later than 1 year	**1,025**	477
Later than 1 year and not later than 2 years	**923**	477
Later than 2 years and not later than 5 years	**1,349**	1,062
Total future minimum lease payments	**3,297**	2,016
Less : Future finance charges	**(358)**	(242)
Present value of finance lease liabilities	**2,939**	1,774
Less : Amount due within 12 months	**(872)**	(422)
Amount due after 12 months	**2,067**	1,352

f. Other information on financial risks of borrowings are disclosed in note 45.

36. PAYABLES

	NOTE	GROUP		COMPANY	
		2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Trade payables	a	**46,229**	257,232	**-**	-
Retention sum payable		**21,024**	82,125	**-**	-
		67,253	339,357	**-**	-
Amounts due to subsidiaries	b	**-**	-	**61,470**	3,060
Amounts due to jointly controlled entities	c	**480**	-	**-**	-
Amount due to an affiliated company	d	**74**	73	**-**	-
Amount due to a minority shareholder	e	**12,826**	12,826	**-**	-
Other payables		**33,737**	32,356	**67**	-
Other accruals	f	**26,638**	53,746	**4,306**	5,928
Deposits received		**3,653**	4,654	**-**	-
Dividend payable		**15,412**	-	**15,412**	-
		160,073	443,012	**81,255**	8,988

a. **TRADE PAYABLES**

Included in trade payable is a creditor amounting to RM15,940,000 (2007:RM15,940,000) which represents the deferred purchase consideration in respect of certain land held for property development and certain investment properties. This deferred amount is repayable by twelve half-yearly equal instalments commencing on 8 October 2002 and is secured against certain land held for property development as disclosed under Notes 15.

36. PAYABLES (CONTD)

a. TRADE PAYABLES (CONTD)

Interest is 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% (2007: 8.0%) per annum.

The normal credit terms granted by trade creditors to the Group range from 14 to 120 (2007: 14 to 120) days.

b. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, interest-free 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 is repayable on demand.

d. AMOUNT DUE TO AN AFFILIATED COMPANY

Affiliated company is described in Note 41. 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.

f. OTHER ACCRUALS

Included in other accruals in the previous financial year is retirement benefit of RM38,000 and the details of which are disclosed in Note 38(A).

Further details on related party transactions are disclosed in Note 41.

Other information on financial risks of payables are disclosed in Note 45.

37. PROVISIONS

	CONTRACTOR'S CLAIMS AND WARRANTIES RM'000	OTHERS RM'000	TOTAL RM'000
GROUP			
At 1 April 2006	41,733	181	41,914
Additional provision during the financial year	500	1,961	2,461
Utilisation of provision during the financial year	(3,743)	-	(3,743)
Unused amout reversed during the financial year	(8,991)	-	(8,991)
At 31 March 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**

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

38. EMPLOYEE BENEFITS

A. RETIREMENT BENEFIT OBLIGATIONS

Certain subsidiaries of the Group contribute to a funded, defined benefit scheme, known as the Putrajaya Perdana Group Retirement Benefit Scheme ("Funded Scheme") for its eligible employees. Contributions to the Funded Scheme are to be made to a separately administered fund. Under the Scheme, eligible employees are entitled to one month of the final or last drawn salary for each completed year of service with the Group upon attainment of the retirement age of 55 years. For the employees who leave before attaining the retirement age, the retirement benefit will be computed based on the scale rate stipulated in the Scheme.

During the financial year, the Group has discontinued the construction and related activities following the disposal of PPB Group.

Based on the last actuarial valuation carried out, the defined benefit obligations for the financial year are shown as follows :

	FUNDED RM'000
GROUP	
At 31 March 2007	
Present value of defined benefit obligations	6,983
Fair value of plan assets	(5,780)
	1,203
Unrecognised actuarial losses	(1,165)
	38
Recognised as :	
- Other accruals (Note 36(f))	38

The amounts recognised in the income statement in the previous financial year are as follows :

	FUNDED RM'000
At 31 March 2007	
Current service cost	631
Interest cost	354
Expected return on plan assets	(292)
Total, included in employee benefits expense	693

The Funded Scheme is based on a recent valuation performed in March 2006.

The entire charge for the previous financial year has been included in administrative expenses.

38. EMPLOYEE BENEFITS (CONTD)

A. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

	GROUP	
	2008 RM'000	2007 RM'000
At 1 April	77	131
Recognised in income statement	-	693
Contributions made during the financial year	-	(747)
Disposal of PPB Group	(77)	-
At 31 March	-	77

Principal actuarial assumptions used :

	GROUP
	2007 % PER ANNUM
Discount rate	6.00
Expected return on plan assets	3.00
Expected rate of salary increase	3.50

B. EMPLOYEES' SHARE OPTION SCHEME

I. 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 Scheme shall be in force for a period of five years and may be extended for another five years subject to the approval of the stockholders and relevant authorities.

f. the options granted may be exercised at any time from the date of offer of the options up to five years from the date of implementation of the scheme on 29 April 2002.

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					
	MOVEMENT DURING THE YEAR				
OUTSTANDING AT 31 MARCH 2007 '000	GRANTED '000	EXERCISED '000	FORFEITED '000	EXPIRED '000	OUTSTANDING AT 31 MARCH 2008 '000
7,176	-	(2,569)	-	-	4,607

As disclosed in Note 31, options exercised during the financial year resulted in the issuance of 2,697,345 ordinary stock units at RM1.00 each. The weighted average share prices at the date of exercise was RM2.96.

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.

II. Putrajaya Perdana Berhad Employees' Share Option Scheme

A subsidiary of the Company implemented an Employees' Share Option Scheme on 13 October 2006, namely the Putrajaya Perdana Berhad Employees' Share Option Scheme ("PPB ESOS") which is governed by the by-laws approved by the shareholders of PPB at an Extraordinary General Meeting held on 22 August 2006. The PPB ESOS is to be in force for a period of 5 years from the date of implementation.

The salient features of the PPB ESOS are :

a. The Options Committee appointed by the Board of Directors of PPB to administer the PPB ESOS, may from time to time grant options to eligible persons of the Group to subscribe for new ordinary shares of RM0.50 each in PPB.

b. Subject to the discretion of the Options Committee, any employee of PPB whose employment has been confirmed and a Director of PPB or a person connected to such Director shall be eligible to participate in the PPB ESOS provided that the offer and consequent allotment of new shares (if any) to such Director or person connected, shall, if required by the relevant authorities, have first been approved by the shareholders of PPB in general meeting.

c. The total number of shares to be issued under the PPB ESOS shall not exceed in aggregate 15% of the issued share capital of PPB at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than 10% of the shares available under the PPB ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, hold 20% or more in the issued and paid-up capital of PPB.

d. Where the option were granted pursuant to the Initial Public Offering ("IPO"), the option share price shall not be less than the IPO price, while the option price for each share of the subsequent grant shall be the weighted average of the market price as quoted in the Daily Official List issued by Bursa Securities for the 5 market days immediately preceding the date on which the option is granted less, if the Options Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of PPB, whichever is higher.

