
7. HISTORICAL FINANCIAL INFORMATION

Set forth below are our Proforma Consolidated Financial Income Statements for each of the three (3) FYE 2004, 2005 and 2006 and the 6-month financial period ended 30 June 2007, our Proforma Consolidated Balance Sheet as at 30 June 2007 and our Proforma Consolidated Cash Flow Statement for the 6-month financial period ended 30 June 2007 (collectively, "Proforma Consolidated Financial Information") which we have prepared below for illustrative purposes only. Our Proforma Consolidated Financial Information have been derived from our Company's and KVS B group's audited financial information, and after incorporating such adjustments considered necessary (for Proforma Consolidated Balance Sheet) and based on the assumption that our current Group structure had been in existence throughout the financial year(s) under review (for Proforma Consolidated Financial Income Statement and Proforma Consolidated Cash Flow Statement).

There has been no audit qualification on our or any of our subsidiaries' audited financial statements for all the financial years under review. Our Proforma Consolidated Financial Information have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia for Entities Other Than Private Entities and have been reviewed by our Reporting Accountants, Messrs. HLB Ler Lum. The bases and accounting policies used for the purpose of preparing our Proforma Consolidated Financial Information are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group for the FYE 2006.

You should read the financial information presented below together with the Reporting Accountants' Letter on the Proforma Consolidated Financial Information and the related appendices and notes thereto as disclosed in Section 7.6 of this Prospectus and our Management's Discussion and Analysis of Financial Condition and Results of Operations as disclosed in Section 8 of this Prospectus.

Save as disclosed in this Prospectus, our Group's financial performance, position and operations are not affected by any of the following as at the Latest Practicable Date:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations;
- (ii) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position;
- (iii) material commitments for capital expenditure;
- (iv) unusual or infrequent events or transactions or any significant economic changes that have materially affected our Group's financial performance, position and operations; and
- (v) substantial increase in revenue attributable to prices, volume of goods/services being sold, the introduction of new products/services or any other factors.

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

7.1 Proforma Consolidated Income Statements

We have prepared our Proforma Consolidated Income Statements below for illustrative purposes only, based on our Company's and KVS B group's audited financial statements for each of the three (3) FYE 2004, 2005 and 2006 and 6-month financial period ended 30 June 2007, on the assumption that our current Group structure had been in existence throughout the financial years under review. Our Proforma Consolidated Income Statements below have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia for Entities Other Than Private Entities. The bases and accounting policies used for the purpose of preparing our Proforma Consolidated Income Statements below are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group for the 6-month financial period ended 30 June 2007.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

We advise you to read our Proforma Consolidated Income Statements together with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as disclosed in Section 7.6 of this Prospectus.

	<----- FYE ----->			Financial period <---- ended 30 June ---->	
	2004 RM 000	2005 RM 000	2006 RM 000	2007 RM 000	2006 [#] RM 000
Revenue	92,547	113,535	117,150	54,768	51,936
Gross Profit	44,127	52,029	57,472	30,733	26,183
EBITDA	10,726	13,453	16,132	6,798	6,255
Depreciation and amortisation expenses	(1,870)	(1,738)	(1,947)	(1,081)	(1,063)
Finance costs	(1,648)	(1,537)	(2,374)	(1,272)	(1,141)
PBT	7,208	10,178	11,811	4,445	4,051
Taxation	(2,032)	(3,106)	(3,803)	(1,450)	(1,256)
PAT	5,176	7,072	8,008	2,995	2,795
Mi	(218)	(202)	107	157	54
Net profit for the year	4,958	6,870	8,115	3,152	2,849
Attributable to equity holders	4,958	6,870	8,115	3,152	2,849
Gross profit margin (%)	47.68	45.83	49.06	56.11	50.41
Net profit margin (%)	5.36	6.05	6.93	5.76	5.49
No. of shares assumed in issue (000)*	37,138	37,138	37,138	37,138	37,138
Proforma EPS (RM)	0.13	0.18	0.22	0.08	0.08
Effective tax rate (%)	28.19	30.52	32.20	32.62	31.00

Notes:

* The number of ordinary shares assumed in issue throughout the financial years under review represent the number of ordinary shares in issue after the Acquisition of KVSB.

Unaudited and stated for comparative purpose only.

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

7.2 Proforma Consolidated Balance Sheets

We have prepared our Proforma Consolidated Balance Sheets below for illustrative purposes only, based on KVSB group's audited balance sheet as at 30 June 2007 to show the effects of our Listing Scheme on the assumptions that certain events had been effected on that date. Our Proforma Consolidated Balance Sheets below have been prepared in accordance with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities. The bases and accounting policies used for the purpose of preparing our Proforma Consolidated Balance Sheets are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group as at 30 June 2007.

We advise you to read the Proforma Consolidated Balance Sheets together with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as disclosed in Section 7.6 of this Prospectus.

	<--- VHB --->	<----- VHB Group ----->	
	Audited Balance Sheet as at 30 June 2007 RM	Proforma I (i) VHB After Acquisition of KVSB RM 000	Proforma II VHB After (i) and Public Issue and Utilisation of Proceeds RM 000
ASSETS			
Non-current assets			
Property, plant & equipment	-	25,455	25,455
Quoted investment	-	35	35
Intangible assets	-	271	271
Goodwill on consolidation	-	33	33
Other investment	-	15	15
	-	25,809	25,809
Current Assets			
Inventories	-	44,444	44,444
Receivables	-	20,906	20,906
Amount due from holding company	-	14	14
Fixed deposit with licensed bank	-	1,664	1,664
Cash & bank balances	2	842	6,109
	2	67,870	73,137
Total assets	2	93,679	98,946

