

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

Interim Financial Statements  
30 June 2009

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

**Condensed Consolidated Income Statements**  
**For the Period Ended 30 June 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>47,936</b>	61,664	<b>90,169</b>	119,108
Operating expenses	<b>(33,026)</b>	(48,554)	<b>(64,493)</b>	(93,966)
Other income	<b>1,143</b>	777	<b>2,153</b>	1,862
Profit before tax	<b>16,053</b>	13,887	<b>27,829</b>	27,004
Taxation	<b>675</b>	(4,543)	<b>(3,014)</b>	(9,112)
Profit for the period	<b>16,728</b>	9,344	<b>24,815</b>	17,892
Attributable to:				
Equity holders of the company	<b>13,873</b>	8,158	<b>21,780</b>	15,210
Minority interest	<b>2,855</b>	1,186	<b>3,035</b>	2,682
	<b>16,728</b>	9,344	<b>24,815</b>	17,892
Earnings per share attributable to equity holders of the Company (Sen)				
Basic	<b>8.20</b>	4.82	<b>12.87</b>	8.99
Diluted	<b>-</b>	4.79	<b>-</b>	8.93
Dividend per share (Sen)	<b>3.50</b>	3.50	<b>8.50</b>	7.00

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 13 of the interim financial statements.

**Eastern Pacific Industrial Corporation Berhad**  
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**Condensed Consolidated Balance Sheet**  
**As at 30 June 2009**

	<b>Unaudited</b>	Audited
	<b>30.6.2009</b>	31.12.2008
	<b>RM'000</b>	RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	<b>229,507</b>	226,804
Prepaid lease payments	<b>25,314</b>	25,584
Investment properties	<b>4,337</b>	4,393
Intangible assets	<b>9,576</b>	9,576
Other investment	<b>69</b>	126
Deferred tax assets	<b>5,448</b>	-
	<b>274,251</b>	266,483
<b>Current Assets</b>		
Inventories	<b>7,089</b>	4,457
Trade receivables	<b>39,187</b>	49,166
Other receivables	<b>12,362</b>	8,662
Short term investments	<b>2,964</b>	2,696
Tax recoverable	<b>6,059</b>	5,473
Deposit, cash and bank balances	<b>68,898</b>	65,177
	<b>136,559</b>	135,631
<b>TOTAL ASSETS</b>	<b>410,810</b>	<b>402,114</b>

**Eastern Pacific Industrial Corporation Berhad**  
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**Condensed Consolidated Balance Sheet**  
**As at 30 June 2009 (continued)**

	<b>Unaudited</b> <b>30.6.2009</b> <b>RM'000</b>	Audited 31.12.2008 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holder of the Company</b>		
Share capital	<b>169,259</b>	169,173
Share premium	<b>82,345</b>	82,319
Treasury shares	<b>(125)</b>	(125)
Other reserves	<b>2,185</b>	2,188
Retained earnings	<b>51,082</b>	37,428
	<b>304,746</b>	290,983
Minority interest	<b>14,463</b>	13,476
<b>Total Equity</b>	<b>319,209</b>	304,459
<b>Non Current Liabilities</b>		
Deferred tax liabilities	<b>21,902</b>	20,350
Borrowings	<b>25,000</b>	25,000
Retirement benefit obligations	<b>6,390</b>	5,361
	<b>53,292</b>	50,711
<b>Current Liabilities</b>		
Retirement benefit obligations	<b>775</b>	1,549
Borrowings	<b>6,023</b>	5,309
Trade payables	<b>8,965</b>	12,623
Other payables	<b>22,381</b>	25,934
Current tax liabilities	<b>165</b>	1,529
	<b>38,309</b>	46,944
<b>Total Liabilities</b>	<b>91,601</b>	97,655
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>410,810</b>	<b>402,114</b>
<b>Net assets per share (RM)</b>	<b>1.89</b>	1.80