38. EMPLOYEE BENEFITS (CONTD)

B. EMPLOYEES' SHARE OPTION SCHEME (CONTD)

II. Putrajaya Perdana Berhad Employees' Share Option Scheme (Contd)

e. The options shall become exercisable once granted. The employees' entitlement to the options are vested as soon as they become exercisable.

f. All new ordinary shares issued upon exercise of the options granted under the PPB ESOS will rank pari passu in all respects with the existing ordinary shares of PPB other than the new shares so issued shall not be entitled to any dividends rights, allotments or any other distribution declared, made or paid to shareholders, the record date for which precedes the date of the allotment of new shares.

g. The person to whom the options have been granted has no rights to participate by virtue of the options, in any share issue of any other company within the PPB Group unless otherwise provided or approved by the committee.

The following table illustrate the number and movements in, share options with exercise prices of RM1.80 in the previous financial year :

NUMBER OF SHARE OPTIONS					
	MOVEMENT DURING THE YEAR				
OUTSTANDING AT 1 APRIL 2006 '000	GRANTED '000	EXERCISED '000	FORFEITED '000	EXPIRED '000	OUTSTANDING AT 31 MARCH 2007 '000
-	5,300	(1)	(74)	-	5,225

The options exercise in the previous financial year resulted in the issuance of 1,000 ordinary shares of PPB at RM1.80 each. The share price at the date of exercise was RM2.00.

The fair value of share options granted in the previous 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)	1.74
Weighted average exercise price (RM)	1.80
Expected volatility (%)	23.00
Expected life (years)	4.98
Risk free rate (%)	3.61
Expected dividend yield (%)	4.96

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

During the financial year, the Group has discontinued the PBB ESOS following the disposal of PPB Group.

39. COMMITMENTS

a. CAPITAL COMMITMENTS

	GROUP	
	2008 RM'000	2007 RM'000
Approved and contracted for		
Proposed acquisition of land	-	19,579
Property, plant and equipment	**7,597**	6,913
Others	-	22,711
	7,597	49,203

b. NON-CANCELLABLE LEASE COMMITMENTS

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

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
1 year after balance sheet date	**3,091**	938	**788**	720
More than 1 year but not later than 5 years	**4,823**	210	**1,822**	120
More than 5 years	**2,003**	-	**-**	-

40. CONTINGENT LIABILITIES

	GROUP	COMPANY	
	2008 RM'000	**2008 RM'000**	2007 RM'000
Secured :			
Guarantees given to financial institutions for credit facilities granted to subsidiaries*	**-**	**31,450**	30,135
Unsecured :			
Contingent liability arising from investment in a subsidiary company :			
Balance of purchase consideration subject to DGM attaining certain profit target within 3 financial years (Note 43A(3))	**1,060**	**-**	-

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

41. 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	
	2008 RM'000	2007 RM'000
Associate :		
Management fee receivable	**(10)**	(11)
Progress billings to affiliated companies :		
Putrajaya Holdings Sdn. Bhd. Group	**-**	(26,501)
Transactions with companies in which a director of a subsidiary company has financial interest :		
Progress claim from Tidalmarine Engineering Sdn. Bhd.	**2,044**	13,644
Progress claim from Dr. Nik & Associates Sdn. Bhd.	**1,017**	418
Procurement of consultancy services from ANZ Equities Sendirian Berhad in which a director of the Company has a financial interest	**-**	480
Procurement of consultancy services from GDP Group companies in which certain key management personnel also holds directorship in the Company	**4,256**	5,467

41. RELATED PARTY DISCLOSURES (CONTD)

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 : (Contd)

	COMPANY	
	2008 RM'000	2007 RM'000
Subsidiaries :		
Interest income receivables	**(7,895)**	(14,486)
Dividend income	**(1,676)**	(103,704)
Management fee payables	**771**	726

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.

The other transactions between related parties on corporate affairs are dealt with in Notes 43 and 44.

Information regarding outstanding balances arising from related party transactions as at 31 March 2008 are disclosed in Notes 24 and 36.

The affiliated companies and their relationships with the Group are as follows :

AFFILIATED COMPANIES	RELATIONSHIP
Putrajaya Holdings Sdn. Bhd. ("PHSB") Group of companies	PHSB is a substantial shareholder of Putrajaya Perdana Berhad, which in turn is a former subsidiary of the Company.
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	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Short term employee benefits :				
- continuing operations	**11,654**	8,550	**5,013**	1,911
- discontinued operation	**2,420**	3,012	**-**	-
Post-employment benefits :				
Defined contribution plan :				
- continuing operations	**1,186**	1,221	**542**	311
- discontinued operation	**290**	341	**-**	-
Defined benefit plan :				
- continuing operations	**-**	-	**-**	-
- discontinued operation	**116**	157	**-**	-
Fair value of share option :				
- continuing operations	**-**	1,980	**-**	1,980
- discontinued operation	**-**	30	**-**	-
	15,666	15,291	**5,555**	4,202

Included in the total remuneration of key management personnel are :

	GROUP		COMPANY	
	2008 RM'000	2007 RM'000	**2008 RM'000**	2007 RM'000
Executive directors' remuneration (Note 9) :				
- continuing operations	**10,116**	7,652	**5,260**	2,222
- discontinued operation	**719**	984	**-**	-
	10,835	8,636	**5,260**	2,222

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	
	2008 '000	2007 '000	**2008 '000**	2007 '000
At 1 April	**7,000**	10,575	**7,000**	9,900
Exercised	**(2,500)**	(3,575)	**(2,500)**	(2,900)
At 31 March	**4,500**	7,000	**4,500**	7,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group as disclosed in Note 38(B).

42. 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 four major business segments for the financial year ended 31 March 2008 :

Continuing operations :

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

Discontinued operation :

Construction and related activities - construction and building contracting works

42. SEGMENT INFORMATION (CONTD)

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 :

	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 loss of 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					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
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 include amount due from jointly controlled entities.

2008 (CONTD)	CONTINUING OPERATIONS PROPERTIES RM'000	HOSPITALITY RM'000	INVESTMENTS AND OTHERS RM'000	ELIMINATION RM'000	TOTAL RM'000	DISCONTINUED OPERATION CONSTRUCTION AND RELATED ACTIVITIES RM'000	TOTAL OPERATIONS RM'000
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)
2007							
Revenue							
External sales	487,878	28,557	2,009	-	518,444	537,257	1,055,701
Inter-segment sales	-	-	14,191	(14,191)	-	-	-
Total revenue	487,878	28,557	16,200	(14,191)	518,444	537,257	1,055,701
Results							
Segment results	110,972	77	23,444	2,306	136,799	48,972	185,771
Share of loss of associates	-	-	(6,772)	-	(6,772)	-	(6,772)
Share of loss of jointly cotrolled entity	(26)	-	-	-	(26)	-	(26)
Finance costs					(38,383)	(34)	(38,417)
Profit before tax					91,618	48,938	140,556
Income tax expense					(22,654)	(13,196)	(35,850)
Profit for the financial year					68,964	35,742	104,706
Assets							
Segment assets	1,534,275	175,673	849,675	(642,779)	1,916,844	505,297	2,422,141
Associates	-	-	24,670	-	24,670	-	24,670
Jointly controlled entity *	99	-	6,527	-	6,626	-	6,626
Unallocated assets					15,306	12,733	28,039
Total assets					1,963,446	518,030	2,481,476
Liabilities							
Segment liabilities	647,975	3,991	35,892	(530,082)	157,776	332,195	489,971
Unallocated liabilities							994,247
Total liabilities							1,484,218

* This include amount due from jointly controlled entity.