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

	<--- VHB --->	<----- VHB Group ----->	
	Audited Balance Sheet as at 30 June 2007 RM	Proforma I (i) VHB After Acquisition of KVS RM 000	Proforma II VHB After (i) and Public Issue and Utilisation of Proceeds RM 000
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital	2	37,138	45,000
Share premium	-	-	5,405
(Accumulated loss)/ Unappropriated profits	(3,322)	3,184	3,184
	(3,320)	40,322	53,589
Minority interest	-	131	131
Total equity	(3,320)	40,453	53,720
Non-current liabilities			
Borrowings			
-Non-current portion	-	11,798	11,798
Deferred taxation	-	560	560
	-	12,358	12,358
Current Liabilities			
Payables	3,322	11,954	11,954
Borrowings-Current portion	-	28,180	20,180
Provision for taxation	-	734	734
	3,322	40,868	32,868
Total liabilities	3,322	53,226	45,226
Total equity and liabilities	2	93,679	98,946
No. of shares in issue (000)	*	37,138	45,000
NTA (RM 000)	(3)	40,018	53,283
NTA/ Proforma NTA per share (RM)	(1,660.00)	1.08	1.18

Note:

* The share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

7.3 Proforma Consolidated Cash Flow Statements

We have prepared our Proforma Consolidated Cash Flow Statements below for illustrative purposes only, based on KVSB's audited consolidated balance sheet as at 30 June 2007 to show the effects of our Listing Scheme on the assumptions that certain events had been affected on that date. Our Proforma Consolidated Cash Flow Statement below have been prepared in accordance with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities. The bases and accounting policies used for the purpose of preparing our Proforma Consolidated Cash Flow Statement are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group as at 30 June 2007.

We advise you to read the Proforma Consolidated Cash Flow Statements together with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as disclosed in Section 7.6 of this Prospectus.

	6-month financial period	
	<----- ended 30 June ----->	
	2007	2006 #
	RM 000	RM 000
Net cash used in operating activities	(1,086)	(5,696)
Net cash used in investing activities	(2,453)	(3,072)
Net cash from financing activities	2,416	1,991
Net decrease in cash and cash equivalents	(1,123)	(6,777)
Cash and cash equivalents at 1 January	(2,914)	1,414
Cash and cash equivalents at 30 June	(4,037)	(5,363)

Note:

Unaudited and stated for comparative purpose only.

Based on the pro-forma consolidated cash flow statements, VHB Group had a tight liquidity position by recording closing negative cash and cash equivalent position of RM2.9 million for FYE 2006 and RM4.0 million for the 6-month financial period ended 30 June 2007.

The negative cash flow position for FYE 2006 mainly attributed to the increase in settlement of trade payables and acquisition of properties. For the 6-month financial period ended 30 June 2007, it was mainly due to the settlement of trade payables.

The management will continue to monitor the payment terms to its suppliers to ensure the Group optimises its cash resources. The disposal of Unit 07-59 at Berjaya Time Square for cash consideration of RM2.3 million, which is expected to complete by the end of the current financial year, will compensate for the cash outflow from the acquisition of properties made in FYE 2006. Please refer to section 11.12 for further details of the above said disposal.

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

7.4 Working Capital, Borrowings, Contingent Liabilities, Material Capital Commitment and Material Litigation
7.4.1 Working Capital

Our Board believes that, after taking into consideration our cash flow position shown in Section 7.3, banking facilities currently available to us, and the proceeds to be received from the Public Issue, our Group has sufficient working capital for a period of twelve (12) months from the date of this Prospectus for our existing needs and foreseeable requirements.

7.4.2 Borrowings

As at 30 June 2007, our total outstanding borrowings amounted to approximately RM40.0 million. The table below sets forth the details of our borrowings:

	RM 000
Short-term borrowings	28,180
Long-term borrowings	11,798
Total borrowings	39,978
Gearing ratio	0.99

We have not defaulted on payments of either interest and/or principal sums in respect of any borrowings throughout the past FYE 2006 and the subsequent period thereof immediately preceding the date of this Prospectus.

7.4.3 Contingent Liabilities

As at the Latest Practicable Date, our Board is not aware of any contingent liabilities that upon materialisation, may have a material effect on our financial results/position.

7.4.4 Material Capital Commitment

As at the Latest Practicable Date, our Board is not aware of any material capital commitment incurred by us that has not been provided for, which upon becoming enforceable, may have a material effect on our financial results/position.

7.4.5 Material Litigation

As at the Latest Practicable Date, we are not engaged in any material litigation, whether as plaintiff or defendant, which might materially and adversely affect our financial or business position. Our Directors have no knowledge of any proceedings pending or threatened or of any fact which in their opinion with the advice from our legal adviser likely to give rise to any proceedings which may materially affect the business or financial position of our Group.

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

7.5 Detailed Consolidated Statement of Assets and Liabilities

The Detailed Consolidated Statement of Assets and Liabilities set out below are provided for illustrative purposes only to show the effects on the audited balance sheet of VHB as at 30 June 2007 after taking into account the effects of Acquisition of KVS B (details of which are as set out in the notes to the proforma balance sheets as at 30 June 2007), had these transactions been effected on that date:-

	Proforma Group as at 30 June 2007 RM 000
ASSETS	
NON-CURRENT ASSETS	
Property, plant & equipment	25,455
Quoted investment	35
Intangible assets	271
Goodwill on consolidation	33
Other investment	15
	<hr/> 25,809 <hr/>
CURRENT ASSETS	
Inventories	44,444
Receivables	20,906
Amount due from holding company	14
Fixed deposit with licensed bank	1,664
Cash & bank balances	842
	<hr/> 67,870 <hr/>
TOTAL ASSETS	<hr/> 93,679 <hr/>

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

**Proforma Group
as at 30 June 2007
RM 000**

EQUITY AND LIABILITIES**EQUITY ATTRIBUTABLE TO EQUITY HOLDERS**

Share capital	37,138
Unappropriated profit	3,184
	40,322
Minority interest	131
TOTAL EQUITY	40,453

NON-CURRENT LIABILITIES

Borrowings - Non-current portion	11,798
Deferred taxation	560
	12,358

CURRENT LIABILITIES

Payables	11,954
Borrowings - Current portion	28,180
Provision for taxation	734
	40,868

TOTAL LIABILITIES

53,226

TOTAL EQUITY AND LIABILITIES

93,679

No. of shares in issue (000)	37,138
NTA (RM 000)	40,018
NTA per share (RM)	1.08

We advise you to read the Proforma Consolidated Statement of Assets and Liabilities together with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as disclosed in Section 7.6 of this Prospectus.

