

Eastern Pacific Industrial Corporation Berhad
Company no: 66667-K
(Incorporated in Malaysia)

Interim Financial Statements
31 March 2009

Eastern Pacific Industrial Corporation Berhad
Company No: 66667-K
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
For the Period Ended 31 March 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	42,234	57,444	42,234	57,444
Operating expenses	(31,471)	(45,412)	(31,471)	(45,412)
Other income	1,009	1,084	1,009	1,084
Profit before tax	11,772	13,116	11,772	13,116
Taxation	(3,687)	(4,568)	(3,687)	(4,568)
Profit for the period	8,085	8,548	8,085	8,548
Attributable to:				
Equity holders of the company	7,905	7,052	7,905	7,052
Minority interest	180	1,496	180	1,496
	8,085	8,548	8,085	8,548
Earnings per share attributable to equity holders of the parent (Sen)				
Basic	4.67	4.17	4.67	4.17
Diluted	-	4.14	-	4.14
Dividend per share (Sen)	5.00	3.50	5.00	3.50

The unaudited condensed consolidated income statements presented above have been reviewed and approved by the Board of Directors.

The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008 and the accompanying explanatory notes on pages 7 to 12 of the interim financial statements.

Eastern Pacific Industrial Corporation Berhad
Company No: 66667-K
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet
As at 31 March 2009

	Unaudited	Audited
	31.3.2009	31.12.2008
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	230,667	226,804
Prepaid lease payments	25,449	25,584
Investment properties	4,364	4,393
Intangible assets	9,576	9,576
Other investment	126	126
	<u>270,182</u>	<u>266,483</u>
Current Assets		
Inventories	7,065	4,457
Trade receivables	40,372	49,166
Other receivables	10,937	8,662
Short term investment	2,618	2,696
Tax recoverable	2,599	5,473
Deposit, cash and bank balances	76,363	65,177
	<u>139,954</u>	<u>135,631</u>
TOTAL ASSETS	<u><u>410,136</u></u>	<u><u>402,114</u></u>

Eastern Pacific Industrial Corporation Berhad
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Condensed Consolidated Balance Sheet
As at 31 March 2009 (continued)

	Unaudited 31.3.2009 RM'000	Audited 31.12.2008 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holder of the Company		
Share capital	169,173	169,173
Share premium	82,319	82,319
Treasury shares	(125)	(125)
Other reserves	2,188	2,188
Retained earnings	45,662	37,428
	299,217	290,983
Minority interest	11,608	13,476
Total Equity	310,825	304,459
Non Current Liabilities		
Deferred tax liabilities	20,988	20,350
Borrowing	25,000	25,000
Retirement benefit obligations	6,902	5,361
	52,890	50,711
Current Liabilities		
Retirement benefit obligations	387	1,549
Borrowings	5,000	5,309
Trade payables	14,258	12,623
Other payables	26,776	25,934
Current tax liabilities	-	1,529
	46,421	46,944
Total Liabilities	99,311	97,655
TOTAL EQUITY AND LIABILITIES	410,136	402,114
Net assets per share (RM)	1.84	1.80

The unaudited condensed consolidated balance sheets presented above have been reviewed and approved by the Board of Directors.

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008 and the accompanying explanatory notes on pages 7 to 12 of the interim financial statements.

Eastern Pacific Industrial Corporation Berhad

Company No: 66667-K

(Incorporated in Malaysia)

Condensed Consolidated Statements of Changes in Equity

For the Period Ended 31 March 2009

	----- Attributable to the equity holders of the Company -----							
	----- Non distributable equity -----				Distributable			
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Sub Total	Minority interest	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1 January 2009	169,173	82,319	(125)	2,188	37,428	290,983	13,476	304,459
Net changes in the interest from minority shareholders	-	-	-	-	329	329	(1,725)	(1,396)
Profit for the period	-	-	-	-	7,905	7,905	180	8,085
Dividend	-	-	-	-	-	-	(323)	(323)
31 March 2009	169,173	82,319	(125)	2,188	45,662	299,217	11,608	310,825

Eastern Pacific Industrial Corporation Berhad**Company No: 66667-K**

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Condensed Consolidated Statements of Changes in Equity**For the Period Ended 31 March 2009 (continued)**