42. SEGMENT INFORMATION (CONTD)

BUSINESS SEGMENTS (CONTD)

	CONTINUING OPERATIONS					DISCONTINUED OPERATION	
	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
2007 (CONTD)							
Other information							
Capital expenditure	3,629	1,233	4,606	-	9,468	5,815	15,283
Depreciation	805	6,007	672	-	7,484	908	8,392
Amortisation	4	260	125	-	389	54	443
Reversal of impairment loss	-	-	(3,872)	-	(3,872)	-	(3,872)
Other significant non-cash expenses :							
- Provisions	-	-	-	-	-	764	764
- Increase in liability for defined benefit plan	-	-	-	-	-	693	693
- Share options granted under ESOS	-	-	2,017	-	2,017	918	2,935

Notes :

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

ii. Certain comparative amounts as at 31 March 2007 have been reclassified to conform with the current financial year's presentation.

43. 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 :

A. COMPLETED EVENTS

1. KCB Trading Sdn. Bhd., a wholly-owned subsidiary of E&OPROP, which in turn is the subsidiary of the Company, had on 5 April 2007 entered into a conditional Sale and Purchase Agreement with Mezzon Development Sdn. Bhd. for the acquisition of all that freehold development land held under GN 63251, Lot No. 287, Seksyen 43, Bandar dan District of Kuala Lumpur, Wilayah Persekutuan, measuring approximately 5,221 square metres for a cash consideration of RM47,760,000.

2. Hexon Housing Development Sdn. Bhd., a wholly-owned subsidiary of E&OPROP, which in turn is the subsidiary of the Company, had on 27 April 2007 entered into a conditional Sale and Purchase Agreement with Graphics Divine Sdn. Bhd. for the acquisition of two pieces of freehold land identified as GM 3011, Lot No. 55502 and GM 3012, Lot No. 55503 both in the Mukim of Kuala Lumpur, Tempat Swettenham Road, Daerah Kuala Lumpur, Wilayah Persekutuan, measuring approximately 12,312 square metres for a cash consideration of RM33,794,000.

3. On 12 April 2007, E&O Restaurants Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a share sale agreement ("SSA") with Mr. Benjamin Yong Kwet Yue for the acquisition of 51,000 ordinary shares of RM1.00 each representing 51% equity interest in The Delicious Group Sdn. Bhd. (formerly known as Delicious by Ms Read (M) Sdn. Bhd.) ("DGM") for a purchase consideration of up to RM3,060,000 ("Acquisition").

On 16 July 2007, the purchase consideration was satisfied by RM2,000,000 cash and the balance payable is subject to DGM attaining an audited profit after tax from operations of no less than RM1,200,000 in any of the three financial years ending immediately following the completion of the Acquisition as stipulated in the SSA. DGM became a 51% owned subsidiary of the Company from the date hereof.

4. E&OPROP had on 12 March 2007 entered into a Share Sale Agreement with Mechmar Corporation (Malaysia) Berhad for the acquisition of 900,000 ordinary shares of RM1.00 each representing an 18% equity interest in Permaijana Ribu (M) Sdn. Bhd. ("PRSB"), for a purchase consideration of RM22,500,000. Following the completion of the acquisition on 10 September 2007, the equity interest in PRSB held by E&OPROP has increased from 50% to 68%.

5. Kamunting Management Services Sdn. Bhd., a wholly-owned subsidiary of E&OPROP, had on 29 May 2007, entered into a Share Sale Agreement with North Zest Sdn. Bhd. for the acquisition of 24 ordinary share of RM1.00 each representing 24% equity interest in Bridgecrest Resources Sdn. Bhd. ("BRSB") for the purchase consideration of RM25,000,000. Following the completion of the acquisition on 13 November 2007, the equity interest in BRSB and PRSB held by E&OPROP has increased from 70% to 94% and from 68% to 86% respectively.

6. On 21 September 2006, E&O Property (Penang) Sdn. Bhd. ("EOPP"), a subsidiary of E&OPROP has entered into a Joint Venture Agreement with Tanjung Pinang Villas Sdn. Bhd. for the establishment of an unincorporated joint-venture shared on a 50:50 basis ("Joint Venture") to develop 82 plots of bungalow land beneficially owned by EOPP and forming part of Phase 1 of Seri Tanjung Pinang development in Penang.

7. The Company ("EOB") had on 19 July 2007 entered into a Sale and Purchase Agreement ("SPA") and Deed of Mutual Grant of Easements Agreement ("EA") with Edisi Utama Sdn. Bhd., a subsidiary of E&OPROP, which in turn is subsidiary of EOB for the acquisition of a three-storey designated commercial block together with 54 car parking bays known as Dua Residency Annexe located at Jalan Tun Razak, Kuala Lumpur, for a puchase consideration of RM16,000,000 ("Acquisition").

   The Acquisition was completed on 13 November 2007.

   On 31 March 2008, the Company acquired 100% equity interest in E&O Trading Sdn. Bhd. ("EOT") and hence it became a wholly-owned subsidiary of EOB. Thereafter, EOB, by way of its Board Resolution dated 31 March 2008, assigned and nominated all its rights, interests, duties, obligations and liabilities pursuant to the SPA and the EA to EOT absolutely with effect from the date hereof.

8. On 8 August 2007, the Company has entered into a conditional Sale and Purchase Agreement ("SPA") with Swan Symphony Sdn. Bhd. to dispose of 68,604,274 ordinary shares of RM0.50 each in Putrajaya Perdana Berhad ("PPB") at RM2.90 per PPB Share for a total cash consideration of RM198,952,395. The disposal price, which was arrived at on a willing-buyer and willing-seller basis, represents a premium of 6.65% to the 5-Days volume weighted average market price of PPB Shares up to 7 August 2007 (being the market day immediately prior to the date of the SPA) of RM2.7191 per share. The disposal of PPB was completed on 31 October 2007 and accordingly, PPB ceased to be a subsidiary of the Company.

9. Puncak Madu Sdn. Bhd. ("PMSB"), an associate of Galaxy Prestige Sdn. Bhd. ("GPSB"), which is a wholly-owned subsidiary of E&OPROP had on 16 August 2007 entered into a Sale and Purchase Agreement ("SPA") to acquire a portion of a freehold land measuring in area of approximately 120,355 square feet held under H.S. (D) 100360 PT 5781 in the Mukim of Kuala Lumpur, District of Kuala Lumpur State of Wilayah Persekutuan together with a sixteen storey office building also known as "Wisma Damansara" bearing address Wisma Damansara, Jalan Semantan, 50490 Kuala Lumpur erected thereon for a total cash purchase consideration of RM100 million.

10. On 24 August 2007, the E&O-Pie Sdn. Bhd. ("EOPIE"), a subsidiary company of Eastern & Oriental Berhad entered into a Sale and Purchase Agreement with E&O Property (Penang) Sdn. Bhd. ("EOPP"), a subsidiary of E&OPROP, for the acquisition of a piece of leasehold land held under H.S.(D) 13097 PT No. 694, Bandar Tanjong Pinang Sek.1, Daerah Timor Laut, Negeri Pulau Pinang measuring approximately 28,164.7 square metres for a cash consideration of RM66,695,705 ("Acquisition").

    EOPP procured the consent of Tesco Stores (Malaysia) Sdn. Bhd. ("Tesco") to the novation and transfer to EOPIE of all those rights, interests, entitlements, duties and obligations under and pursuant to the Agreement to Lease dated 7 March 2007, for the proposed lease of the Land together with the Building.