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

7.6 Reporting Accountants' Letter on the Proforma Consolidated Financial Information

呂 HLB LER LUM

林 AF 0276
會 Chartered Accountants
計
師
樓

Ler Cheng Chye KMN, Ph.D.(US)
CA(M), CPA, FTII

Lum Tuck Cheong
CA(M), CPA, FTII

Audit
2nd & 3rd Floor Bangunan Yeoh
35 & 37 Jalan Kamunting
50300 Kuala Lumpur, Malaysia
Tel : 6 03 26915737
Fax: 6 03 26913227

Corporate Recovery Services
B-3-11 Megan Avenue II
No. 12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Tel : 6 03 27768000, 27151525
Fax: 6 03 21634609

Our ref : GEN/0593/2007

Your ref :

29 August, 2007

The Board of Directors
Voir Holdings Berhad
1878, Jalan KPB 9,
Kawasan Perindustrian Kg. Baru Balakong
Off Jalan Balakong
43300 Seri Kembangan
Selangor Darul Ehsan
Malaysia

Dear Sirs,

**VOIR HOLDINGS BERHAD (“VHB” OR THE “COMPANY”)
PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

We have reviewed the Proforma Consolidated Financial Information of VHB and its subsidiaries (“Proforma Group”), which consists of Proforma Consolidated Income Statements for the past three (3) financial years ended 31 December 2004 to 2006 and the six (6) months financial period ended 30 June, 2007 based on the audited financial results of Kumpulan Voir Sdn. Bhd. and its subsidiaries (“KVS B Group”), Proforma Consolidated Balance Sheet as at 30 June, 2007, Proforma Consolidated Cash Flow Statement for the six (6) months financial period ended 30 June, 2007 and Proforma Consolidated Statement of Assets and Liabilities as at 30 June, 2007 (collectively, “Proforma Consolidated Financial Information”). The Proforma Consolidated Financial Information of Proforma Group for which the Directors are solely responsible, together with the notes thereon, for the purpose of inclusion in the Prospectus to be dated 28 September, 2007 in connection with the Public Issue of 7,862,400 new VHB Shares of RM1 each at an Issue Price of RM1.91 per share in conjunction with the listing of and quotation for the entire issued and paid-up share capital of VHB on the Second Board of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

In our opinion, the Proforma Consolidated Financial Information together with the notes and assumptions thereto (which we have stamped for the purpose of identification), which are provided for illustrative purposes only, have been properly prepared:-

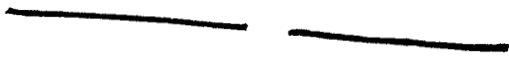
- (a) on the basis consistent with the accounting policies adopted and showing the effects of :-
- i) the financial results of the Proforma Group for the three (3) financial years ended 31 December, 2004 to 2006 and the six (6) months financial period ended 30 June, 2007 based on the audited financial results of KVSB Group by assuming that the Group had been in existence throughout the financial years/ period under review;
 - ii) the financial positions of Proforma Group as at 30 June, 2007 taking into account the effects of Acquisition of KVSB Group and Public Issue;
 - iii) the financial positions of Proforma Group as at 30 June, 2007 taking into account the effects of Acquisition of KVSB Group, had these transactions been effected on that date;
 - iv) the cash flow of Proforma Group for the six (6) months financial period ended 30 June, 2007 based on the audited financial statements of the Group by assuming that the Acquisition of KVSB Group before Public Issue have been in effect throughout the financial period ended on that date; and

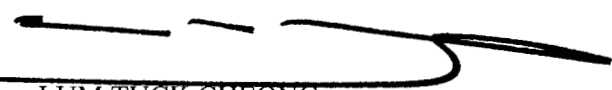
in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities, and are presented in a form suitable for inclusion in the said Prospectus; and

- (b) each material adjustment made to the information used in the preparation of the Proforma Consolidated Financial Information is appropriate for the purposes of preparing such Proforma Consolidated Financial Information.

We understand that this report will be used for the purpose of inclusion in the Prospectus in connection with the abovementioned corporate exercise. As such, this report should not be used for any other purposes without our prior written permission.

Yours faithfully,


HLB LER LUM
(Firm Number : AF 0276)
Chartered Accountants


LUM TUCK CHEONG
1005/3/09(J/PH)
Partner of the Firm

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**VOIR HOLDINGS BERHAD (Company No. 765218-V)****1. PROFORMA CONSOLIDATED INCOME STATEMENTS**

We set out below the consolidated financial results of VHB and its subsidiaries ("Proforma Group") for the past three (3) financial years ended 31 December, 2004 to 2006 and the six (6) months financial period ended 30 June, 2007 based on the audited financial results of KVS Group. The proforma consolidated results are provided for illustrative purpose only based on the assumption that the Proforma Group had been in existence throughout the financial years/ periods under review.