	Attributable to the equity holders of the Company						Total RM'000
	Non distributable equity			Distributable		Minority interest RM'000	
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Sub Total RM'000		
1 January 2008	168,945	82,152	857	26,733	278,687	15,326	294,013
Issuance of shares– ESOS	124	48	-	-	172	-	172
Share-based payment under ESOS	-	60	1,360	-	1,420	-	1,420
Investment in subsidiary	-	-	-	-	-	289	289
Profit for the period	-	-	-	7,052	7,052	1,496	8,548
31 March 2008	169,069	82,260	2,217	33,785	287,331	17,111	304,442

The unaudited condensed consolidated statements of changes in equity presented above have been reviewed and approved by the Board of directors.

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes on pages 7 to 12 of the interim financial statements.

Eastern Pacific Industrial Corporation Berhad
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Condensed Consolidated Cash Flow Statements
For the Period Ended 31 March 2009

	CUMULATIVE QUARTER	
	31.03.2009	31.03.2008
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	11,772	13,116
Adjustment for non cash and non operating item	2,868	4,399
Operating profit before working capital changes	14,640	17,515
Net change in current assets	3,797	(2,415)
Net change in current liabilities	5,166	(9,012)
Cash from operations	23,603	6,088
Tax paid	(4,414)	(4,903)
Tax refund	140	35
Net cash flow from operating activities	19,329	1,220
Cash flow from investing activities		
Purchase of property, plant and equipment	(6,481)	(14,875)
Additional investment in subsidiaries	(1,050)	-
Proceeds from disposal of property, plant and equipment	20	67
Net cash flow used in investing activities	(7,511)	(14,808)
Cash flow from financing activities		
Drawdown of borrowings	-	7,797
Repayment of borrowings	-	(76)
Issuance of share – ESOS	-	172
Dividends paid to minority shareholders	(323)	-
Net cash flow (used in)/from financing activities	(323)	7,893
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	11,495	(5,695)
At start of the year	64,868	74,847
At end of the period	76,363	69,152
Represented by:		
Deposit, cash and bank balances	76,363	70,034
Bank overdraft	-	(882)
	76,363	69,152

The unaudited condensed consolidated cash flow statements presented above have been reviewed and approved by the Board of Directors.

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes on pages 7 to 12 of the interim financial statements.

Explanatory Notes Pursuant to FRS 134: Interim Financial Reporting and Listing Requirements of Bursa Malaysia Securities Berhad

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

2 Disclosure of the qualification on the preceding annual financial statements

There was no qualification on the Group's preceding annual financial statements.

3 Seasonal or cyclical factors

The Group's operation was not materially affected by seasonal or cyclical factors.

4 Unusual item affecting assets, liabilities, equity, net income or cash flows

Other than those disclosed in the financial statements, there were no unusual items that affect assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5 Changes in estimates

There were no material changes in the estimates used for the preparation of the interim financial report.

6 Issuances, repurchases or repayments of debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities in the current financial year under review.

7 Dividend paid

There was no dividend paid during the period ended 31 March 2009.

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8. Segment Reporting

31-Mar-09	Investment Holding RM'000	Oil and Gas Operations RM'000	Logistics RM'000	ICT RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	80	36,793	5,126	235	-	42,234
Inter-segement sales	-	499	-	1,294	(1,793)	-
Total revenue	80	37,292	5,126	1,529	(1,793)	42,234
RESULTS						
Segment results	(2,410)	13,908	878	(874)	348	11,850
Unallocated corporate expenses						(78)
Profit before tax						11,772
Income taxes						(3,687)
Minority interests						(180)
Net profit for the year						7,905

31-Mar-08

Revenue						
External sales	103	49,320	8,020	1	-	57,444
Inter-segement sales	-	621	-	-	(621)	-
Total revenue	103	49,941	8,020	1	(621)	57,444
RESULTS						
Segment results	(3,930)	15,584	2,394	(918)	-	13,130
Unallocated corporate expenses						(14)
Profit before tax						13,116
Income taxes						(4,568)
Minority interests						(1,496)
Net profit for the year						7,052

9 Material events subsequent to the end of the period

There was no item, transaction or event of a material and unusual nature which has arisen during the period from the end of the financial quarter to the date of this announcement that would affect substantially the results of the operations of the Group.