    EOPIE will be constructing a hypermarket building on the Land with gross built-up area measuring approximately 23,400 square metres with not less than 800 surrounding car park bays. The Agreement to Lease is conditional upon the following conditions precedent being fulfilled within 12 months from the date of the Agreement to Lease. The Lease shall be for a term of twenty years commencing from and including the Lease Commencement Date.

    The Acquisition was completed through an unconditional supplemental agreement on 22 February 2008.

    In prior year, the leasehold land was approved to be converted to freehold land status by the relevant authority.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD)

A. COMPLETED EVENTS (CONTD)

11. On 16 October 2007, E&O Express Sdn. Bhd. ("EOE"), a subsidiary of the Company has entered into a Sale and Purchase Agreement with HSBC Institutional Trust Services (Singapore) Limited for the acquisition of a freehold land held under Geran 49047 for Lot 589 Seksyen 2, Bandar Batu Ferringhi, Daerah Timur Laut, Pulau Pinang measuring in area of approximately 7,540 square metres bearing municipal address No.97 Jalan Batu Ferringhi, 11100 Batu Ferringhi, Penang for a cash consideration of RM17,000,000 ("Acquisition").

    The Acquisition was completed on 21 December 2007.

12. E&OPROP had on 12 December 2007 acquired two ordinary shares of RM1.00 ech at par, representing 100% equity interest in the capital of Twenty First Century Realty Sdn. Bhd. for a cash consideration of RM2.00.

13. On 27 March 2008, E&O Restaurants Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the remaining 30% equity interest in Eminent Pedestal Sdn. Bhd. ("EPSB") comprising of 30 ordinary shares of RM1.00 each for a cash consideration of RM1.00. Following the said acquistion, EPSB is now a wholly-owned subsidiary of the Company.

14. On 31 March 2008, the Company has acquired two (2) ordinary shares of RM1.00 each at par, representing 100% equity interest in the capital of E&O Trading Sdn. Bhd. for a cash consideration of RM2.00.

B. EVENTS PENDING COMPLETION

1. On 14 May 2007, the Company announced that it has obtained the approval of Securities Commission ("SC") via its letter dated 10 May 2007 in relation to the proposal for the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities up to RM150,000,000 in nominal value via issuance of BG CP/MTNs based on the principles of Murabahah.

   The approval by the SC is subject to certain terms and conditions.

2. On 11 January 2007, AmInvestment Bank Berhad on behalf of E&OPROP announced that E&OPROP proposed to undertake a private placement of up to 61,026,623 new ordinary shares of RM1.00 each in the Company, representing up to 10% of the issued and paid-up share capital of E&OPROP as at 28 September 2006, being the date when E&OPROP's shareholders approved the resolution for the empowerment of the Directors of E&OPROP to allot and issue the E&OPROP's shares not exceeding 10% of the total issued capital of E&OPROP. The issue price of the Placement Shares will be determined based on market-based principles and shall be determined by the Board of E&OPROP at a price-fixing date after all relevant approvals for the Proposed Placement have been obtained.

   As of 3 April 2007, 11,000,000 new ordinary shares, being the remaining balance of the first tranche of 36,000,000 new ordinary shares of RM1.00 each in E&OPROP has been issued pursuant to the private placement.

   The Securities Commision had via its letter dated 21 January 2008 approved E&OPROP's application for an extension of time of six months up to 21 July 2008 for placement of the balance up to 25,026,623 Placement Shares.

   Pursuant to the completion of the Members' Scheme as disclosed in Note 43(B)(3), the Directors of E&OPROP have resolved not to place out the balance of the Placement Shares and accordingly, the Private Placement is deemed completed.

3. On 27 November 2007, AmInvestment Bank Berhad ("AmInvestment") on behalf of the Eastern & Oriental Berhad ("EOB") announced that EOB has presented 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 the Company and Dynamic Degree Sdn. Bhd., a wholly-owned subsidiary of the Company ("E&OPROP MIs") for new ordinary stock units of RM1.00 each in EOB ("New EOB Shares") and/or cash ("Members' Scheme"), to the Board of E&OPROP.

   The stockholders of the Company has approved the Members' Scheme at an Extraordinary General Meeting held on 15 February 2008. Details of the scheme are as follows :

The New EOB Shares will be issued or alloted with three (3) Options :

i. Full Share Swap Option

For every 1,000 units of E&OPROP share held, it is exchangable for 1,100 units of New EOB shares. The ratio of 1 E&OPROP share to 1.1 New EOB share is determined based on the 5-Days volume weighted average market price ("5-Days VWAP") up to and including 26 November 2007 (being the market day immediately preceding the date of this Announcement) of RM2.3808 per New EOB Share and RM2.5222 per E&OPROP Share, the Exchange Ratio represents a premium of 3.8% for the E&OPROP MI shares.

ii. Fixed Combination (of Cash and Shares) Option

For every 1,000 E&OPROP Shares held, 650 units of E&OPROP share is exchangeable for 715 units of New EOB shares and the remaining 350 E&OPROP Shares is exchangeable for cash of RM875 (Each E&OPROP share is valued at RM2.50, based on prevailing 5-Days VWAP of between RM2.45 to RM2.61).

iii. Maximised Cash Option

For every 1,000 E&OPROP Shares held, shareholders may receive full cash redemption of up to RM2,500 (based on the valuation of RM2.50 for each E&OPROP share). However, this is subject to the balance funding available after the full share swap and fixed combination options have been determined. In any event, the minimum amount for cash redemption will be RM875 for every 1,000 units of E&OPROP share. Any balance not redeemed in cash shall be settled by way of share swap in a ratio of 1 E&OPROP share to 1.1 New E&O share.

On 13 May 2008, EOB has obtained the sanction of the High Court for the Proposed Exchange which is to be completed within four (4) months from 13 May 2008. On 22 May 2008, E&OPROP announced that the books' closing date for the Members' Scheme is on 4 June 2008 and the Election Notice was despatched to the E&OPROP MIs on 9 June 2008 for options to be elected.

The election period in respect of the options provided by the Company under the Members' Scheme had closed on 27 June 2008. Based on the options elected by the respective E&OPROP MIs, 172,899,109 New EOB shares were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 11 July 2008 and the cash entitlements amounting to RM212,694,451 have been despatched to the relevant E&OPROP MIs.

Accordingly, the Members' Scheme is completed.

44. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

1. KCB Trading Sdn. Bhd., a wholly-owned subsidiary of the E&OPROP, which in turn is the subsidiary of the Company had on 6 June 2008 entered into a conditional Sale and Purchase Agreement with Magna Universe Sdn. Bhd. to dispose a piece of freehold land held under GN 63251, Lot No. 287, Seksyen 43, Bandar dan District of Kuala Lumpur, Wilayah Persekutuan measuring approximately 5,221 squares metres for a cash consideration of RM84,296,000.

2. On 23 June 2008, 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 are 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 ("Proposed Transfer").

   The Proposed Transfer will not have any effect on EOB's share capital and major shareholdings. The Proposed Transfer will also not have any effect on the consolidated net assets, earnings and gearing of the EOB group as it is transacted betweeen EOB and its wholly-owned subsidiaries.