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	92,547	113,535	117,150	54,768	51,936
Gross Profit	44,127	52,029	57,472	30,733	26,183
EBITDA ⁽¹⁾	10,726	13,453	16,132	6,798	6,255
Depreciation and amortisation expenses	(1,870)	(1,738)	(1,947)	(1,081)	(1,063)
Finance costs	(1,648)	(1,537)	(2,374)	(1,272)	(1,141)
PBT ⁽²⁾	7,208	10,178	11,811	4,445	4,051
Taxation	(2,032)	(3,106)	(3,803)	(1,450)	(1,256)
PAT ⁽³⁾	5,176	7,072	8,008	2,995	2,795
MI ⁽⁴⁾	(218)	(202)	107	157	54
Net profit for the years/ periods	4,958	6,870	8,115	3,152	2,849
Attributable to equity holders	4,958	6,870	8,115	3,152	2,849

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

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of identification to our
report/letter dated
29 AUG 2007

HLB LER LUM AF 0276
Chartered Accountants

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**VOIR HOLDINGS BERHAD (Company No. 765218-V)****1. PROFORMA CONSOLIDATED INCOME STATEMENTS - (continued)**

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
Gross profit margin (%)	47.68	45.83	49.06	56.11	50.41
Net profit margin (%)	5.36	6.05	6.93	5.76	5.49
No. of ordinary shares in issue ('000)*	37,138	37,138	37,138	37,138	37,138
Proforma EPS ⁽⁵⁾ (RM)	0.13	0.18	0.22	0.08	0.08
Effective tax rate (%)	28.19	30.52	32.20	32.62	31.00

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

* Note: The number of ordinary shares assumed in issue throughout the financial years under review represents the number of ordinary shares in issue after the KVS B Group Acquisition.

- (1) EBITDA - Earnings before finance costs, taxation, depreciation and amortisation
(2) PBT - Profit before taxation
(3) PAT - Profit after tax
(4) MI - Minority interest
(5) EPS - Earnings per share

Notes :-

- (a) The Proforma Consolidated Income Statements have been prepared for illustrative purposes only and are based on the audited financial statements of KVS B Group for the six (6) months financial period ended 30 June, 2007 and on accounting policies consistent with those previously adopted in the preparation of the audited financial statements and in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.
- (b) The Proforma Group's revenue is mainly derived from the sales of fashion apparels and related accessories via consignment counters, and specialty stores and wholesale customers.

In year 2004, the significant increase in revenue was mainly due to introduction of new product line by AASB and increase in number of consignment counters and specialty stores. The gross profit margin has also increased significantly was mainly due to the economies of scale and enhanced brand image/equity. The increased gross profit margin contributed to the significantly higher net profit margin.

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29 AUG 2007

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**VOIR HOLDINGS BERHAD (Company No. 765218-V)****1. PROFORMA CONSOLIDATED INCOME STATEMENTS - (continued)**

Notes :-(continued)

In year 2005, the significant increase in revenue was mainly due to full year revenue contribution from the counters open in 2004 as mentioned above and additional revenue contribution from new specialty stores. The revenue growth contributed to the significantly higher net profit margin.

In year 2006, net profit margin increased significantly was mainly due to the Proforma Group continues to enjoy economies of scale from its business operations.

For the six (6) months financial period ended 30 June, 2007, the gross profit margin was significantly increased mainly attributable to the increase in the number of specialty stores and consignment counters and higher gross profit margin generated from specialty stores sales compare to the corresponding period ended 30 June, 2006.

VHB group's consignment counters and specialty stores :-

	<----- Financial year ended 31 December ----->			<Financial period ended 30 June>	
	2004	2005	2006	2007	#2006
Number of consignment	302	302	307	307	302
Number of specialty stores	28	35	40	41	36

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (c) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the years/ periods respectively over revenue. The proforma EPS has been calculated based on net profit for the years/ periods over the number of ordinary shares in issue.
- (d) Effective tax rate has been calculated based on taxation over profit before taxation. The Proforma Group's effective tax rate was higher than the statutory income tax rate mainly due to certain expenses which were disallowed for tax purpose, in the respective financial years/ periods, adjustment of provision for taxation in prior years and unrecognised deferred tax assets.

The submission of tax returns and settlement of tax liabilities of the Proforma Group are up to date.

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report/letter dated
29 AUG 2007

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

2. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes only to show the effects on the audited Balance Sheet of Proforma Group as at 30 June, 2007 after taking into account the effects of Acquisition of KVS B Group and Public Issue and Utilisation of Proceeds (details of which are as set out in the notes to the Proforma Consolidated Balance Sheets as at 30 June, 2007), had these transactions been effected on that date :-

	VHB	Proforma Group	
	Audited Balance Sheet as at 30 June 2007	Proforma I (i) VHB After Acquisition of KVS B Group	Proforma II VHB After (i) and Public Issue and Utilisation of Proceeds
	RM	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant & equipment	-	25,455	25,455
Quoted investment	-	35	35
Intangible assets	-	271	271
Goodwill on consolidation	-	33	33
Other investment	-	15	15
	-----	-----	-----
	-	25,809	25,809
	-----	-----	-----
Current Assets			
Inventories	-	44,444	44,444
Receivables	-	20,906	20,906
Amount due from holding company	-	14	14
Fixed deposit with licensed bank		1,664	1,664
Cash & bank balances	2	842	6,109
	-----	-----	-----
	2	67,870	73,137
	-----	-----	-----
Total assets	2	93,679	98,946
	=====	=====	=====

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29 AUG 2007

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Chartered Accountants

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

2. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007

- (continued)

	VHB	Proforma Group	
	Audited Balance Sheet as at 30 June 2007	Proforma I (i) VHB After Acquisition of KVSB Group	Proforma II VHB After (i) and Public Issue and Utilisation of Proceeds
	RM	RM'000	RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital	2	37,138	45,000
Share premium		-	5,405
(Accumulated loss)/ Unappropriated profits	(3,322)	3,184	3,184
	-----	-----	-----
	(3,320)	40,322	53,589
MI	-	131	131
	-----	-----	-----
Total equity	(3,320)	40,453	53,720
Non-current liabilities			
Borrowings	-	11,798	11,798
-Non-current portion			
Deferred taxation	-	560	560
	-----	-----	-----
	-	12,358	12,358
Current Liabilities			
Payables	3,322	11,954	11,954
Borrowings-Current portion	-	28,180	20,180
Provision for taxation	-	734	734
	-----	-----	-----
	3,322	40,868	32,868
Total liabilities			
	-----	-----	-----
Total liabilities	3,322	53,226	45,226
Total equity and liabilities			
	-----	-----	-----
	2	93,679	98,946