The unaudited condensed consolidated balance sheet 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 13 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 30 June 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
<b>1 January 2009</b>	<b>169,173</b>	<b>82,319</b>	<b>(125)</b>	<b>2,188</b>	<b>37,428</b>	<b>290,983</b>	<b>13,476</b>	<b>304,459</b>
Net changes in the interest from minority shareholders	-	-	-	-	329	329	(1,725)	(1,396)
Issuance of shares-ESOS	86	23	-	-	-	109	-	109
Share-based payment under ESOS	-	3	-	(3)	-	-	-	-
Profit for the period	-	-	-	-	21,780	21,780	3,035	24,815
Dividend	-	-	-	-	(8,455)	(8,455)	(323)	(8,778)
<b>30 June 2009</b>	<b>169,259</b>	<b>82,345</b>	<b>(125)</b>	<b>2,185</b>	<b>51,082</b>	<b>304,746</b>	<b>14,463</b>	<b>319,209</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity****For the Period Ended 30 June 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		
<b>1 January 2008</b>	<b>168,945</b>	<b>82,152</b>	<b>857</b>	<b>26,733</b>	<b>278,687</b>	<b>15,326</b>	<b>294,013</b>
Issuance of shares– ESOS	212	67	-	-	279	-	279
Share-based payment under ESOS	-	85	1,335	-	1,420	-	1,420
Investment in subsidiary	-	-	-	-	-	400	400
Profit for the period	-	-	-	15,210	15,210	2,682	17,892
Dividend	-	-	-	(4,380)	(4,380)	(385)	(4,765)
<b>30 June 2008</b>	<b>169,157</b>	<b>82,304</b>	<b>2,192</b>	<b>37,563</b>	<b>291,216</b>	<b>18,023</b>	<b>309,239</b>

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 13 of the interim financial statements.

**Eastern Pacific Industrial Corporation Berhad**  
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**Condensed Consolidated Cash Flow Statements**  
**For the Period Ended 30 June 2009**

	<b>CUMULATIVE QUARTER</b>	
	<b>30.06.2009</b>	30.06.2008
	<b>RM'000</b>	RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	27,829	27,004
Adjustment for non cash and non operating item	6,351	6,600
<b>Operating profit before working capital changes</b>	<b>34,180</b>	33,604
Net changes in current assets	3,124	(8,372)
Net changes in current liabilities	(7,072)	(10,951)
Cash from operations	30,232	14,281
Tax paid	(9,016)	(9,038)
Tax refund	140	35
Retirement benefits paid	(462)	(257)
<b>Net cash flow from operating activities</b>	<b>20,894</b>	5,021
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(8,414)	(35,833)
Investment in subsidiaries	(1,050)	-
Proceeds from disposal of property, plant and equipment	245	100
<b>Net cash flow used in investing activities</b>	<b>(9,219)</b>	(35,733)
<b>Cash flow from financing activities</b>		
Drawdown of borrowings	-	20,047
Repayment of borrowings	(320)	(145)
Issuance of shares – ESOS	109	279
Dividends paid to shareholders	(8,455)	(4,380)
Dividends paid to minority shareholders	(323)	(111)
<b>Net cash flow (used in)/from financing activities</b>	<b>(8,989)</b>	15,690
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	<b>2,686</b>	(15,022)
At start of the year	64,868	74,847
<b>At end of the period</b>	<b>67,554</b>	59,825
Represented by:		
Deposit, cash and bank balances	68,898	61,959
Bank overdraft	(1,344)	(2,134)
	<b>67,554</b>	59,825

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 13 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 except for the issuance of the following new ordinary shares of RM1.00 each pursuant to the Employees' Share Option Scheme ("ESOS") of the Company:

Option price per share RM	No. of shares issued '000	Cash proceeds RM'000
1.14 - 1.50	86	109



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**7 Dividend paid**

Dividend paid during the period ended 30 June 2009 was as follows:

	<b>Cumulative Quarter Gross dividend per share Sen</b>	<b>Amount of dividend, net of tax RM '000</b>
Second interim dividend of 5.0 sen per share tax exempt in respect of the financial year ended 31 December 2008 declared on 26 February 2009, paid on 12 May 2009	<u>5.0</u>	<u>8,455</u>

**8 Segment Reporting**

<b>30-June-09</b>	<b>Investment Holding RM'000</b>	<b>Oil and Gas Operations RM'000</b>	<b>Logistics RM'000</b>	<b>ICT RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External sales	126	77,175	12,568	300	-	90,169
Inter-segment sales	19,634	1,044	-	2,578	(23,256)	-
<b>Total revenue</b>	<u>19,760</u>	<u>78,219</u>	<u>12,568</u>	<u>2,878</u>	<u>(23,256)</u>	<u>90,169</u>
<b>RESULTS</b>						
Segment results	(4,680)	31,885	3,267	(2,541)	349	28,280
Unallocated corporate expenses						(451)
Profit before tax						<u>27,829</u>
Income taxes						(3,014)
Minority interests						(3,035)
<b>Net profit for the year</b>						<u>21,780</u>
 <b>30-June-08</b>						
<b>Revenue</b>						
External sales	178	102,408	16,500	22	-	119,108
Inter-segment sales	19,971	6,451	-	2,631	(29,053)	-
<b>Total revenue</b>	<u>20,149</u>	<u>108,859</u>	<u>16,500</u>	<u>2,653</u>	<u>(29,053)</u>	<u>119,108</u>