45. 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 :

2008	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
GROUP									
Fixed rate									
Deposits	29	3.35	23,900	-	-	-	-	-	23,900
Term loans	35	5.52	(8,279)	(56,270)	(39,600)	(46,600)	(57,370)	(9,000)	(217,119)
Irredeemable convertible unsecured loan stocks	32	8.00	-	-	-	(34,226)	-	-	(34,226)
Commercial papers	35	4.10	(80,000)	-	-	-	-	-	(80,000)
Medium term notes	35	4.63	(20,000)	(50,000)	(100,000)	(100,000)	-	-	(270,000)
Hire purchase	35	5.16	(872)	(809)	(621)	(510)	(127)	-	(2,939)
Floating rate									
Deposits	29	3.25	300,266	-	-	-	-	-	300,266
Bank overdrafts	35	8.24	(2,528)	-	-	-	-	-	(2,528)
Revolving credits	35	7.30	(141,500)	-	-	-	-	-	(141,500)
Term loans	35	6.28	(15,344)	(27,125)	(24,688)	(21,250)	(18,250)	(6,697)	(113,354)
Trade payables	36	8.75	(15,940)	-	-	-	-	-	(15,940)
COMPANY									
Fixed rate									
Deposits	29	3.30	20,148	-	-	-	-	-	20,148
Term loans	35	4.86	-	(30,000)	(30,000)	(30,000)	(40,000)	-	(130,000)
Irredeemable convertible unsecured loan stocks	32	8.00	-	-	-	(34,226)	-	-	(34,226)

2008 (CONTD)	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
COMPANY (CONTD)									
Floating rate									
Deposits	29	**3.26**	**195,643**	**-**	**-**	**-**	**-**	**-**	**194,643**
Bank overdrafts	35	**8.05**	**(185)**	**-**	**-**	**-**	**-**	**-**	**(185)**
Revolving credits	35	**4.10**	**(55,000)**	**-**	**-**	**-**	**-**	**-**	**(55,000)**
Term loans	35	**6.04**	**(3,000)**	**(14,000)**	**(10,000)**	**(10,000)**	**(10,000)**	**-**	**(47,000)**
2007									
GROUP									
Fixed rate									
Deposits	29	3.03	19,681	-	-	-	-	-	19,681
Term loans	35	4.67	(108,601)	(8,262)	(52,940)	(2,940)	(2,940)	(265)	(175,948)
Irredeemable convertible unsecured loan stocks	32	8.00	-	-	-	-	(49,731)	-	(49,731)
Commercial papers	35	4.15	(80,000)	-	-	-	-	-	(80,000)
Medium term notes	35	4.63	-	(20,000)	(50,000)	(100,000)	(100,000)	-	(270,000)
Hire purchase	35	5.34	(422)	(423)	(421)	(405)	(103)	-	(1,774)
Floating rate									
Deposits	29	3.12	112,222	-	-	-	-	-	112,222
Bank overdrafts	35	8.25	(299)	-	-	-	-	-	(299)
Revolving credits	35	5.94	(76,500)	-	-	-	-	-	(76,500)
Term loans	35	6.45	(77,661)	(77,434)	(25,125)	(22,688)	(19,250)	(22,947)	(245,105)
Bridging loans	35	8.30	(4,000)	-	-	-	-	-	(4,000)
Trade payables	36	8.00	(15,940)	-	-	-	-	-	(15,940)

45. FINANCIAL INSTRUMENTS (CONTD)

b. INTEREST RATE RISK (CONTD)

2007 (CONTD)	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
COMPANY									
Fixed rate									
Deposits	29	2.80	5,607	-	-	-	-	-	5,607
Term loans	35	6.40	-	-	(30,000)	-	-	-	(30,000)
Irredeemable convertible unsecured loan stocks	32	8.00	-	-	-	-	(49,731)	-	(49,731)
Floating rate									
Deposits	29	3.15	44,600	-	-	-	-	-	44,600
Revolving credits	35	7.10	(5,000)	-	-	-	-	-	(5,000)
Term loans	35	6.39	(66,096)	(67,090)	(14,000)	(10,000)	(10,000)	(10,000)	(177,186)

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 does not engage 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.

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 24. 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 2008, 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, is 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.

46. COMPARATIVE FIGURES

During the financial year ended 31 March 2008, certain comparative figures have been reclassified to conform with current year's financial statements presentation. The reclassification has no impact to the financial position of the Group and the Company.

GROUP'S PROPERTIES

AS AT 28 JULY 2008

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2008 RM'000
PT No. 6332 Mukim Petaling, Daerah Petaling, Selangor	Freehold	2006	0.056 acres	Vacant Land	-	16
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	-	116,921
	Lease expiring 10.12.2022	2006	7.787 acres	Vacant Land	-	2,685
	Lease expiring 9.6.2019	2006	1.397 acres	Vacant Land	-	481
	Lease expiring 29.6.2053	2006	0.245 acres	Vacant Land	-	85
Lot No. 334, Seksyen 0063 Bandar dan Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Freehold	2006	5,842 sq. m	Vacant Land	-	33,370
PT No. 216, 227, 251, 257, 258-325, 372, 373, 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, 696, 697, 698, 703 All within Bandar Tanjung Pinang, Daerah Timur Laut, Pulau Pinang	Freehold	2007	20.38 acres	Currently Under Development	-	114,738
	Lease expiring 28.4.2103	2006	68.03 acres	Currently Under Development	-	507,918
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	-	104,792
	Lease expiring 19.05.2097	2006	6.256 acres	Vacant Land	-	1,261
H.S.(D) 32396 PT No. 14954 Jalan Jelatek, Ampang Mukim of Ulu Kelang District of Gombak Selangor Darul Ehsan	Freehold	2006	3.43 acres	Vacant Land	-	9,000
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 Shops/ Office	10	3,002

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2008 RM'000
Master Title, PT No. 20213, PT No. 1020, Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	2006	1.846 acres	Land held for Development	-	8,147
202 Desa Cahaya, Jalan Ampang, Kuala Lumpur	Freehold	2006	6 Units	Residential Condominium	15	`5,580
Geran 26963 Lot 183 Seksyen 43, Bandar Kuala Lumpur	Freehold	2006	1,427.687 sq. m	Land held for Development	-	4,663
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	-	1,997
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 in the District of Kuala Lumpur	Freehold	2006	9.365 acres	Vacant Land	-	16,247
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	-	52,582
Jalan Teberau Ukay Heights Selangor Darul Ehsan Lot No. 1651 Mukim of Ulu Kelang & Ampang District of Kuala Lumpur Selangor Darul Ehsan	Freehold	2006	1 Unit	Double Storey Detached Houses	45	1.900
Jalan Teberau 2 Ukay Heights Selangor Darul Ehsan Lot No. 4792 to 4794, 1630 to 1632, Mukim of Ulu Kelang & Ampang District of Kuala Lumpur Selangor Darul Ehsan	Freehold	2006	3 Units	Double Storey Detached Houses	35	6,800
Kampung Warisan Condominium Jalan Jeletak Kuala Lumpur PT No. 14952, H.S. (D) 32394 Mukim of Ulu Kelang, District of Gombak Selangor Darul Ehsan	Freehold	2006	11 Units	Residential Condominium	11	3,858