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report/letter dated
29 AUG 2007

7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**VOIR HOLDINGS BERHAD (Company No. 765218-V)****2. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007**

- (continued)

	VHB	Proforma Group	
	Audited Balance Sheet as at 30 June 2007	Proforma I (i) VHB After Acquisition of KVSJ Group	Proforma II VHB After (i) and Public Issue and Utilisation of Proceeds
No of shares in issue ('000)	*	37,138	45,000
NTA ⁽⁶⁾ (RM'000)	(3)	40,018	53,285
NTA/ Proforma NTA per share (RM)	(1,660)	1.08	1.18

* The share capital of RM2 comprising 2 ordinary shares of RM1.00 each.

(6) NTA – Net tangible assets attributable to ordinary shareholders

Notes :-

- (a) The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes only and are based on the audited financial statements of KVSJ Group as at 30 June, 2007 and on accounting policies consistent with those previously adopted in the preparation of the audited financial statements and in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.
- (b) The Proforma Consolidated Balance Sheets incorporates the following transactions as though they were effected on 30 June, 2007 :-

Proforma (I)

Proforma I incorporates the effects of the Acquisition of KVSJ Group. VHB acquired the entire equity interest of KVSJ from MFSB⁽⁷⁾, UTSB⁽⁸⁾, JMSB⁽⁹⁾ and UUSB⁽¹⁰⁾ at a total purchase consideration of RM37,137,598 to be satisfied through the issuance of 37,137,598 VHB Shares. The Acquisition of KVSJ Group was completed on 17 August, 2007.;

(7) MFSB - Marvellous Future Sdn Bhd (713662-T)

(8) UTSB - Ulasan Teguh Sdn Bhd (713637-D)

(9) JMSB - Jenama Membara Sdn Bhd (689587-T)

(10) UUSB - Unggul Utama Sdn Bhd (375012-D)

Proforma (II)

Proforma II incorporates the effects of Proforma I and the Public Issue of 7,862,400 new VHB Shares at an Issue Price of RM1.91 for each VHB Share. Estimated listing expenses amounting to RM1,750,000 will be set off against share premium account. The estimated completion date for the Public Issue is end October, 2007.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

2. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007

- (continued)

The proceeds of approximately RM15.02 million to be raised by VHB through the Public Issue are proposed to be utilised as follows :-

	RM
Estimated listing expenses	1,750,000
Repayment of borrowings	8,000,000
Working capital	5,267,184

	15,017,184
	=====

(c) Changes in equity

The changes in equity of VHB Group after the Acquisition of KVS B Group and Public Issue are as follows :-

	Share Capital RM'000	Share Premium RM'000	(Accumulated Loss) / Unappropriated Profit RM'000	Total RM'000
Balance Sheet as at 30 June, 2007	*	-	(3)	(3)
Acquisition of KVS B Group	37,138	-	3,187	40,325
	-----	-----	-----	-----
Proforma I	37,138	-	3,184	40,322
Public Issue	7,862	7,155	-	15,017
Estimated listing expenses ⁽¹¹⁾	-	(1,750)	-	(1,750)
Net profit for the period	-	-	-	-
	-----	-----	-----	-----
Proforma II	45,000	5,405	3,184	53,589
	=====	=====	=====	=====

(11) Estimated share issue expenses of RM1,750,000 relating to the listing of VHB will be set off against share premium arising from Public Issue.

* The share capital of RM2 comprising 2 ordinary shares of RM1.00 each.

(d) The listing of and quotation for the entire issued and paid-up share capital of VHB, comprising 45,000,000 VHB Shares on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities").

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

3. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

We set out below the Proforma Consolidated Cash Flow Statement for the six (6) months period ended 30 June, 2007 based on the audited financial statements of the Proforma Group. The Proforma Consolidated Cash Flow Statement has been prepared based on the assumption that the Acquisition of KVS Group before Public Issue have been in effect throughout the six (6) months financial period ended 30 June, 2007 :-

	Proforma Group	
	Six (6) months financial period ended	
	2007	#2006
	RM	RM
Cash flows from operating activities		
Profit before taxation	4,445,096	4,050,811
Adjustments for :		
Bad debts written off	275,123	-
Depreciation	1,081,124	1,062,735
Gain on disposal of investment in subsidiary	-	(24,545)
Interest expenses	1,272,496	1,141,310
Gain on disposal of property, plant and equipment	(1,302)	-
Gain on disposal of quoted investment		(11,544)
Property, plant & equipment written off	1,803	-
	-----	-----
Operating profit before working capital changes	7,074,340	6,218,767
Increase in inventories	(688,987)	(4,608,744)
Decrease in receivables	1,415,261	3,178,287
Decrease in payables	(5,839,387)	(8,130,116)
Net changes in inter-company balance	(92)	(14,000)
	-----	-----
Cash generated from/ (absorbed by) operations	1,961,135	(3,355,806)
Interest paid	(1,272,496)	(1,141,310)
Tax paid	(1,774,292)	(1,199,315)
	-----	-----
Net cash used in operating activities	(1,085,653)	(5,696,431)
	-----	-----

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

3. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007 – (continued)

