

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

Condensed Consolidated Income Statement
For the second quarter ended 30 June 2009 (Unaudited)

	Current year Quarter Ended 30.6.2009 RM	Comparative year Quarter Ended 1.5.2008 - 30.6.2008 RM	Current Year To Date 30.6.2009 RM	Current Year To Date 1.5.2008 - 30.6.2008 RM
Revenue	67,071,789	19,945,510	125,549,444	19,945,510
Cost of sales	(62,277,820)	(14,536,085)	(115,700,485)	(14,536,085)
Gross profit	<u>4,793,969</u>	<u>5,409,425</u>	<u>9,848,959</u>	<u>5,409,425</u>
Other operating income	(16,938)	5,544,475	37,779	5,544,475
Finance cost	(1,202,098)	(1,168,665)	(2,121,961)	(1,168,665)
Administration expenses	(2,272,633)	(1,326,671)	(4,736,105)	(1,326,671)
Other operating expenses	(928,276)	(1,119,797)	(1,638,354)	(1,119,797)
Profit before taxation	<u>374,024</u>	<u>7,338,767</u>	<u>1,390,318</u>	<u>7,338,767</u>
Taxation	(2,056,148)	(1,041,785)	(313,142)	(1,041,785)
Profit/(loss) after taxation	<u>(1,682,124)</u>	<u>6,296,982</u>	<u>1,077,176</u>	<u>6,296,982</u>
Minority interest	29,077	(11,945)	30,490	(11,945)
Profit/(loss) for the period attributable to Equity holders of the parent	<u>(1,653,047)</u>	<u>6,285,037</u>	<u>1,107,666</u>	<u>6,285,037</u>
Earning/(loss) per share :				
- Basic (sen)	(0.80)	4.22	0.54	4.22
- Diluted (sen)	-	N/A	-	N/A

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

Condensed Consolidated Balance Sheet as at 30 June 2009 (Unaudited)

	30.6.2009	31.12.2008
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	16,540,927	17,775,006
Prepaid land lease	17,887,375	14,910,517
Goodwill on consolidation	54,952	54,952
Deferred expenditure	4,089,922	725,255
Deferred tax assets	<u>273,072</u>	<u>1,767,713</u>
	<u>38,846,248</u>	<u>35,233,443</u>
Current assets		
Amount due from customers	228,105,251	164,549,671
Trade receivables	20,854,823	18,790,986
Other receivables, deposits and prepayments	8,028,685	6,608,990
Tax recoverable	1,370,021	1,168,000
Deposits with licensed banks	44,131,702	36,191,276
Cash and bank balances	<u>8,662,043</u>	<u>14,566,555</u>
	<u>311,152,525</u>	<u>241,875,478</u>
TOTAL ASSETS	<u><u>349,998,773</u></u>	<u><u>277,108,921</u></u>
EQUITY AND LIABILITIES		
Share capital	51,560,000	51,560,000
Capital reserves	31,922,308	31,922,308
Foreign exchange reserve	656,451	(54,719)
Retained profit	<u>12,796,289</u>	<u>11,688,623</u>
Shareholders' equity	<u>96,935,048</u>	<u>95,116,212</u>
Minority interest	<u>6,032,152</u>	<u>3,625,402</u>
Total equity	<u>102,967,200</u>	<u>98,741,614</u>
Non-current liabilities		
Long term borrowings	30,729,534	30,523,131
Deferred tax liabilities	<u>1,681,733</u>	<u>2,863,526</u>
	<u>32,411,267</u>	<u>33,386,657</u>
Current liabilities		
Short term borrowings	46,185,559	42,373,761
Trade payables	160,081,724	95,248,306
Other payables and accruals	5,665,881	4,667,930
Provision for taxation	<u>2,687,142</u>	<u>2,690,653</u>
	<u>214,620,306</u>	<u>144,980,650</u>
Total liabilities	<u>247,031,573</u>	<u>178,367,307</u>
TOTAL EQUITY AND LIABILITIES	<u><u>349,998,773</u></u>	<u><u>277,108,921</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.47	0.46

VASTALUX ENERGY BERHAD (Company No: 789373-V)
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Condensed Consolidated Statement of Changes in Equity
For the second quarter ended 30 June 2009 (Unaudited)

