

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

Condensed Consolidated Income Statement
For the third quarter ended 30 September 2009 (Unaudited)

	Current year Quarter Ended 30.9.2009	Previous year Quarter Ended 30.9.2008	Current Year To Date 30.9.2009	Previous Year To Date 1.5.2008 - 30.9.2008
	RM	RM	RM	RM
Revenue	32,131,925	70,043,102	157,681,369	89,988,612
Cost of sales	(51,420,993)	(55,025,820)	(166,208,402)	(69,561,906)
Gross profit/(loss)	(19,289,068)	15,017,282	(8,527,033)	20,426,706
Other operating income	305,565	548,219	716,103	6,092,698
Finance cost	(1,113,385)	(1,846,557)	(3,611,462)	(3,015,131)
Administration expenses	(2,165,620)	(1,934,813)	(6,932,416)	(3,261,975)
Other operating expenses	(1,329,755)	(1,855,014)	(3,847,140)	(2,974,411)
Profit/(loss) before taxation	(23,592,263)	9,929,117	(22,201,948)	17,267,887
Taxation	5,857,147	(2,668,817)	5,544,005	(3,710,602)
Profit/(loss) after taxation	(17,735,116)	7,260,300	(16,657,943)	13,557,285
Minority interest	8,036	(4,338)	38,526	(16,284)
Profit/(loss) for the period attributable to Equity holders of the parent	(17,727,080)	7,255,962	(16,619,417)	13,541,001
Earnings/(loss) per share :				
- Basic (sen)	(8.60)	3.52	(8.06)	6.57
- Diluted (sen)	-	-	-	-

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 September 2009 (Unaudited)

	30.9.2009	31.12.2008
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	14,916,466	17,775,006
Prepaid land lease	17,469,784	14,910,517
Goodwill on consolidation	54,952	54,952
Deferred expenditure	2,279,987	725,255
Deferred tax assets	8,023,111	1,767,713
	<u>42,744,300</u>	<u>35,233,443</u>
Current assets		
Amount due from customers	163,052,970	164,549,671
Trade receivables	69,704,370	18,790,986
Other receivables, deposits and prepayments	5,846,080	6,608,990
Tax recoverable	1,168,000	1,168,000
Deposits with licensed banks	50,670,748	36,191,276
Cash and bank balances	5,642,972	14,566,555
	<u>296,085,140</u>	<u>241,875,478</u>
TOTAL ASSETS	<u><u>338,829,440</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	366,068	(54,719)
Retained profit	(6,456,972)	11,688,623
Shareholders' equity	<u>77,391,404</u>	<u>95,116,212</u>
Minority interest	3,586,876	3,625,402
Total equity	<u>80,978,280</u>	<u>98,741,614</u>
Non-current liabilities		
Long term borrowings	31,050,942	30,523,131
Deferred tax liabilities	3,554,220	2,863,526
	<u>34,605,162</u>	<u>33,386,657</u>
Current liabilities		
Short term borrowings	46,128,501	42,373,761
Trade payables	164,531,263	95,248,306
Other payables and accruals	9,877,839	4,667,930
Provision for taxation	2,708,395	2,690,653
	<u>223,245,998</u>	<u>144,980,650</u>
Total liabilities	<u>257,851,160</u>	<u>178,367,307</u>
TOTAL EQUITY AND LIABILITIES	<u><u>338,829,440</u></u>	<u><u>277,108,921</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.38	0.46