	Proforma Group	
	Six (6) months financial period ended	
	2007	#2006
	RM	RM
Cash flows from investing activities		
Cost incurred on intangible asset	(35,501)	(67,821)
Proceeds from disposal of property, plant and equipment	7,875	-
Proceeds from disposal of quoted investment	-	21,310
Purchase of property, plant & equipment	(2,425,959)	(3,025,086)
	-----	-----
Net cash used in investing activities	(2,453,585)	(3,071,597)
	-----	-----
Cash flows from financing activities		
Proceeds from issue of shares by subsidiaries	-	104
Proceeds from term loans	1,000,000	272,000
Repayment of hire purchase liabilities	(79,794)	(98,355)
Repayment of term loans	(910,393)	(886,498)
Net proceeds from revolving credit	(5,129)	(2,294)
Net proceeds from bills payable	2,411,449	2,706,331
	-----	-----
Net cash from financing activities	2,416,133	1,991,288
	-----	-----
Net changes in cash and cash equivalents	(1,123,105)	(6,776,740)
Cash and cash equivalents brought forward	(2,914,118)	1,413,876
	-----	-----
Cash and cash equivalents carried forward	(4,037,223)	(5,362,864)
	=====	=====

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

3. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007 – (continued)

Proforma Group	
Six (6) months	
<u>financial period ended</u>	
2007	#2006
RM	RM

NOTES TO CASH FLOW STATEMENTS

(a) Cash and cash equivalents comprise :-

Cash & bank balances	842,314	1,693,115
Fixed deposit with licensed bank	1,664,000	-
Bank overdrafts	(6,543,537)	(7,055,979)
	-----	-----
	(4,037,223)	(5,362,864)
	=====	=====

(b) Analysis of acquisition of property, plant & equipment :-

Cash	2,425,959	3,025,086
Hire purchase arrangements	160,000	-
	-----	-----
	2,585,959	3,025,086
	=====	=====

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

Notes :-

- (a) The Proforma Consolidated Cash Flow Statement has been prepared for illustrative purposes only and are based on the audited financial statements of KVS Group for the six (6) months financial period ended 30 June, 2007 and on accounting policies consistent with those previously adopted in the preparation of the audited financial statements and in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

4. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

The Proforma Consolidated Statement of Assets and Liabilities set out below are provided for illustrative purposes only to show the effects on the audited financial statements of Proforma Group as at 30 June, 2007 after taking into account the effects of Acquisition of KVSB Group (details of which are as set out in the notes to the Proforma Consolidated Statement of Assets and Liabilities as at 30 June, 2007), had these transactions been effected on that date :-

		Proforma Group
		As at 30.6.2007 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	5.2.1	25,455
Quoted investment	5.2.2	35
Intangible asset	5.2.3	271
Goodwill on consolidation	5.2.4	33
Other investment	5.2.5	15

		25,809

Current assets		
Inventories	5.2.6	44,444
Receivables	5.2.7	20,906
Amount due from holding company	5.2.8	14
Fixed deposit with licensed bank		1,664
Cash & bank balances		842

		67,870

Total assets		93,679
		=====

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

4. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
- (continued)

		Proforma Group
		As at 30.6.2007 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	5.2.9	37,138
Unappropriated profit		3,184

		40,322
Minority interest		131

Total equity		40,453

Non-current liabilities		
Borrowings - Non-current portion	5.2.10	11,798
Deferred taxation	5.2.11	560

		12,358

Current liabilities		
Payables	5.2.12	11,954
Borrowings - Current portion	5.2.10	28,180
Provision for taxation		734

		40,868

Total liabilities		53,226

Total equity and liabilities		93,679
		=====

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

4. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
- (continued)

	Proforma Group
	As at 30.6.2007
No of shares in issue ('000)	37,138
NTA (RM'000)	40,018
NTA per share (RM)	1.08

Notes :-

- (a) The Proforma Consolidated Statement of Assets and Liabilities has been prepared for illustrative purposes only and are based on the audited financial statements of KVS Group as at 30 June, 2007 and on accounting policies consistent with those previously adopted in the preparation of the audited financial statements and in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.
- (b) The Proforma Consolidated Statement of Assets and Liabilities incorporates the effects of the Acquisition of KVS Group. VHB acquired the entire equity interest of KVS from MFSB, UTSB, JMSB and UUSB at a total purchase consideration of RM37,137,598 to be satisfied through the issuance of 37,137,598 VHB Shares as though they were effected on 30 June, 2007. The Acquisition of KVS Group was completed on 17 August, 2007.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

5.1 Significant accounting policies

(a) Basis of accounting

The financial statements of the Group have been prepared under the historical cost convention (unless stated otherwise in the significant accounting policies below) and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

The adoption of the relevant new or revised Financial Reporting Standards ("FRS"), effective for the financial year beginning on or after 1 January, 2007 are as follows :-

FRS 117 Leases

FRS 124 Related Party Disclosures

Standards effective for the financial year beginning on or after 1 January, 2007 but not relevant for the Group's operations are as follows :-

FRS 6 Exploration for and Evaluation of Mineral Resources

Amendment to FRS 119₂₀₀₄ Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

The financial statements have been amended as required, in accordance with the relevant transitional provisions in the respective FRSSs.

The adoption of the above FRSSs does not have significant financial impact on the Group except as disclosed in the Notes to the financial statements.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

5.1 Significant accounting policies

(b) Investment in subsidiaries and basis of consolidation

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is taken to the Income Statement.

Subsidiaries are entities in which the Group has power to exercise control over their financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identified assets, liabilities and contingent liabilities represents goodwill. The accounting policy of the goodwill on acquisition of subsidiaries is included in Note 5.1(m).

Any excess of the Group's interest in the net fair value of the identified assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in Income Statement.

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

5.1 Significant accounting policies

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the consolidated Income Statement.

(c) Property, plant & equipment

Property, plant & equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Certain leasehold land and buildings were revalued by the directors in 1997 based on valuations carried out by independent professional valuers on the open market basis. In accordance with the transitional provisions issued by the Financial Reporting Standards (FRS) on the adoption of Standard 116, "Property, Plant & Equipment", the valuation of these property, plant & equipment have not been updated and they continue to be stated at their previously revalued amounts less accumulated depreciation.

