

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

**Condensed Consolidated Income Statement**  
**For the fourth quarter ended 31 December 2009 (Unaudited)**

	Current year Quarter Ended 31.12.2009	Previous year Quarter Ended 31.12.2008	Current Year To Date 31.12.2009	Previous Year To Date 01.05.2008 - 31.12.2008
	RM	RM	RM	RM
Revenue	32,297,531	38,034,860	189,978,900	128,023,472
Cost of sales	(75,932,508)	(32,946,234)	(242,140,910)	(102,508,140)
Gross profit/(Loss)	(43,634,977)	5,088,626	(52,162,010)	25,515,332
Other operating income	906,053	608,232	1,622,156	6,700,930
Finance cost	(1,280,436)	(1,188,882)	(4,891,898)	(4,204,013)
Administration expenses	(2,077,845)	(2,931,495)	(9,010,261)	(6,193,470)
Other operating expenses	(1,231,009)	2,542,726	(5,078,149)	(431,685)
Profit/(Loss) before taxation	(47,318,214)	4,119,207	(69,520,162)	21,387,094
Taxation	12,324,367	(62,511)	17,868,372	(3,773,113)
Profit/(loss) after taxation	(34,993,847)	4,056,696	(51,651,790)	17,613,981
Minority interest	175,548	(36,282)	214,074	(52,566)
Profit/(loss) for the period attributable to Equity holders of the parent	(34,818,299)	4,020,414	(51,437,716)	17,561,415
Earning per share :				
- Basic (sen)	(16.88)	1.95	(24.94)	8.52
- Diluted (sen)	-	-	-	-

**VASTALUX ENERGY BERHAD** (Company No : 789373-V)  
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**Condensed Consolidated Balance Sheet as at 31 December 2009 (Unaudited)**

	31.12.2009	31.12.2008
	RM	RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,398,965	17,775,006
Prepaid land lease	19,652,636	14,910,517
Goodwill on consolidation	54,952	54,952
Deferred expenditure	258,076	725,255
Deferred tax assets	18,646,836	1,767,713
	<u>52,011,465</u>	<u>35,233,443</u>
<b>Current assets</b>		
Amount due from customers	134,878,090	164,549,671
Trade receivables	4,953,808	18,790,986
Other receivables, deposits and prepayments	5,396,654	6,608,990
Tax recoverable	1,370,021	1,168,000
Deposits with licensed banks	23,284,275	36,191,276
Cash and bank balances	1,490,206	14,566,555
	<u>171,373,054</u>	<u>241,875,478</u>
<b>TOTAL ASSETS</b>	<u><u>223,384,519</u></u>	<u><u>277,108,921</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	51,560,000	51,560,000
Capital reserves	31,922,308	31,922,308
Foreign exchange reserve	216,876	(54,719)
Retained profit	(41,275,270)	11,688,623
<b>Shareholders' equity</b>	<u>42,423,914</u>	<u>95,116,212</u>
Minority interest	4,638,548	3,625,402
<b>Total equity</b>	<u>47,062,462</u>	<u>98,741,614</u>
<b>Non-current liabilities</b>		
Long term borrowings	5,463,783	30,523,131
Deferred tax liabilities	942,339	2,863,526
	<u>6,406,122</u>	<u>33,386,657</u>
<b>Current liabilities</b>		
Short term borrowings	36,007,113	42,373,761
Trade payables	115,411,659	95,248,306
Other payables and accruals	14,877,532	4,667,930
Provision for taxation	3,619,631	2,690,653
	<u>169,915,935</u>	<u>144,980,650</u>
<b>Total liabilities</b>	<u>176,322,057</u>	<u>178,367,307</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>223,384,519</u></u>	<u><u>277,108,921</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	0.21	0.46

**VASTALUX ENERGY BERHAD** (Company No : 789373-V)  
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**Condensed Consolidated Statement of Changes in Equity**  
**For the fourth quarter ended 31 December 2009 (Unaudited)**