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2008 RM'000
Bukit Tunku Kuala Lumpur Lot No. 4833 Mukim of Batu, District of Kuala Lumpur Wilayah Persekutuan	Freehold	2006	1 Unit	3-Storey Detached House	54	4,667
Geran 53370, Lot No. 55332 Geran 53373, Lot No. 55335 Geran 53379, Lot No. 55340 Jalan Damansara, Kuala Lumpur Geran 10348, Lot No. 37860 Mukim and District of Kuala Lumpur Wilayah Persekutuan	Freehold	2007	3 Units	Luxurious detached houses	1	15,614
Jalan Tun Razak Lot No.123, 130 and 131 Section 63, Townand District of Kuala Lumpur Wilayah Persekutuan	Freehold	2007	24 Units	High end condominiums	1	64,321
Lot No. 45191 Geran 9337 Lot No. 55482 Geran 50059 Daerah Kuala Lumpur Mukim Kuala Lumpur	Freehold	2007	2 Units	Semi-detached houses	1	6,212
GN63251, Lot No.287, Seksyen 43, Bandar dan District Kuala Lumpur	Freehold	2007	5,219 sq. m	Vacant Land	-	51,538
GM 3011, Lot No. 55502 GM 3012 Lot No. 55503 Daerah Kuala Lumpur Mukim Kuala Lumpur	Freehold	2007	12,312 sq. m	Vacant Land	-	35,635
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	1,229,192 sq. m 1,168,492 sq. m 1,148,258 sq. m	Vacant Land	-	6,263 5,953 5,911
H.S.(D) 13097 PT No.694 Bandar Tanjong Pinang Sek. 1 Dearah Timor Laut Negeri Pulau Pinang	Freehold	2008	28,164.7 sq. m	Vacant Land	-	13,569
CT 12571, Lot 595 Section 57, Town and District of Kuala Lumpur	Freehold	2008	50,050 sq. ft.	Vacant Land	-	40,978
Annexe Portion Lot 123, Jalan Tun Razak Section 63, Town and District of Kuala Lumpur	Freehold	2008	2,747 sq. m	3-Storey designated Commercial Block together with an aggregate of 54 car parking bays	1	12,098
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	-	12,600

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.3.2008 RM'000
Lot No. 589, Geran 49047 Town of Batu Ferringgi North East District, Penang	Freehold	2008	1.86 acres	Land with building for hotel use	-	17,649
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	-	55,667
Lot No. 224, Geran 63919	Lease expiring in 1.1.2013	1978	0.10 acres	Land with building for hotel use	-	52
Lot No. 249, Geran 35873 10 Farquhar Street, 10200 Penang	Freehold	1978	2.42 acres	Land with building for hotel use	-	87,820
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	-	236

ANALYSIS OF STOCKHOLDINGS

AS AT 28 JULY 2008

ORDINARY SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Fully Paid Up Capital	:	RM591,995,485
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	:	2,815,000

DISTRIBUTION OF STOCKHOLDINGS

SIZE OF STOCKHOLDINGS	NO. OF STOCKHOLDERS	%	NO. OF STOCK UNITS	%
Less than 99	369	1.92	10,950	0.00
100 to 1,000	9,095	47.40	4,543,193	0.77
1,001 to 10,000	8,573	44.67	24,195,906	4.09
10,001 to 100,000	971	5.06	23,991,785	4.05
100,001 to less than 5% of issued Stock Units	178	0.93	353,239,786	59.67
5% and above of issued Stock Units	4	0.02	186,013,865	31.42
TOTAL	**19,190**	**100**	**591,995,485**	**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	10.55
2.	HSBC Nominees (Asing) Sdn Bhd *BBH and Co Boston for Halfmoon Bay Enterprises Limited*	44,897,132	7.58
3.	Citigroup Nominees (Asing) Sdn Bhd *UBS AG*	42,369,400	7.16
4.	Citigroup Nominees (Asing) Sdn Bhd *Goldman Sachs International*	36,320,000	6.14
5.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for Goldman Sachs and Co (Buena Vista-NR)*	24,834,600	4.19
6.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)*	20,898,020	3.53
7.	Terra Realty Sdn Bhd	20,755,000	3.51
8.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Morgan Stanley & Co. Incorporated*	20,424,500	3.45
9.	Mayban Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	18,402,066	3.11
10.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Morgan Stanley & Co. International PLC (IPB Client Acct)*	13,627,900	2.30
11.	Halfmoon Bay Enterprises Limited	11,607,700	1.96
12.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Pusaka Setia Sendirian Berhad (Pusaka)*	11,371,928	1.92
13.	Cimsec Nominees (Asing) Sdn Bhd *Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)*	11,174,438	1.89
14.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for J.P. Morgan Bank Luxembourg S.A.*	10,084,580	1.70

NO.	NAME OF STOCKHOLDERS	NO. OF STOCK UNITS	%
15.	Cartaban Nominees (Asing) Sdn Bhd *State Street Australia Fund UAJB for Unifund (HTSG as Trustee)*	9,620,000	1.63
16.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for Mellon Bank (Mellon)*	8,037,075	1.36
17.	Citigroup Nominees (Asing) Sdn Bhd *GSI for North of South Capital LLP*	7,450,000	1.26
18.	Citigroup Nominees (Asing) Sdn Bhd *Bear Stearns Securities Corp for Third Avenue Real Estate Opportunities Fund LP*	7,263,747	1.23
19.	Amanah Raya Nominees (Tempatan) Sdn Bhd *Skim Amanah Saham Bumiputera*	7,000,000	1.18
20.	West Country Sdn Bhd	6,480,600	1.09
21.	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Wells Fargo Advantage Asia Pacific Fund*	6,163,600	1.04
22.	Citigroup Nominees (Asing) Sdn Bhd *Citigroup GM IPB for CIM Global Property Fund Ltd*	6,118,000	1.03
23.	Minister of Finance *Akaun Jaminan Pinjaman Kerajaan Persekutuan*	5,600,000	0.95
24.	Mayban Nominees (Asing) Sdn Bhd *G.K. Goh Strategic Holdings Pte Ltd (260551)*	4,899,800	0.83
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tham Ka Hon (8038756)*	4,699,586	0.79
26.	Nordic Summer Sdn Bhd	4,586,900	0.77
27.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chan Kok Leong*	4,530,000	0.77
28.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Terra Realty Sdn Bhd*	4,325,000	0.73
29.	Tham Ka Hon	4,150,000	0.70
30.	Salter's Assets Limited	3,987,100	0.67
	TOTAL	**444,106,005**	**75.02**

SUBSTANTIAL STOCKHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL STOCKHOLDERS AS AT 28 JULY 2008

	STOCKHOLDINGS			
NAME OF STOCKHOLDERS	**DIRECT**	**%**	**INDIRECT**	**%**
Ample Echo Limited	62,427,333	10.59	-	-
Halfmoon Bay Capital Limited *(formerly known as Halfmoon Bay Enterprises Limited)*	61,004,832	10.35	-	-
UBS AG London	42,369,400	7.19	-	-
Goldman Sachs International	36,320,000	6.16	-	-
Dato' Tham Ka Hon	11,212,086	1.90	(1)98,879,261	16.78
Nik Anida Binti Nik Manshor, Puan Sri	1,051,600	0.18	(2)63,762,832	10.82
Datin Chua Cheng Boon	-	-	(3)36,451,928	6.19
The Goldman Sachs Group, Inc	-	-	(4)36,320,000	6.16
G.K. Goh Holdings Limited	-	-	(5)92,857,099	15.76

SUBSTANTIAL STOCKHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL STOCKHOLDERS AS AT 28 JULY 2008 (CONTD)

	STOCKHOLDINGS			
NAME OF STOCKHOLDERS	DIRECT	%	INDIRECT	%
GKG Investment Holdings Pte Ltd	-	-	(6)94,884,299	16.10
Goh Yew Lin	-	-	(7)94,884,299	16.10
Goh Geok Khim	-	-	(7)94,884,299	16.10

Notes :

1. Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through Ample Echo Limited, 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 Enterprises 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 Goldman Sachs International.
5. Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through Ample Echo Limited, GK Goh Strategic Holdings Pte Ltd and Cacona Pte Ltd.
6. 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.
7. 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 2008

	STOCKHOLDINGS			
NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
Dato' Tham Ka Hon	11,212,086	1.90	(1)98,879,261	16.78
Datuk Azizan Bin Abd Rahman	3,000,000	0.51	-	-
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	0.80	-	-

Notes :

1. Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through Ample Echo Limited, TRSB and PSSB and his spouse's shareholdings in TRSB and PSSB.

