

VASTALUX ENERGY BERHAD (Company No: 789373-V)
(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

**INTERIM FINANCIAL REPORTING FOR THE FIRST QUARTER
ENDED 31 MARCH 2009**

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The interim financial statements is unaudited and has been prepared in accordance with the Financial Reporting Standards 134 (FRS134):”Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). This is the fourth interim financial report on the consolidated results for the first quarter ended 31 March 2009 announced by the Company in compliance with the Listing Requirements and in conjunction with the admission of the Company to the Second Board of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The accounting policies and methods of computation adopted by the Group in this interim financial report are in compliance with the new and revised Financial Reporting Standards (“FRS”) issued by the MASB.

A2. Audit qualifications

There was no qualification on the audited financial statements of the Company for the financial year ended 31December 2008.

A3. Seasonal or cyclical factors

The principal business operations of the Group are not significantly affected by seasonal or cyclical factors during the period under review.

A4. Extraordinary and exceptional items

There were no extraordinary and exceptional items of an unusual nature affecting assets, liabilities, equity, net income or cash flows during the interim financial period under review.

A5. Material changes in estimates

There were no changes in the estimates of amount relating to the prior financial years that have a material effect in the current year quarter under review.

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A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There have been no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and current year to date.

A7. Dividends paid

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2008 of 1.0 sen per ordinary share less 26% taxation, will be proposed for shareholders approval.

No dividend was paid in the current quarter.

A8. Segmental information

By activities

The financial information by industrial segment is not presented as the Group considers to operate in one business segment.

By geographical locations

	Revenue	Profit before tax
	RM	RM
Malaysia operations	58,477,655	1,231,528
Overseas operations	-	(215,234)
	<u>58,477,655</u>	<u>1,016,294</u>

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current period under review.

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A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A10. Capital commitments

Capital commitment as at end of the current quarter
and current year to date are as follows:-

	31 March 2009
	RM'000

Approved and contracted for:-	5,538
Approved but not contracted for:-	-

A11. Material events subsequent to the end of period reported

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and current year to date.

A13. Contingent Liabilities and Contingent Assets

	31 March
	2009
	RM
Being a claim from a third party in dispute #	<u>2,624,241</u>

On 18 July 2008, the defendant was served with the Plaintiff's application for summary judgment. The plaintiff's application for summary judgment has been fixed for hearing on 6 August 2009. Based on the facts and merits of the abovementioned suits, it is the Directors' opinion that the Company has sufficient grounds to resist the Plaintiff's claim.

A14. Significant related party transactions

The Group had no significant related party transactions with related parties during the current quarter.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

For the current quarter, the Group recorded a pre-tax profit of RM1.0 million on the back of RM58.5 million revenue.

In the opinion of the Directors, the result for the current quarter and current year to date have not been affected by any transactions or events of a material nature which has arisen between 31 December 2008 and the date of this report.

B2. Material changes in the quarterly results as compared to the results of the previous quarter

	Current Year Quarter Ended 31 March 2009	Previous Year Quarter Ended 31 December 2008	Variance	
	RM	RM	RM	%
Revenue	58,477,655	38,085,523	20,392,132	53.5
Profit before tax	1,016,294	5,887,982	(4,871,688)	(82.7)

The lower pre-tax profit of RM1.0 million for the current quarter as compared to RM5.9 million for the preceding quarter was mainly due to completion of contract for Provision of minor fabrication works for Cakerawala Facilities in Block A-18, MTJDA for Carigali HESS and the contract for Procurement, construction and commissioning for LGAST and pipeline project (PCCI) – GRT 1 & 2 for Petronas Methanol Labuan (PML) in the preceding quarter and lower revenue and profit contribution from Topside major maintenance contract.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the Directors remain positive with the Group prospects. This is because the Group's core business of providing offshore hook-up and commissioning and topside major maintenance services is mainly focus on existing oil and gas facilities. These service are regarded as critical to the oil and gas industry to ensure the integrity of the facilities and are therefore less affected by the fluctuation in the price of crude oil.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B4. Variance between Actual Profit and Estimate Profit

The Group has not issued any profit forecast for the current financial year.

B5. Taxation

Current tax:

	Current year quarter	Current year to date
	RM	RM
Malaysia income tax	478,127	478,127
Deferred tax	1,264,879	1,264,879
	<u>1,743,006</u>	<u>1,743,006</u>

The difference between the statutory tax rate and effective tax rate in 2008 was mainly arising from recognition of deferred tax liability on the timing difference between assets net book value and tax written down value and realization of deferred tax benefits.

B6. Profit from sale of unquoted investments and/ or properties

There were no disposal of unquoted investment and properties for the current quarter and current year to date.

B7. Quoted securities

There were no purchase or disposal of quoted securities for the current quarter and current year to date and the Group did not hold any quoted securities as at the end of the current year to date.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S
LISTING REQUIREMENTS**

B8. Status of Corporate Proposal

In conjunction with the floatation exercise undertaken by the Company, the Company has, on 22 August 2008, issued a Prospectus in relation to the following:

(A) Public issue

Public issue of 57,232,000 new ordinary shares of RM0.25 each in the Company at an issue price of RM0.75 per ordinary share payable in full upon application comprising:

1. 12,000,000 new ordinary shares of RM0.25 each available for application by the Malaysian Public;
2. 4,240,000 new ordinary shares of RM0.25 each available for application by the eligible senior management, business associates, directors and promoters of the VEB Group; and
3. 40,992,000 new ordinary shares of RM0.25 each available for placement to selected investors.