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

	Non Distributable:-			Distributable:-			
	Share	Capital	Foreign	(Accumulated		Minority	Total
	Capital	Reserves	exchange	losses)/Retained		Interests	Equity
	RM	RM	Reserve	earnings	Total	RM	RM
			RM	RM	RM		
Balance at 1.1.2008	1	-	-	(7,020)	(7,019)	-	(7,019)
Acquisition of subsidiaries	27,799,999	-	-	-	27,799,999	633,940	28,433,939
Issuance of shares	23,760,000	26,056,536	-	-	49,816,536	-	49,816,536
Foreign currency translation	-	-	227,141	-	227,141	-	227,141
Net profit for the period	-	-	-	13,541,001	13,541,001	16,284	13,557,285
Balance at 30.9.2008	51,560,000	26,056,536	227,141	13,533,981	91,377,658	650,224	92,027,882
Balance at 31.12.2008	51,560,000	31,922,308	(54,719)	11,688,621	95,116,210	3,625,402	98,741,612
Foreign currency translation	-	-	420,787	-	420,787	-	420,787
Dividend paid	-	-	-	(1,526,176)	(1,526,176)	-	(1,526,176)
Net profit for the period	-	-	-	(16,619,417)	(16,619,417)	(38,526)	(16,657,943)
Balance at 30.9.2009	51,560,000	31,922,308	366,068	(6,456,972)	77,391,404	3,586,876	80,978,280

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

Condensed Consolidated Cash Flow Statements
For the third quarter ended 30 September 2009 (Unaudited)

	Current Year To Date Ended 30.9.2009 RM	Previous Year To Date Ended 1.5.2008 - 30.9.2008 RM
Profit before tax	(22,201,948)	17,267,887
Adjustments for non -cash flow :		
Non-cash items	4,409,716	2,394,987
Operating profit before working capital changes	(17,792,232)	19,662,874
Changes in working capital	26,041,114	(21,983,979)
	8,248,882	(2,321,105)
Net interest expense	(3,021,855)	(2,240,413)
Tax paid	(204,977)	(3,059,588)
Net cash flows from operating activities	5,022,050	(7,621,106)
Investing activities		
Purchase of property, plant and equipment	(84,053)	(2,400,967)
Acquisition of subsidiaries, net of cash acquired	-	41,740,675
Payment for land lease	(2,559,267)	-
Dividend paid	(1,526,177)	-
	(4,169,497)	39,339,708
Financing activities		
Proceeds from issuance of shares	-	52,376,000
Proceeds/(Repayments) of borrowings	2,900,883	(16,865,579)
Listing expenses	-	(2,559,464)
	2,900,883	32,950,957
Net change in cash and cash equivalents	3,753,436	64,669,559
Effects of exchange rate	420,787	227,141
Cash and cash equivalents at beginning of the period	18,097,698	1
Cash and cash equivalents at end of the period	22,271,921	64,896,701
Cash and cash equivalents comprise of:		
Deposits with licensed bank	50,670,748	49,707,481
Cash and bank balances	5,642,972	46,298,568
	56,313,720	96,006,049
Less:		
Bank overdrafts	(9,041,799)	(6,109,348)
Portion of deposits for repayment of bonds within 12 months	(25,000,000)	(25,000,000)
	22,271,921	64,896,701

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

INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 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 six interim financial reports on the consolidated results for the third quarter ended 30 September 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 THIRD QUARTER
ENDED 30 SEPTEMBER 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, repurchase, resale and repayments of debt and equity securities during the current period and year to date.

A7. Dividends paid

On 14 September 2009 the Company paid a final gross dividend of 1 sen in respect of the financial year ended 31 December 2008.

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	157,681,369	(21,678,237)
Overseas operations	-	(523,711)
	<u>157,681,369</u>	<u>(22,201,948)</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 THIRD QUARTER
ENDED 30 SEPTEMBER 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 September 2009 RM'000
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Approved and contracted for:-	5,559
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 September 2009 RM
Being a claim from a third party in dispute #	<u>2,624,241</u>

On 18 July 2008, Vastalux Sdn Bhd was served with the Plaintiff's application for summary judgment. On the 6 August 2009, the judge directed both parties to file their written submission. On 4 November 2009, the Plaintiff's application for summary judgment has been dismissed with cost. The case has now been fixed for further case management.

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 THIRD QUARTER
ENDED 30 SEPTEMBER 2009**

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENT

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

For the current quarter, the Group recorded a loss before tax of RM23.6 million on the back of RM32.1 million revenue.