DIRECTORS' INTEREST IN ESOS OPTIONS AS AT 28 JULY 2008

	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	-	-	-	-

ANALYSIS OF WARRANT HOLDINGS

AS AT 28 JULY 2008

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 99	339	38.26	17,324	0.04
100 to 1,000	102	11.51	59,759	0.15
1,001 to 10,000	276	31.15	1,135,104	2.80
10,001 to 100,000	138	15.58	4,975,424	12.28
100,001 to less than 5% of Warrants in issue	28	3.16	7,741,594	19.10
5% and above of Warrants in issue	3	0.34	26,596,716	65.63
TOTAL	**886**	**100**	**40,525,921**	**100.00**

THIRTY LARGEST WARRANTHOLDERS BASED ON THE RECORD OF DEPOSITORS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1.	DB (Malaysia) Nominee (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 Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	1,535,000	3.79
5.	Citigroup Nominees (Asing) Sdn Bhd *Goldman Sachs International*	1,051,600	2.59
6.	Universal Trustee (Malaysia) Berhad *Pacific Premier Fund*	879,800	2.17
7.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Gan Eng Kwong (8040871)*	537,072	1.33
8.	Raja Zainal Abidin Bin Raja Hussin	346,598	0.86
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Sin Chong (8040854)*	295,474	0.73
10.	ECML Nominees (Asing) Sdn Bhd *DBS Vickers Securities (Singapore) Pte Ltd for Optimus Capital International Limited*	249,900	0.62
11.	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tee Kai Shiang (REM 166)*	203,800	0.50

THIRTY LARGEST WARRANTHOLDERS BASED ON THE RECORD OF DEPOSITORS (CONTD)

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
12.	Susan Liew Shau Nyee	200,000	0.49
13.	TCL Nominees (Asing) Sdn Bhd *OCBC Securities Private Limited for Tan Lian Hock*	173,600	0.43
14.	Eng Ah Leak @ Ng Kok Wah	168,540	0.42
15.	Geh Siew Yin (Mrs Eng Ah Leak @ Ng Kok Wah)	168,540	0.42
16.	A.A. Anthony Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for T C Holdings Sdn Bhd*	166,587	0.41
17.	Lim Kiat Lee	159,522	0.39
18.	Wong Seng Mow	142,043	0.35
19.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Deutsche Bank AG London for RAB-Northwest Fund Limited*	128,573	0.32
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.	Chu Yoke Meng	110,081	0.27
26.	Wong Soh Hua Rosemary	108,905	0.27
27.	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Khor Chin Kee*	108,014	0.27
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.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Beh Lee Fong (E-SS2)*	101,800	0.25
	TOTAL	**34,237,645**	**84.48**

DIRECTORS' INTEREST IN WARRANTS BASED ON THE REGISTER OF DIRECTORS' INTEREST AS AT 28 JULY 2008

	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	-	-	-	-

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 2008

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2006/2011 ("ICULS")

Nominal Value of ICULS Issued	:	RM155,835,446
Nominal Value of Outstanding ICULS	:	RM123,107,350
Conversion Price of ICULS	:	RM1.00
Votiing Rights	:	One (1) vote per ICULS

DISTRIBUTION OF ICULS HOLDINGS

SIZE OF ICULS HOLDINGS	NO. OF ICULS HOLDERS	%	NO. OF ICULS	%
Less than 99	125	18.52	1,524	0.00
100 to 1,000	134	19.85	81,451	0.07
1,001 to 10,000	316	46.82	1,014,267	0.82
10,001 to 100,000	68	10.07	2,135,356	1.74
100,001 to less than 5% of ICULS in issue	26	3.85	27,883,736	22.65
5% and above of ICULS in issue	6	0.89	91,991,016	74.72
TOTAL	**675**	**100**	**123,107,350**	**100.00**

THIRTY LARGEST ICULS HOLDERS BASED ON THE RECORD OF DEPOSITORS

NO.	NAME OF ICULS HOLDERS	NO. OF ICULS	%
1.	HSBC Nominees (Asing) Sdn Bhd *BBH and Co Boston for Halfmoon Bay Enterprises Limited*	29,299,923	23.80
2.	Cimsec Nominees (Asing) Sdn Bhd *CIMB-GK Securities Pte Ltd for Ample Echo Limited*	20,000,000	16.25
3.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Pusaka Setia Sendirian Berhad (Pusaka)*	14,116,793	11.47
4.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Aloysius Choong Kok Sin (Aloysius)*	10,025,000	8.14
5.	Mayban Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	9,291,300	7.55
6.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Tham Ka Hon (KA THAM)*	9,258,000	7.52
7.	Citigroup Nominees (Asing) Sdn Bhd *Goldman Sachs International*	6,068,150	4.93
8.	Tham Ka Hon	4,500,000	3.65
9.	Citigroup Nominees (Asing) Sdn Bhd *Bear Stearns Securities Corp for Third Avenue Real Estate Opportunities Fund LP*	2,403,950	1.95
10.	HSBC Nominees (Asing) Sdn Bhd *RBS Coutts SG for Bedford Finance Limited*	2,250,000	1.83
11.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Chong Kim Chuan @ Chong Leong Cheng (KC Chong)*	1,690,000	1.37
12.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Mohamed Razeek Bin Md Hussain Maricar (Razeek)*	1,690,000	1.37

THIRTY LARGEST ICULS HOLDERS BASED ON THE RECORD OF DEPOSITORS (CONTD.)