	Share Capital RM	Non Distributable:- Capital Reserves RM	Foreign exchange Reserve RM	Distributable:- (Accumulated losses)/Retained earnings RM	Total RM	Minority Interests RM	Total Equity RM
Balance at 1.1.2008	1	-	-	(7,020)	(7,019)	-	(7,019)
Acquisition of subsidiaries	27,799,999	-	-	-	27,799,999	633,941	28,433,940
Issuance of shares	9,452,000	-	-	-	9,452,000	-	9,452,000
Foreign currency translation	-	-	109,941	-	109,941	-	109,941
Net profit for the period	-	-	-	6,285,037	6,285,037	11,945	6,296,982
Balance at 30.6.2008	<u>37,252,000</u>	<u>-</u>	<u>109,941</u>	<u>6,278,017</u>	<u>43,639,958</u>	<u>645,886</u>	<u>44,285,844</u>
Balance at 31.12.2008	51,560,000	31,922,308	(54,719)	11,688,623	95,116,212	3,625,402	98,741,614
Issue of shares to minority interest	-	-	-	-	-	2,376,260	2,376,260
Foreign currency translation	-	-	711,170	-	711,170	-	711,170
Net profit for the period	-	-	-	1,107,666	1,107,666	30,490	1,138,156
Balance at 30.6.2009	<u>51,560,000</u>	<u>31,922,308</u>	<u>656,451</u>	<u>12,796,289</u>	<u>96,935,048</u>	<u>6,032,152</u>	<u>102,967,200</u>

VASTALUX ENERGY BERHAD (Company No: 789373-V)
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Condensed Consolidated Cash Flow Statements
For the second quarter ended 30 June 2009 (Unaudited)

	Current Year To Date Ended 30.6.2009 RM	Corresponding Year To Date Ended 30.6.2008 RM
Profit before tax	1,390,318	7,338,767
Adjustments for non -cash flow :		
Non-cash items	(1,864,426)	1,582,385
Operating profit before working capital changes	(474,108)	8,921,152
Changes in working capital	2,417,802	(8,334,323)
	1,943,694	586,829
Net interest expense	(2,139,663)	(2,222,711)
Tax paid	(205,827)	(300,767)
Net cash flows from operating activities	(401,796)	(1,936,649)
Investing activities		
Purchase of property, plant and equipment	(1,752,042)	(440,300)
Payment for land lease	(2,976,858)	(1,059,865)
Acquisition of subsidiaries, net of cash received	-	41,740,679
	(4,728,900)	40,240,514
Financing activities		
Proceeds from issuance of shares	-	9,452,000
Pledged deposits of a subsidiary placed with licensed banks	-	(25,000,000)
Proceeds from shares subscription of minorities of subsidiary	2,437,240	-
Repayments of borrowings	1,712,807	(4,441,806)
	4,150,047	(19,989,806)
Net change in cash and cash equivalents	(980,649)	18,314,059
Effects of exchange rate	711,170	284,073
Cash and cash equivalents at beginning of the period	18,097,698	1
Cash and cash equivalents at end of the period	17,828,219	18,598,133
Cash and cash equivalents comprise of:		
Deposits with licensed bank	44,131,702	49,707,481
Cash and bank balances	8,662,043	5,823,807
	52,793,745	55,531,288
Less:		
Bank overdrafts	(9,965,526)	(11,933,155)
Portion of deposits for repayment of bonds within 12 months	(25,000,000)	(25,000,000)
	17,828,219	18,598,133

VASTALUX ENERGY BERHAD (Company No: 789373-V)
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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 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 fifth interim financial report on the consolidated results for the second quarter ended 30 June 2009 announced by the Company in compliance with the Listing Requirements and in conjunction with the admission of the Company to the Main Market of Bursa Securities.

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 31 December 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 quarter under review.

VASTALUX ENERGY BERHAD (Company No: 789373-V)
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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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 period and year to date.

A7. Dividends paid

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 consider to operate in one business segment.

By geographical locations

	Revenue	Profit before tax
	RM	RM
Malaysia operations	125,549,444	1,774,248
Overseas operations	-	(383,930)
	<u>125,549,444</u>	<u>1,390,318</u>

A9. Valuation of property, plant and equipment

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

VASTALUX ENERGY BERHAD (Company No: 789373-V)
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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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 financial year to date are as follows:-

	30 June 2009 RM'000
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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 financial year-to-date.

A13. Contingent Liabilities and Contingent Assets

	30 June 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. On the 6 August 2009, the court directed both parties to file their written submission and 30 September 2009 has been fixed for the decision of plaintiff's application for summary judgment.

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 financial quarter.

VASTALUX ENERGY BERHAD (Company No: 789373-V)
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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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 RM374,024 on the back of RM67.0 million revenue.