	Non Distributable:-			Distributable:-		Minority Interest	Total Equity
	Share Capital	Capital Reserves	Foreign exchange Reserve	(Accumulated losses)/Retained earnings	Total		
	RM	RM	RM	RM	RM	RM	RM
Balance at 1.1.2008	1	-	-	(7,020)	(7,019)	-	(7,019)
Issuance of shares	51,559,999	28,616,000	-	-	80,175,999	-	80,175,999
Listing expenses	-	(2,559,464)	-	-	(2,559,464)	-	(2,559,464)
Transfer to capital reserves	-	5,865,772	-	(5,865,772)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	652,578	652,578
Issue of shares to minority interest	-	-	-	-	-	2,920,258	2,920,258
Foreign currency translation	-	-	(54,719)	-	(54,719)	-	(54,719)
Net profit for the year	-	-	-	17,561,415	17,561,415	52,566	17,613,981
<b>Balance at 31.12.2008</b>	<b>51,560,000</b>	<b>31,922,308</b>	<b>(54,719)</b>	<b>11,688,623</b>	<b>95,116,212</b>	<b>3,625,402</b>	<b>98,741,614</b>
Issuance of shares to minority interest	-	-	-	-	-	1,227,220	1,227,220
Foreign currency translation	-	-	271,595	-	271,595	-	271,595
Dividend paid	-	-	-	(1,526,177)	(1,526,177)	-	(1,526,177)
Net profit for the period	-	-	-	(51,437,716)	(51,437,716)	(214,074)	(51,651,790)
<b>Balance at 31.12.2009</b>	<b>51,560,000</b>	<b>31,922,308</b>	<b>216,876</b>	<b>(41,275,270)</b>	<b>42,423,914</b>	<b>4,638,548</b>	<b>47,062,462</b>

**VASTALUX ENERGY BERHAD** (Company No : 789373-V)

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**Condensed Consolidated Cash Flow Statements****For the fourth quarter ended 31 December 2009 (Unaudited)**

	<b>Current Year To Date Ended 31.12.2009 RM</b>	<b>Previous Year To Date Ended 31.12.2008 RM</b>
<b>Profit before tax</b>	(69,520,162)	21,387,094
<b>Adjustments for non -cash flow :</b>		
<b>Non-cash items</b>	9,325,515	2,761,745
<b>Operating profit before working capital changes</b>	(60,194,647)	24,148,839
<b>Changes in working capital</b>	74,889,069	(34,846,320)
	14,694,422	(10,697,481)
Net interest expense	(2,825,266)	(3,342,187)
Tax paid	-	(4,580,425)
<b>Net cash flows from operating activities</b>	11,869,156	(18,620,093)
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,657,029)	(1,579,980)
Proceeds from disposal of property, plant and equipment	-	2,206,600
Acquisition of subsidiaries, net of cash acquired	-	41,740,679
Payment for land lease	(2,485,813)	(4,249,443)
Dividend paid	(1,526,177)	-
	(5,669,019)	38,117,856
<b>Financing activities</b>		
Proceeds from issuance of shares	-	52,376,000
Proceeds/(Repayments) of borrowings	(25,340,465)	(51,342,762)
Listing expenses	-	(2,559,464)
	(25,340,465)	(1,526,226)
<b>Net change in cash and cash equivalents</b>	(19,140,328)	17,971,537
<b>Effects of exchange rate</b>	271,595	126,160
<b>Cash and cash equivalents at beginning of the period</b>	18,097,698	1
<b>Cash and cash equivalents at end of the period</b>	(771,035)	18,097,698
<b>Cash and cash equivalents comprise of:</b>		
Deposits with licensed bank	23,284,275	36,191,276
Cash and bank balances	1,490,206	14,566,555
	24,774,481	50,757,831
Less:		
Bank overdrafts	(7,339,564)	(7,660,133)
Portion of deposits for repayment of bonds within 12 months	(18,205,952)	(25,000,000)
	(771,035)	18,097,698

**VASTALUX ENERGY BERHAD** (Company No: 789373-V)  
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**INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2009**

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**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 seven interim financial reports on the consolidated results for the fourth quarter ended 31 December 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.