NO.	NAME OF ICULS HOLDERS	NO. OF ICULS	%
13.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Kok Meng Chow (MC KOK)*	1,690,000	1.37
14.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Chai Kim-Lyn (KL CHAI)*	1,080,000	0.88
15.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Lum Kwok Weng @ Lum Kok Weng*	1,080,000	0.88
16.	AMMB Nominees (Tempatan) Sdn Bhd *AmInternational (L) Ltd for Loi Kok Mun (KM LOI)*	1,080,000	0.88
17.	Cimsec Nominees (Asing) Sdn Bhd *Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)*	725,786	0.59
18.	Nordic Summer Sdn Bhd	650,000	0.53
19.	Fong Moh Cheek @ Fong Mow Kit	500,000	0.41
20.	Mayban Nominees (Asing) Sdn Bhd *Alpha Securities Pte Ltd (260550)*	300,000	0.24
21.	Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Fund*	283,150	0.23
22.	Public Invest Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Chee Kiat (C)*	260,000	0.21
23.	Citigroup Nominees (Asing) Sdn Bhd *UBS AG*	240,000	0.19
24.	Salter's Assets Limited	208,700	0.17
25.	Mohamed Razeek Bin Md Hussain Maricar	182,000	0.15
26.	Lai Kum Sim	170,200	0.14
27.	Kok Meng Chow	157,500	0.13
28.	Citigroup Nominees (Asing) Sdn Bhd *Merrill Lynch International*	155,000	0.13
29.	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Thoi Ying (471231)*	150,000	0.12
30.	Kamil Ahmad Merican	150,000	0.12
	TOTAL	**119,655,452**	**97.20**

DIRECTORS' INTEREST IN ICULS BASED ON THE REGISTER OF DIRECTORS' INTEREST AS AT 28 JULY 2008

	ICULS HOLDINGS			
NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
Dato' Tham Ka Hon	13,758,000	11.18	(1) 34,116,793	27.71
Datuk Azizan Bin Abd Rahman	-	-	-	-
Datuk Henry Chin Poy Wu	-	-	-	-
Kamil Ahmad Merican	150,000	0.12	-	-
Vijeyaratnam a/l V. Thamotharam Pillay	-	-	-	-
Chan Kok Leong	-	-	-	-

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-First Annual General Meeting of Eastern & Oriental Berhad will be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 30 September 2008 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 2008 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To re-elect Datuk Azizan Bin Abd Rahman who retires in accordance with Article 98 of the Company's Articles of Association. **(Resolution 2)**

3. To re-elect Mr Vijeyaratnam a/l V. Thamotharam Pillay who retires in accordance with Article 98 of the Company's Articles of Association. **(Resolution 3)**

4. To re-elect Mr Christopher Martin Boyd who retires in accordance with Article 103 of the Company's Articles of Association. **(Resolution 4)**

5. To re-elect Mdm Kok Meng Chow who retires in accordance with Article 103 of the Company's Articles of Association. **(Resolution 5)**

6. 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 6)**

7. To approve the payment of Directors' fees of RM413,000.00 in respect of the financial year ended 31 March 2008. **(Resolution 7)**

8. To re-appoint Messrs Ernst & Young as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

9. 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 9)

   "**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."

10. 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
5 September 2008

NOTES

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more 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, 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 NOTES ON SPECIAL BUSINESS

Resolution 9

The Proposed Resolution 9, 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors standing for re-election or re-appointment at the Eighty-First Annual General Meeting of the Company are as follows:-

(i) Pursuant to Article 98 of the Company's Articles of Association
- Datuk Azizan Bin Abd Rahman
- Mr Vijeyaratnam a/l V. Thamotharam Pillay

(ii) Pursuant to Article 103 of the Company's Articles of Association
- Mr Christopher Martin Boyd
- Mdm Kok Meng Chow

(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 as at 11 August 2008 are as follows:-

(i) <u>Ordinary Stock Units of RM1.00 each</u>

• Datuk Azizan Bin Abd Rahman	-	3,000,000 Stock Units (0.51%)(Direct)
• Mr Vijeyaratnam a/l V. Thamotharam Pillay	-	Nil
• Mr Christopher Martin Boyd	-	Nil
• Mdm Kok Meng Chow	-	300,000 Stock Units (0.05%)(Direct)

(ii) <u>Irredeemable Convertible Unsecured Loan Stocks 2006/2011</u>

• Datuk Azizan Bin Abd Rahman	-	Nil
• Mr Vijeyaratnam a/l V. Thamotharam Pillay	-	Nil
• Mr Christopher Martin Boyd	-	Nil
• Mdm Kok Meng Chow	-	1,847,500 Units (1.50%)(Direct)

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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 ....
(Full Name and NRIC No)

of ....
(Full Address)

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Eighty-First Annual General Meeting of the Company to be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 30 September 2008 at 10.00 a.m. or at any adjournment thereof.

RESOLUTIONS	FOR*	AGAINST*
1. To receive the Audited Financial Statements		
2. To re-elect Datuk Azizan Bin Abd Rahman		
3. To re-elect Mr Vijeyaratnam a/l V. Thamotharam Pillay		
4. To re-elect Mr Christopher Marin Boyd		
5. To re-elect Mdm Kok Meng Chow		
6. To re-appoint Datuk Henry Chin Poy Wu		
7. To approve payment of Directors' fees		
8. To re-appoint Messrs Ernst & Young as Auditors of the Company		
9. 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 thinks fit.

Signed this day of 2008

....
Signature of member(s)/Seal

Notes :

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more 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.

Please fold here to seal (inside)

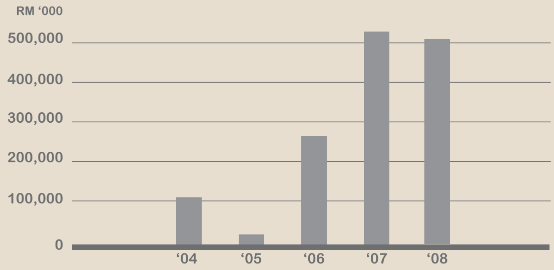
affix
stamp

The Company Secretary
EASTERN & ORIENTAL BERHAD (555-K)
Level 3A (Annexe), Menara Milenium
8 Jalan Damanlela, Damansara Heights
50490 Kuala Lumpur

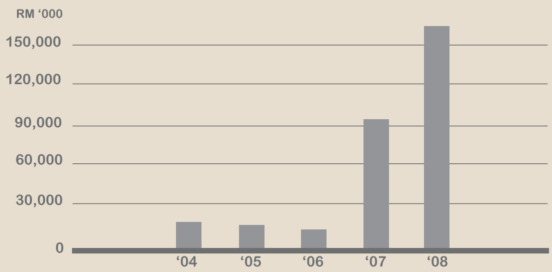
Please fold here to seal

5-YEAR GROUP FINANCIAL HIGHLIGHTS

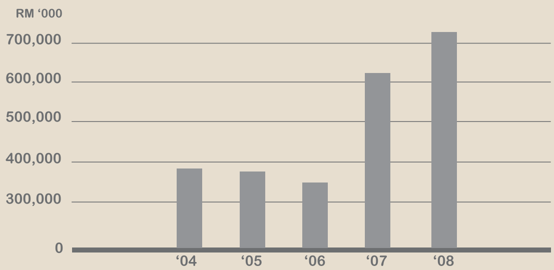
REVENUE



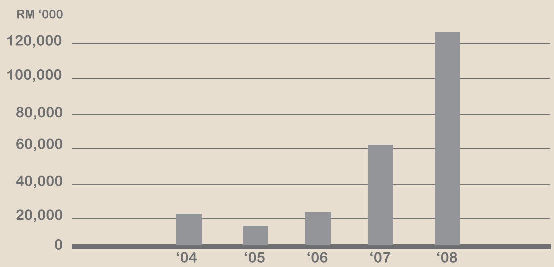
PROFIT BEFORE TAX



SHAREHOLDERS' FUND



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS



Note:
Please refer to page 32 for Eastern & Oriental Berhad's 10-year financial highlights

EASTERN & ORIENTAL BERHAD (555-K)

Level 3A (Annexe), Menara Milenium, 8 Jalan Damanlela,
Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: 03 2095 6868 Fax: 03 2095 9898

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