

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

Interim Financial Statements  
31 March 2010

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

**Condensed Consolidated Statements of Comprehensive Income**  
**For the Period Ended 31 March 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>47,356</b>	42,234	<b>47,356</b>	42,234
Operating expenses	<b>(32,939)</b>	(31,471)	<b>(32,939)</b>	(31,471)
Other income	<b>522</b>	1,009	<b>522</b>	1,009
Profit before tax	<b>14,939</b>	11,772	<b>14,939</b>	11,772
Taxation	<b>(4,383)</b>	(3,687)	<b>(4,383)</b>	(3,687)
Profit for the period	<b>10,556</b>	8,085	<b>10,556</b>	8,085
Profit attributable to:				
Equity holders of the Company	<b>9,772</b>	7,905	<b>9,772</b>	7,905
Non-controlling interest	<b>784</b>	180	<b>784</b>	180
	<b>10,556</b>	8,085	<b>10,556</b>	8,085
Earnings per share attributable to equity holders of the Company (Sen)				
Basic	<b>5.80</b>	4.67	<b>5.80</b>	4.67

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

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009 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 Financial Position**  
**As at 31 March 2010**

	<b>Unaudited</b>	Audited
	<b>31.3.2010</b>	31.12.2009
	<b>RM'000</b>	RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	<b>225,907</b>	227,552
Prepaid lease payments	<b>34,847</b>	35,024
Investment properties	<b>4,254</b>	4,283
Intangible assets	<b>9,767</b>	9,767
Deferred tax asset	<b>9,001</b>	9,604
Financial assets designated at fair value	<b>84</b>	84
	<b>283,860</b>	286,314
<b>Current Assets</b>		
Inventories	<b>5,829</b>	5,417
Trade receivables	<b>40,909</b>	37,781
Other receivables	<b>9,968</b>	8,701
Financial assets designated at fair value	<b>3,171</b>	3,159
Tax recoverable	<b>7,577</b>	8,239
Cash and cash equivalents	<b>85,406</b>	83,388
	<b>152,860</b>	146,685
<b>TOTAL ASSETS</b>	<b>436,720</b>	<b>432,999</b>

**Eastern Pacific Industrial Corporation Berhad**  
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**Condensed Consolidated Statements of Financial Position**  
**As at 31 March 2010 (continued)**

	<b>Unaudited</b> <b>31.3.2010</b> <b>RM'000</b>	Audited 31.12.2009 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	<b>169,503</b>	169,503
Share premium	<b>82,414</b>	82,414
Treasury shares	<b>(1,049)</b>	(125)
Other reserves	<b>188</b>	188
Retained earnings	<b>78,106</b>	68,334
	<b>329,162</b>	320,314
Non-controlling interest	<b>18,416</b>	17,827
<b>Total Equity</b>	<b>347,578</b>	338,141
<b>Non Current Liabilities</b>		
Deferred tax liabilities	<b>22,900</b>	22,910
Borrowing	<b>21,032</b>	22,707
Retirement benefit obligations	<b>6,978</b>	5,834
	<b>50,910</b>	51,451
<b>Current Liabilities</b>		
Retirement benefit obligations	<b>387</b>	1,389
Borrowings	<b>6,205</b>	5,000
Trade payables	<b>10,021</b>	11,710
Other payables	<b>21,019</b>	25,174
Current tax liabilities	<b>600</b>	134
	<b>38,232</b>	43,407
<b>Total Liabilities</b>	<b>89,142</b>	94,858
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>436,720</b>	<b>432,999</b>
<b>Net assets per share (RM)</b>	<b>1.95</b>	1.89

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

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009 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 31 March 2010**

	----- Attributable to equity holders of the Company -----					Sub Total	Non-controlling interest	Total equity
	----- Non distributable equity -----		Distributable					
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1 January 2010</b>	<b>169,503</b>	<b>82,414</b>	<b>(125)</b>	<b>188</b>	<b>68,334</b>	<b>320,314</b>	<b>17,827</b>	<b>338,141</b>
Share Buy Back	-	-	(924)	-	-	(924)	-	(924)
Profit for the period	-	-	-	-	9,772	9,772	784	10,556
Dividend	-	-	-	-	-	-	(195)	(195)
<b>31 March 2010</b>	<b>169,503</b>	<b>82,414</b>	<b>(1,049)</b>	<b>188</b>	<b>78,106</b>	<b>329,162</b>	<b>18,416</b>	<b>347,578</b>

**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 2010 (continued)**

	----- Attributable to equity holders of the Company -----							
	----- Non distributable equity -----				Distributable			
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Sub Total	Non-controlling interest	Total equity
	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)
Profit for the period	-	-	-	-	7,905	7,905	180	8,085
Dividend	-	-	-	-	-	-	(323)	(323)
<b>31 March 2009</b>	<b>169,173</b>	<b>82,319</b>	<b>(125)</b>	<b>2,188</b>	<b>45,662</b>	<b>299,217</b>	<b>11,608</b>	<b>310,825</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 2009 and the accompanying explanatory notes on pages 7 to 13 of the interim financial statements.