10 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period under review.

11 Contingent liabilities

There were no other changes in contingent liabilities since the last annual balance sheet date to the date of this quarterly report.

12 Review of performance

The Group achieved revenue of RM42.2 million in the first quarter under review, a decrease of RM15.2 million or 26% compared to RM57.4 million reported in the same quarter in the preceding year.

The Group recorded profit before tax of RM11.8 million, decrease by 10% compared to RM13.1 million achieved in the same quarter in the preceding year.

The decrease in revenue and profit before tax was mainly due to lower oil and gas activities.

The oil and gas operation remains as the main contributor to the Group performance.

13 Review of current quarter profitability against preceding quarter

During the current quarter under review, the Group recorded profit before tax of RM11.8 million, an increase of 290% as compared to RM3.0 million of profit before tax reported in the preceding quarter due to provisions made in preceding quarter.

14 Prospects for the current financial year

Barring any unforeseen circumstances, the Directors are confident that the Group will be able to achieve satisfactory results for the financial year ending 31 December 2009 compared to the year 2008.

15 Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

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16 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Malaysian tax:				
- current year	3,050	4,560	3,050	4,560
Deferred tax liabilities				
- origination/reversal	637	8	637	8
	<u>3,687</u>	<u>4,568</u>	<u>3,687</u>	<u>4,568</u>

The effective tax rate was higher than the statutory tax rate due to certain expenses which were not deductible for tax purpose. Deferred tax expense arise from origination of temporary differences of property, plant and equipment.

17 Profit on sale of unquoted investments and/or properties

There was no disposal of unquoted investments or properties held as fixed assets for the financial period to date.

18 Investment in quoted securities

(a) Purchases of quoted securities for the current quarter and financial year to date are as follows:

	Current quarter RM'000	Year to date RM'000
Bursa Malaysia		
Purchases	<u>27</u>	<u>27</u>

(b) Investments in quoted shares as at end of the current financial year to date are as follows:

	RM'000
i) At cost	1,000
ii) At carrying value	727
iii) At market value	727

The quoted securities are managed by external asset management company.

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19 Corporate proposals

There were no corporate proposals as at the current financial year to date.

20 Group borrowings and debt securities

The Group exposure in borrowings is as follows:

	As at 31.03.2008 RM'000	As at 31.03.2007 RM'000
Secured borrowings denominated in Ringgit Malaysia		
- Short term	5,000	172
- Long term	25,000	7,690
Unsecured borrowings denominated in Ringgit Malaysia		
- Short term	-	1,048
- Long term	-	531

21 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date, which is not earlier than 7 days from date of issue of this quarterly report.

22 Changes in material litigation

There are no changes in material litigation since the date of the last interim financial report ended 31 December 2008.

23 Dividend proposed

On 26 February 2009, the Board of Directors approved and declared the payment of a second interim dividend of 5 sen per share tax exempt in respect of the financial year ended 31 December 2008 which will be paid on 12 May 2009.

24 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended 31.03.2009	31.03.2008	3 months ended 31.03.2009	31.03.2008
a) Basic earnings per share				
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the equity holder of the Company	7,905	7,052	7,905	7,052
	'000	'000	'000	'000
Number of shares at the beginning of the period	169,173	168,945	169,173	168,945
Effects of share options	-	116	-	116
Weighted average number of shares	169,173	169,061	169,173	169,061
Basic earnings per share (sen)	4.67	4.17	4.67	4.17

b) Diluted earnings per share

Diluted earnings per share for the current quarter and financial year to date are not presented as the market price of Company's ordinary shares is currently lower than average exercise price of outstanding options. Accordingly, it is assumed there is no full exercise of the outstanding options to merit adjustment for an increase in the number of ordinary shares which could result in dilution of the Company's earnings per share.

Diluted earnings per share for comparative period is as follows:

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	3 months ended	3 months ended
	RM'000	RM'000
Profit attributable to the equity holder of the Company	7,052	7,052
	'000	'000
Weighted average number of shares as per above	169,061	169,061
Adjustment for share options	1,294	1,294
Weighted average number of shares - diluted	170,355	170,355
Diluted earnings per share (sen)	4.14	4.14