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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 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/(Loss) before tax
	RM	RM
Malaysia operations	189,978,900	(69,107,690)
Overseas operations	-	(412,472)
	<u>189,978,900</u>	<u>(69,520,162)</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 FOURTH QUARTER ENDED  
31 DECEMBER 2009**

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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 financial year to date are as follows:-

	31 December 2009 RM'000
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Approved and contracted for:-	3,123
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**

	31 December 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.

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31 DECEMBER 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 RM47.3 million on the back of RM32.3 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 31 December 2009 RM	Previous Year Quarter Ended 31 December 2008 RM	Variance RM	%
Revenue	32,297,531	38,034,860	(5,737,329)	(15.1)
(Loss)/profit before tax	(47,318,214)	4,119,207	(51,437,421)	(More than 100%)

The loss before tax of RM47.3 million for the current quarter as compared to profit before tax of RM4.1 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 projects.

**B3. Prospects for the current financial year**

The economy for the current financial year is not foreseen to be significantly improved, however the management is making efforts and best endeavours to undertake cost rationalisation scheme and seeking other revenue streams to ensure the competitiveness of the Group.



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31 DECEMBER 2009**

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**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	(901,756)	(1,051,547)
Deferred tax	13,226,123	18,919,919
	<u>12,324,367</u>	<u>17,868,372</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.

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**INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED  
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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'  
LISTING REQUIREMENT**

**B8. Deposits with licensed bank**

Inclusive in the fixed deposits is an amount of RM19,575,406 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)	18,205,952
c) Finance service reserves account ("FSRA") (Note C)	1,369,454
d) Others	3,708,869
	<u>23,284,275</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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**INTERIM FINANCIAL REPORTING FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2009**

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

**B8. 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.

**B9. Group borrowings and debt securities**

The Group's borrowings as at 31 December 2009 are as follows:-

	Secured RM	Unsecured RM	Total RM
<b><u>Short term borrowings:-</u></b>			
Bank overdrafts	7,339,564	-	7,339,564
Bills payable	3,201,861	-	3,201,861
Term loan	425,050	-	425,050
Finance creditors	40,638	-	40,638
Bonds	25,000,000	-	25,000,000
	<u>36,007,113</u>	<u>-</u>	<u>36,007,113</u>
<b><u>Long Term borrowings:-</u></b>			
Term loan	5,122,427	-	5,122,427
Finance creditors	341,356	-	341,356
Bonds	-	-	-
	<u>5,463,783</u>	<u>-</u>	<u>5,463,783</u>
<b>Total</b>	<u>41,470,896</u>	<u>-</u>	<u>41,470,896</u>

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

**B10. Trade Payables**

	<b>31 December 2009 RM</b>
Trade payables	107,099,575
Accrued cost	8,312,084
	<u>115,411,659</u>

**B11. Other Payables and Accruals**

The amount includes RM5,984,997 due to directors which is unsecured, interest-free and has no fixed term of repayment.

**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 31 December 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 hearing is adjourned from 8<sup>th</sup> February 2010 to 14<sup>th</sup> June 2010. The Company is taking steps to settle the matter before the hearing date.

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31 DECEMBER 2009**

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

**1. PRO-SPEC INDUSTRY (M) SDN BHD ("Pro Spec") V Vastalux Sdn Bhd  
(Winding Up No. D28 NCC-277-2009)**

The total amount claimed by Pro-Spec is RM199,530.40 for services rendered. The Company is disputing the claim and is filling the notice to oppose the petition in accordance with Rule 28 of the Companies (Winding Up) Rules 1972 together with affidavit opposing the petition in accordance with Rule 30 of the Companies (Winding Up) Rules 1972 prior to the hearing on 25 February 2010.

**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 (RM34.8) million for the current year quarter and (RM51.4) million for current year to date as at 31 December 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: 25 February 2010