**Eastern Pacific Industrial Corporation Berhad**

Company No: 66667-K

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**Condensed Consolidated Cash Flow Statements**

For the Period Ended 31 March 2010

	CUMULATIVE QUARTER	
	31.03.2010	31.03.2009
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	14,939	11,772
Adjustment for non cash and non operating item	3,379	2,868
<b>Operating profit before working capital changes</b>	<b>18,318</b>	14,640
Net change in current assets	(4,806)	3,797
Net change in current liabilities	(5,846)	5,166
Cash from operations	7,666	23,603
Tax paid	(2,659)	(4,414)
Tax refund	-	140
Retirement Benefits paid	(183)	-
<b>Net cash flow from operating activities</b>	<b>4,824</b>	19,329
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(1,217)	(6,481)
Additional investment in subsidiaries	-	(1,050)
Proceeds from disposal of property, plant and equipment	-	20
<b>Net cash flow used in investing activities</b>	<b>(1,217)</b>	(7,511)
<b>Cash flow from financing activities</b>		
Repayment of borrowings	(1,674)	-
Purchase of treasury shares	(924)	-
Dividends paid to minority shareholders	(196)	(323)
<b>Net cash flow used in financing activities</b>	<b>(2,794)</b>	(323)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>813</b>	11,495
At start of the year	83,388	64,868
<b>At end of the period</b>	<b>84,201</b>	76,363
Represented by:		
Deposit, cash and bank balances	85,406	76,363
Bank overdraft	(1,205)	-
	<b>84,201</b>	76,363

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 2009 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 financial year ended 31 December 2009. 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 2009.

**2 Changes in Accounting Policies**

The accounting policies and presentation adopted by the Group for the interim financial statements are consistent with those adopted for the Group's consolidated audited financial statements for the year ended 31 December 2009, except for the following:

<b>FRSs/Interpretations/Amendments to FRSs</b>	<b>Effective date</b>
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 101 (revised), Presentation of Financial Statements	1 January 2010
FRS 123 (revised), Borrowing Costs	1 January 2010
FRS 132 (revised), Financial Instruments: Presentation	1 January 2010
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Impairment and Interim Financial Reporting	1 January 2010
Amendment to FRS 3: Business Combination	1 January 2010
Amendment to FRS 101: Presentation of Financial Statement	1 January 2010
Amendment to FRS 102: Inventories	1 January 2010
Amendment to FRS 108: Accounting Policies, Changes in Estimates and Errors	1 January 2010
Amendment to FRS 116: Property, Plant and Equipment	1 January 2010
Amendment to FRS 127: Consolidated and Separate Financial Statement	1 January 2010
Amendment to FRS 132: Financial Instruments : Disclosure and Presentation	1 January 2010
Amendment to FRS 133: Earning Per Share	1 January 2010
Amendment to FRS 140: Investment Property	1 January 2010



## **2 Changes in Accounting Policies (continued)**

Other than the implications as discussed below, the adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group:

a) FRS 8, Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

b) FRS 139, Financial Instruments: Recognition and measurement

With the adoption of FRS 139, financial assets recognised in the prior financial year are classed into the following categories:

<b>Pre-FRS 139</b>	<b>Post-FRS 139</b>
Other investment	Financial assets at fair value through profit or loss
Short term investments	Financial assets at fair value through profit or loss

The measurement bases applied to the financial assets in the prior financial year remain at fair value through profit or loss.

## **3 Disclosure of the qualification on the preceding annual financial statements**

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

## **4 Seasonal or cyclical factors**

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

## **5 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.

## **6 Changes in estimates**

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

## 7 Issuances, repurchases or repayments of debt and equity securities

There were no issuances, repurchases and repayment of debt and equity securities in the current financial year except for the purchase of treasury shares as follows:

	<b>Number of treasury shares '000</b>	<b>Total consideration RM'000</b>
At 1 January 2010	100	125
Repurchased during the year	585	924
At 31 March 2010	<u>685</u>	<u>1,049</u>

The repurchase transactions were financed by internally generated funds.