In the opinion of the Directors, the result for the current quarter and financial 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 compared to the results of the preceding quarter

	Current Year Quarter Ended 30 June 2009 RM	Current Year Quarter Ended 1 May 2008 - 30 June 2008 RM	Variance RM	%
Revenue	67,071,789	19,945,510	47,126,279	More 100
Profit before tax	374,024	7,338,767	(6,964,743)	(94.9)

The pre-tax profit of RM374,024 for the current quarter as compared to RM7.3 million for the preceding quarter was mainly due to high cost on Topside Major Maintenance works in relation to revenue in current quarter and lower profit contribution from Hook-up and Commissioning works. The profit before tax for the corresponding quarter included negative goodwill on acquisition of subsidiaries of RM5.2 million.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the prospect for the coming years is challenging. In view of the current global economic crisis, the Directors in preserving shareholders' value will exercise extra prudence and caution in facing the current adverse economic condition.

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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
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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 RM	Current year to date RM
Malaysia income tax	445,280	32,847
Deferred tax	(2,501,428)	(345,989)
	<u>(2,056,148)</u>	<u>(313,142)</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 financial year-to-date.

B7. Quoted securities

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

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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

**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 Market of Bursa Securities was successfully done on 12 September 2008.

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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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 financial period to date, the status of utilization of the proceeds as compared to the actual utilization is as follows:-

	Proposed utilization	Revised utilization	Actual utilization	Timeframe for utilization upon listing		Remarks
	RM'000	RM'000	RM'000		RM'000	
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 vessels	10,000	(10,000)	-	Within 12 months	-	-
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	10,000	15,316	Within 12 months	-	-
4. Estimated listing expenses	2,559	-	2,559	Immediate	-	-
	<u>52,376</u>	<u>10,000</u>	<u>52,376</u>		<u>-</u>	

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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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

B9. Deposits with licensed bank

Inclusive in the fixed deposits is an amount of RM32,863,396 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)	30,126,103
c) Finance service reserves account ("FSRA") (Note C)	2,737,293
d) Others	11,268,306
	<hr/>
	44,131,702

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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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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 30 June 2009 are as follows:-

	Secured RM	Unsecured RM	Total RM
<u>Short term borrowing:-</u>			
Bank overdrafts	9,965,526	-	9,965,526
Bills payable	8,235,901	-	8,235,901
Term loan	2,947,510	-	2,947,510
Finance creditors	36,622	-	36,622
Bonds	25,000,000	-	25,000,000
	<u>46,185,559</u>	-	<u>46,185,559</u>
<u>Long Term borrowings:-</u>			
Term loan	5,369,117	-	5,369,117
Finance creditors	360,417	-	360,417
Bonds	25,000,000	-	25,000,000
	<u>30,729,534</u>	-	<u>30,729,534</u>
Total	<u>76,915,093</u>	-	<u>76,915,093</u>

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

B11. Trade Payables

	30 June 2009
	RM
Trade payables	135,810,590
Accrued cost	24,271,134
	<u>160,081,724</u>

B12. Off Balance Sheet Financial Instruments

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

B13. Material Litigation

Save as disclosed below, as at 30 June 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 affect the financial position or business of our Company and subsidiaries.

1. Romilly (M) Sdn Bhd ("Romilly") V Vastalux Sdn Bhd
(Winding Up No. D-28-390-2009)

The matter involves a claim by Romilly for the sum of RM535,488.46 for goods delivered and services rendered. The matter has been dully settled and the solicitors of the petitioner had withdrawn the petition on 20 August 2009.

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**INTERIM FINANCIAL REPORTING FOR THE SECOND QUARTER
ENDED 30 JUNE 2009**

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

B14. Proposed Dividend

At the Annual General Meeting on 15 June 2009, a first and final dividend in respect of the financial year ended 31 December 2008 of 1.0 sen per share less 26% taxation payable on 14 September 2009, has been approved by shareholders. The financial statements for the current quarter do not reflect this dividend. Such dividend, when paid, will be accounted for in equity as an appropriation of retained profits in the financial period ending 30 September 2009.

B15. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated based on the Group's profit/(loss) attributable to equity holders of the Company of (RM1.6) million for the current year quarter and RM1.1 million for current year quarter to date as at 30 June 2009 and based on the number of shares of 206,240,000.

(b) Fully diluted earnings/(loss) per share

Fully diluted earnings/(loss) 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: 28 August 2009