## 8 Segment Reporting (continued)

30-June-08	Investment Holding RM'000	Oil and Gas Operations RM'000	Logistics RM'000	ICT RM'000	Eliminations RM'000	Consolidated RM'000
<b>RESULTS</b>						
Segment results	(6,566)	30,800	5,027	(1,992)	-	27,269
Unallocated corporate expenses						(265)
Profit before tax						27,004
Income taxes						(9,112)
Minority interests						(2,682)
<b>Net profit for the year</b>						<b>15,210</b>

## 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 RM47.9 million in the second quarter under review, a decrease of RM13.8 million or 22% compared to RM61.7 million reported in the same quarter in the preceding year. However, the Group recorded profit before tax of RM16.1 million, increase by 16% compared to RM13.9 million achieved in the same quarter in the preceding year.

For the six months ended 30 June 2009, the Group recorded revenue of RM90.2 million, a decrease of RM28.9 million or 24% compared to RM119.1 million achieved in the same period in the preceding year. The decrease in revenue was mainly due to lower oil and gas activities as compared to the same period in preceding year.

Despite lower revenue, the Group recorded profit before tax of RM27.8 million, increase by 3% or RM0.8 million compared to RM27.0 million achieved in the same period in the preceding year.

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 RM16.1 million, an increase of 36% as compared to RM11.8 million of profit before tax reported in the preceding quarter. This is due to increase in oil and gas activities and port operations in current quarter as compared to previous 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.

### 16 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Current income tax:				
- Malaysian income tax	3,860	4,314	6,910	8,874
Deferred tax:				
- Relating to origination and reversal of temporary differences	(4,535)	229	(3,896)	238
	<u>(675)</u>	<u>4,543</u>	<u>3,014</u>	<u>9,112</u>

The effective tax rate was lower than the statutory tax rate due to recognition of deferred tax assets arising from carryforward unused tax credits.

### 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 and sales of quoted securities for the current quarter and financial year to date are as follows:

	<b>Current quarter RM'000</b>	<b>Year to date RM'000</b>
<b>Bursa Malaysia</b>		
Purchases	181	208
Sales	101	101
Loss on disposal of quoted shares	(6)	(6)
	<hr/>	<hr/>

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

	<b>RM'000</b>
i) At cost	1,000
ii) At carrying value	880
iii) At market value	880

The quoted securities are managed by external asset management company.

### 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:

	<b>As at 30.06.2009 RM'000</b>	<b>As at 30.06.2008 RM'000</b>
Secured borrowings denominated in Ringgit Malaysia		
- Short term	6,023	1,453
- Long term	25,000	19,940
Unsecured borrowings denominated in Ringgit Malaysia		
- Short term	-	870
- Long term	-	610
	<hr/>	<hr/>

## 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 audited financial statements ended 31 December 2008.

## 23 Dividend proposed

On 17 August 2009, the Board of Directors approved and declared the payment of a first interim dividend of 3.5 sen per share tax exempt in respect of the financial year ending 31 December 2009. The date of payment will be determined later.

## 24 Earnings per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
<b>a) Basic earnings per share</b>				
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to the equity holder of the Company	<b>13,873</b>	8,158	<b>21,780</b>	15,210
	<b>'000</b>	'000	<b>'000</b>	'000
Number of shares at the beginning of the period	<b>169,173</b>	168,945	<b>169,173</b>	168,945
Effects of share options	<b>86</b>	468	<b>50</b>	177
Weighted average number of shares	<b>169,259</b>	169,413	<b>169,223</b>	169,122
Basic earnings per share (sen)	<b>8.20</b>	4.82	<b>12.87</b>	8.99

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**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:

	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	3 months ended	6 months ended
	<b>30.6.2008 RM'000</b>	<b>30.6.2008 RM'000</b>
Profit attributable to the equity holder of the Company	8,158	15,210
	<b>'000</b>	<b>'000</b>
Weighted average number of shares as per above	169,413	169,122
Adjustment for share options	965	1,110
Weighted average number of shares - diluted	<u>170,378</u>	<u>170,232</u>
Diluted earnings per share (sen)	4.79	8.93