Revaluation surpluses are taken to the asset revaluation reserve, unless they offset previous revaluation losses of the same asset that were taken to the Income Statement. Revaluation losses are taken to the asset revaluation reserve, to the extent that they offset previous revaluation surpluses of the same asset that were taken to the asset revaluation reserve. Other revaluation surpluses or losses are taken to the Income Statement.

Property, plant & equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

Freehold land is not depreciated as it has an infinite life.

Depreciation on all other property, plant & equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant & equipment over their estimated useful lives.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.1 Significant accounting policies – (continued)

The principal annual rates of depreciation used are as follows :-

Freehold buildings	2%
Leasehold land & buildings	69 to 89 years
Leasehold condominium	89 years
Counter equipment, furniture & fittings	10% - 20%
Electrical installation	10% - 20%
Fixtures	20%
Furniture & fittings	10% - 20%
Motor vehicles	10% - 20%
Office equipment	10% - 20%
Plant & machinery	10% - 20%
Renovations & improvements	10% - 20%
Signboard	10%
Tools & equipment	20%

Residual values, useful life and depreciation method of assets are reviewed at each financial period-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

(d) Impairment of non-financial assets

The carrying values of assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the Income Statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)**5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)****5.1 Significant accounting policies – (continued)**

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the Income Statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the Income Statement, a reversal of that impairment loss is recognised as income in the Income Statement.

(e) Intangible asset

Trademark is recognised as intangible asset if it is probable that the future economic benefits that are attributable to such asset will flow to the enterprise and the costs of such asset can be measured reliably.

Trademark is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 5.1(d). Trademark is not amortised as it has an infinite life.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average method and includes the actual cost of materials and incidentals in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(g) Receivables

Receivables are stated at cost less any allowances for doubtful debts. Known bad debts are written off and doubtful debts are provided for based on estimates of possible losses which may arise from non-collection of certain receivables accounts.

(h) Payables

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)**5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)****5.1 Significant accounting policies – (continued)****(i) Hire purchase**

Property, plant & equipment acquired under hire purchase arrangements which in substance transfer the risks and benefits of ownership, are capitalised at the value equivalent to the principal sum of total hire purchase payables. The corresponding obligations are treated as liabilities.

Finance charges are allocated to the Income Statement to give a constant periodic rate of interest on the remaining hire purchase liabilities.

(j) Investments

Investments held on long term basis are stated at cost. An allowance is made when the directors are of the opinion that there is a decline other than temporary in their value. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Unquoted investments are stated at cost while quoted investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to quoted selling prices at the close of business on the balance sheet date. Increases or decreases in the carrying amount of investments are credited/ charged to the Income Statement. An allowance is made for the unquoted investments when the directors are of the opinion that there is a decline in their value which is other than temporary. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/ credited to the Income Statement.

(k) Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred, including underwriting expenses. In subsequent financial periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.1 Significant accounting policies – (continued)

(l) Income tax

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(m) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.1 Significant accounting policies – (continued)

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contributions to a defined contribution plan are charged to the Income Statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the Group and the benefits can be reliably measured. The specific recognition criteria for revenue are as follows :-

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

(ii) Rental income

Revenue is recognised on received and receivable basis unless collectibility is in doubt.

(iii) Royalty income

Revenue is recognised on an accrual basis in accordance with substance of the relevant agreement.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES - (continued)

5.1 Significant accounting policies - (continued)

(iv) Commission income

Revenue is recognised at the fair value of the consideration receivable and is recognised in the Income Statement when it is probable that economic benefits associated with the transactions will flow to the Group.

(p) Borrowing costs

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the Income Statement.

(q) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentational currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

(r) Financial instruments

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.1 Significant accounting policies – (continued)

(ii) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on balance sheet is disclosed in the individual accounting policy statement associated with each item.

(iii) Fair value estimation for disclosure purposes

The face value of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year is assumed to approximate their fair values.

(s) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and overdrafts and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the Cash Flow Statement, cash and cash equivalents are presented net of bank overdrafts.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.2.1 Property, plant and equipment

	Cost at 30.6.2007	Accumulated Depreciation at 30.6.2007	Balance at 30.6.2007
	RM'000	RM'000	RM'000
Freehold land at cost	187	-	187
Freehold buildings			
- at cost	4,019	520	3,499
Leasehold land & buildings			
- at 1995 valuation			
(expires in 2064)	1,534	270	1,264
(expires in 2069)	1,533	253	1,280
- at cost			
(expires in 2084)	232	4	228
(expires in 2091)	1,622	191	1,431
(expires in 2093)	905	100	805
(expires in 2096)	4,088	68	4,020
(expires in 2885)	1,859	58	1,801
Leasehold condominium			
- expires in 2085	170	20	150
Counter equipment, furniture & fittings	9,939	2,361	7,578
Electrical installation	434	399	35
Fixtures	82	82	-
Furniture & fittings	1,296	913	383
Motor vehicles	2,744	1,696	1,048
Office equipment	2,588	1,609	979
Plant & machinery	64	20	44
Renovations & improvements	6,014	5,298	716
Signboard	31	25	6
Tools & equipment	54	53	1
	<u>39,395</u>	<u>13,940</u>	<u>25,455</u>

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)**5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)****5.2.1 Property, plant and equipment – (continued)**

(a) Property, plant & equipment under hire purchase

The net book value of the property, plant & equipment acquired under hire purchase arrangements are as follows :-

	As at 30.6.2007 RM'000
Motor vehicles	937
	=====

(b) Security

The net book value of the property, plant & equipment that have been charged to financial institutions for facilities granted to the Group are as follows :-

	As at 30.6.2007 RM'000
Freehold land & buildings	3,686
Leasehold land & buildings	10,830

	14,516
	=====

(c) Revaluation

Certain land and buildings were revalued by the directors based on valuations carried out by independent professional valuers on the open market value basis. The net book value of the property, plant & equipment that would have been carried at historical cost less accumulated depreciation are as follows :-

	As at 30.6.2007 RM'000
Leasehold land & buildings	1,305
	=====

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.2.2 Quoted investments

	As at 30.6.2007 RM'000
Quoted shares in Malaysia	35 =====
At market value	62 =====

5.2.3 Intangible assets - at cost

	As at 30.6.2007 RM'000
Trademark	271 =====

5.2.4 Goodwill on consolidation

	As at 30.6.2007 RM'000
At beginning/end of the period	33 =====
Impairment tests for goodwill -----	

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. During the financial period, there is no segmental information by activities is prepared as the Group's activities are predominantly in one industry segment.