The loss before tax for the quarter under review was mainly due to cost overrun, higher project overhead as a result of excess operational capacity and increased in raw material price.

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

	Current Year Quarter Ended 30 September 2009 RM	Previous Year Quarter Ended 30 September 2008 RM	Variance RM	%
Revenue	32,131,925	70,043,102	(37,911,177)	(54.1)
(Loss)/profit before tax	(23,592,263)	9,929,117	(33,521,380)	(More than 100%)

The loss before tax of RM23.6 million for the current quarter as compared to profit before tax of RM9.9 million for the preceding quarter was attributed by lower revenue and higher operating cost as a result of excess operational capacity and increase in raw material price on most of the project.

B3. Prospects for the current financial year

The economy for the next quarter is not significantly favourable, however the management is making efforts and best endeavours to undertake cost rationalisation scheme to ensure the competitiveness of the Group.

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**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2009**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
LISTING REQUIREMENT**

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	476,199	(149,791)
Deferred tax	5,380,948	5,693,796
	<u>5,857,147</u>	<u>5,544,005</u>

The difference between the statutory tax rate and effective tax rate in 2009 was mainly arising from recognition of unabsorbed business losses.

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.

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

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENT

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 Second Board of Bursa Securities was successfully done on 12 September 2008.

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

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
LISTING REQUIREMENT**

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 utilisation of the proceeds as compared to the actual utilisation is as follows:-

	Proposed utilisation	Revised utilisation	Actual utilisation	Timeframe for utilisation upon listing
	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.				
4. 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
5. Estimated listing expenses	2,559	-	2,559	Immediate
	<u>52,376</u>	<u>-</u>	<u>52,376</u>	

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**INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2009**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
LISTING REQUIREMENT**

B9. Deposits with licensed bank

Inclusive in the fixed deposits is an amount of RM40,998,413 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)	38,232,573
c) Finance service reserves account ("FSRA") (Note C)	2,765,840
d) Others	9,672,335
	<hr/>
	<u>50,670,748</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.

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

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
LISTING REQUIREMENT**

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 September 2009 are as follows:-

	Secured RM	Unsecured RM	Total RM
<u>Short term borrowing:-</u>			
Bank overdrafts	9,041,799	-	9,041,799
Bills payable	10,118,231	-	10,118,231
Term loan	1,931,849	-	1,931,849
Finance creditors	36,622	-	36,622
Bonds	25,000,000	-	25,000,000
	<u>46,128,501</u>	<u>-</u>	<u>46,128,501</u>
<u>Long Term borrowings:-</u>			
Term loan	5,619,495	-	5,619,495
Finance creditors	431,447	-	431,447
Bonds	25,000,000	-	25,000,000
	<u>31,050,942</u>	<u>-</u>	<u>31,050,942</u>
Total	<u>77,179,443</u>	<u>-</u>	<u>77,179,443</u>

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INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2009

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENT

B11. Trade Payables

	30 September 2009 RM
Trade payables	150,670,727
Accrued cost	13,860,536
	<u>164,531,263</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 and notes A13, as at 30 September 2009, neither the Company nor any of the subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant which has a material effect on the financial position of the Company or the subsidiaries and the Directors are not aware of any proceedings which might materially affect the financial position or business of the Company and the subsidiaries.

1. ECIS (M) Sdn Bhd ("Ecis") V Vastalux Sdn Bhd
(Winding Up No. 28-21-2009)

The total amount claimed by Ecis is RM2,196,097.76 for goods sold and delivered. The Company is taking steps to settle the matter before the hearing of the winding up petition on 8 February 2010.

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INTERIM FINANCIAL REPORTING FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2009

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'
LISTING REQUIREMENT**

B14. Proposed Dividend

There was no dividend proposed or declared in respect of the current quarter and the financial year to date.

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 (RM17.7) million for the current year quarter and (RM16.6) million for current year quarter to date as at 30 September 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: 11 November 2009