## 8 Dividend paid

There was no dividend paid during the period ended 31 March 2010.

## 9 Segment Reporting

<b>31 March 2010</b>	<b>Investment Holding RM'000</b>	<b>Oil and Gas Operations RM'000</b>	<b>Port Management RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External sales	29	38,022	8,918	387	-	47,356
Inter-segment sales	29,356	549	-	-	(29,905)	-
<b>Total revenue</b>	<u>29,385</u>	<u>38,571</u>	<u>8,918</u>	<u>387</u>	<u>(29,905)</u>	<u>47,356</u>
<b>RESULTS</b>						
Segment results	(2,372)	14,881	2,866	(436)	-	14,939
Unallocated corporate expenses						-
Profit before tax						<u>14,939</u>
Income taxes						(4,383)
Non-controlling interest						(784)
<b>Net profit for the year</b>						<u><u>9,772</u></u>

**9 Segment Reporting (continued)**

31 March 2009	Investment Holding RM'000	Oil and Gas Operations RM'000	Port Management RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	80	36,793	5,126	235	-	42,234
Inter-segment sales	18,077	499	-	1,294	(19,870)	-
<b>Total revenue</b>	<b>18,157</b>	<b>37,292</b>	<b>5,126</b>	<b>1,529</b>	<b>(19,870)</b>	<b>42,234</b>
<b>RESULTS</b>						
Segment results	(2,410)	13,908	878	(874)	348	11,850
Unallocated corporate expenses						(78)
Profit before tax						11,772
Income taxes						(3,687)
Non-controlling interest						(180)
<b>Net profit for the year</b>						<b>7,905</b>

**10 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.

**11 Changes in the composition of the Group**

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

**12 Contingent liabilities**

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

### 13 Review of performance

The Group achieved revenue of RM47.36 million in the first quarter under review, an increase of RM5.12 million or 12% compared to RM42.23 million reported in the same quarter in the preceding year.

The Group recorded profit before tax of RM14.94 million, increase by 27% compared to RM11.77 million achieved in the same quarter in the preceding year.

The increase in revenue and profit before tax was mainly due to increase in port operations and oil and gas activities.

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

### 14 Review of current quarter profitability against preceding quarter

During the current quarter under review, the Group recorded profit before tax of RM14.94 million, an increase of 20% as compared to RM12.40 million of profit before tax reported in the preceding quarter due to increase in port operations and oil and gas activities.

### 15 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 2010 compared to the year 2009.

### 16 Profit forecast and profit guarantee

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

### 17 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Malaysian tax:				
- current year	3,789	3,050	3,789	3,050
Deferred tax	594	637	594	637
	<u>4,383</u>	<u>3,687</u>	<u>4,383</u>	<u>3,687</u>

The effective tax rate was higher than the statutory tax rate due to reversal of deferred tax assets arising from unused tax credit.

## 18 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.

## 19 Investment in quoted securities

(a) Purchases 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	301	301
Sales	102	102
Profit on disposal	(11)	(11)
	<u>          </u>	<u>          </u>

(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	952
iii) At market value	952
	<u>          </u>

## 20 Corporate proposals

There were no corporate proposals for the period under review..

## 21 Group borrowings and debt securities

The Group exposure in borrowings is as follows:

	<b>As at 31.03.2010 RM'000</b>	<b>As at 31.03.2009 RM'000</b>
Secured borrowings denominated in Ringgit Malaysia		
- Short term	6,205	5,000
- Long term	21,032	25,000
	<u>          </u>	<u>          </u>

The quoted securities are managed by external asset management company.

## 22 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.

## 23 Changes in material litigation

There are no changes in material litigation since the date of the last interim financial report ended 31 December 2009.

## 24 Dividend proposed

On 22 February 2010, the Board of Directors approved and declared the payment of a second interim dividend of 2.5 sen per ordinary share less 25% taxation in respect of the financial year ended 31 December 2009 which will be paid on 18 May 2010.

## 25 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended 31.03.2010	31.03.2009	3 months ended 31.03.2010	31.03.2009
<b>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	9,772	7,905	9,772	7,905
Weighted average number of shares	168,454	169,173	168,454	169,173
Basic earnings per share (sen)	5.80	4.67	5.80	4.67