The Initial Public Offering ("IPO") was completed on 12 September 2008.

(B) Listing

The admission to the official list and the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities was successfully completed on 12 September 2008.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B8. Status of Corporate Proposal

(C) Status of utilisation of proceeds

As at the end of the current quarter and current year to date, the status of utilization of the proceeds as compared to the actual utilization is as follows:-

	Proposed utilisation RM'000	Actual utilization RM'000	Timeframe for utilization upon listing	RM'000	Remarks
1. Capital expenditure:					
(i) Development and construction of fabrication yard and yard facilities	3,000	3,000	Within 24 months	-	-
(ii) Finance or part finance the acquisition of marine vessel(s)	10,000	-	Within 12 months	10,000	Available for use
2. Retirement of borrowings	21,501	21,501	Immediate	-	-
3. Working capital:					
(i) Expansion of business and market	10,000	10,000	Within 24 months	-	-
(ii) Existing operations	5,316	5,316	Within 12 months	-	-
4. Estimated listing expenses	2,559	2,559	Immediate	-	-
	<u>52,376</u>	<u>42,376</u>		<u>10,000</u>	

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B9. Deposits with licensed bank

Inclusive in the fixed deposits is an amount of RM34,127,611 currently being placed in fixed deposits and repo placements originated from the Bank Accounts below maintained by Vastalux Capital Sdn Bhd ("VCSB") prior to their intended utilization as per Notes A, B, and C below:

	RM
a) Disbursement account ("DA") (Note A)	-
b) Sinking fund account ("SFA") (Note B)	30,001,326
c) Finance service reserves account ("FSRA") (Note C)	4,126,285
d) Others	10,458,161
	<u>44,585,772</u>

Note A

• Disbursement Account ("DA")

The account is opened and jointly operated and managed by the Facility Agent (KAF Investment Bank Bhd) and Trustee (KAF Trustee Bhd) to capture the total proceeds of RM100 million from the issuance of the Sukuk Musyarakah for the purposes of financing the Contracts ("TMM PCSB-PMO Contract, HUC Umbrella Contract, Murphy Contract and any other future contracts awarded to Vastalux Sdn Bhd (the Obligor) and other approved expenses including the Sukuk Musyarakah issue expenses and Finance Service Reserve Account ("FSRA") initial funding requirements.

The available fund, if any can be used to finance future contract(s) awarded to the Obligor. Any unutilised amount can also be used towards repayment of the capital (principal portion) of the Sukuk Musyarakah, subject to bondholders' approval.

Note B

• Sinking Fund Account ("SFA")

The account is opened and jointly operated or managed by the Facility Agent (KAF Investment Bank Bhd) and Trustee (KAF Trustee Bhd). The required amount to be maintained in the SFA shall be progressively built up until it is sufficient to pay the next repayment of capital (principal portion) of the Sukuk Musyarakah.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B9. Deposits with licensed bank

Note C

- Finance Service Reserve Account (“FSRA”)

The account is opened and jointly operated or managed by the Facility Agent (KAF Investment Bank Bhd) and Trustee (KAF Trustee Bhd). The required amount to be maintained in the FSRA shall be progressively built up and fully deposited into the account six (6) months before the respective due dates of the expected profit portion under the Sukuk Musyarakah.

B10. Group borrowings and debt securities

The Group’s borrowings as at 31 March 2009 are as follows:-

	Secured RM	Unsecured RM	Total RM
<u>Short term borrowing:-</u>			
Bank overdrafts	7,681,058	-	7,681,058
Bills payable	4,606,714	-	4,606,714
Term loan	285,113	-	285,113
Finance creditors	-	-	-
Bonds	25,000,000	-	25,000,000
	<u>37,572,885</u>	<u>-</u>	<u>37,572,885</u>
<u>Long Term borrowings:-</u>			
Term loan	5,473,920	-	5,473,920
Finance creditors	-	-	-
Bonds	25,000,000	-	25,000,000
	<u>30,473,920</u>	<u>-</u>	<u>30,473,920</u>
Total	<u>68,046,805</u>	<u>-</u>	<u>68,046,805</u>

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S
LISTING REQUIREMENTS**

B11. Trade Payables

	31 March 2008
	RM
Trade payables	126,348,734
Accrued cost	4,349,400
	<u>130,698,134</u>

B12. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk.

B13. Material Litigation

As at 31 March 2009, neither our Company nor any of our subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company or our subsidiaries.

B14. Proposed Dividend

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2008 of 1.0 sen per share less 26% taxation, will be proposed for the shareholders' approval. The financial statements for the current quarter do not reflect this proposed dividend. Such dividend, if proposed by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2009.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B15. Earnings per share

(a) Basic earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company of RM2.8 million for the current year quarter and current year to date as at 31 March 2009 and based on the number of shares of 206,240,000.

(b) Fully diluted earnings per share

Fully diluted earnings per share were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.

By Order of the Board,

Date: 25 May 2009