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the fashion apparel trading business in which the CGU operates.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.2.4 Goodwill on consolidation – (continued)

Key assumptions used for value-in-use calculations :-

	Trading %
Gross margin ¹	38.5
Growth rate ²	3.5
Pre-tax discount rate ³	8.0
	=====

1. Budgeted gross margin
2. Weighted average growth rate used to extrapolate cash flows beyond the budget period
3. Pre-tax discount rate applied to the cash flow projections

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rates used were consistent with the forecasts included in industry report. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment.

5.2.5 Other investment

	As at 30.6.2007 RM'000
At cost	
Transferable club membership	15
	=====

5.2.6 Inventories

	As at 30.6.2007 RM'000
Finished goods	44,444
	=====

Included in the inventories of the Proforma Group is an amount of RM3,060,000, stated at net realisable value.

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VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.2.7 Receivables

	As at 30.6.2007 RM'000
Trade receivables	13,190
Other receivables	1,678
Deposits	5,165
Prepayments	873

	20,906
	=====

The normal credit term of trade receivables are up to 180 days.

Included in other receivables is an amount of RM223,117 being amount owing from a company in which certain of the directors have financial interest.

5.2.8 Amount due from holding company

The holding company is Marvellous Future Sdn. Bhd., a company incorporated in Malaysia.

The amount due from ultimate holding company is unsecured, interest free and has no fixed terms of repayment.

5.2.9 Share capital

	As at 30.6.2007 RM'000
Authorised :-	
100,000,000 ordinary shares of RM1 each	100,000
	=====
Issued and fully paid :-	
37,137,600 ordinary shares of RM1 each	37,138
	=====

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VOIR HOLDINGS BERHAD (Company No. 765218-V)**5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)****5.2.10 Borrowings**

	As at 30.6.2007 RM'000
Current	28,180
Non-current	11,798

	39,978
	=====

The details of securities and weighted average effective interest rates of borrowings as at 30 June, 2007 are as follows :-

The bank facilities are secured by :-

- (a) legal charges over certain freehold buildings and leasehold land & buildings of KVSB;
- (b) legal charges over the related party's properties;
- (c) legal charge over freehold building of a subsidiary;
- (d) guarantee by credit guarantee corporation of a subsidiary;
- (e) corporate guarantee from KVSB; and
- (f) personal guarantee by a director.

Weighted average effective interest rate :-

	As at 30.6.2007 %
Bank overdraft	8.1
Bills payable	5.0
Hire purchase liabilities	2.5
Revolving credit	6.4
Term loans	8.0
	=====

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5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.2.11 Deferred taxation

	As at 30.6.2007 RM'000
At beginning/ end of the period	560 =====
Subject to income tax -----	
Property, plant & equipment - capital allowances in excess of depreciation	560 =====
Deferred tax assets have not been recognised in respect of the following items :-	
	As at 30.6.2007 RM'000
Property, plant & equipment - capital allowances in excess of depreciation	-
Unabsorbed tax losses	869
Unutilised capital allowances	312
	----- 1,181 =====
Potential tax benefits calculated at 20% tax rate	236 =====

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VOIR HOLDINGS BERHAD (Company No. 765218-V)**5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES - (continued)****5.2.12 Payables**

	As at 30.6.2007 RM'000
Trade payables	6,387
Other payables	2,086
Deposits	531
Accruals	2,950

	11,954
	=====

The credit term of trade payables granted to the Proforma Group are up to 180 days.

Included in accruals of the Group is post-employment defined contribution plan of RM263,144 in respect of Employees Provident Fund.

5.2.13 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill

The directors are of the opinion that it is not practicable within the constraints of cost to estimate the impairment of goodwill. However, it is the directors' view that the carrying value of goodwill has not been impaired as the subsidiary is profitable and has a positive net tangible assets position.

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

VOIR HOLDINGS BERHAD (Company No. 765218-V)

5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES – (continued)

5.2.14 The new or revised financial reporting standards

The new or revised Financial Reporting Standards have been published that are mandatory for accounting periods beginning on or after 1 January, 2008 or later period, are as follow :-

- (a) Standards that are not yet effective and have not been early adopted
 - (b) Standards that are not yet effective and not relevant for the Group's operations
- (a) Standards that are not yet effective and have not been early adopted
 - (i) FRS 107 Cash Flow Statements (effective for accounting periods beginning on or after 1 July, 2007)
 - FRS 118 Revenue (effective for accounting periods beginning on or after 1 July, 2007)
 - FRS 137 Provisions, Contingent Liabilities and Contingent Assets (effective for accounting periods beginning on or after 1 July, 2007)

Implementation of above FRSs are not expected to significantly affect the financial statements for the year ending 31 December, 2008.

 - (ii) FRS 119 Employee Benefits
 - FRS 126 Accounting and Reporting by Retirement Benefits Plans
 - FRS 129 Financial Reporting in Hyperinflationary Economies

The following three FRS, which have the same effective dates as their original standards, are renamed as :-

- FRS 119 Employee Benefits (which supersedes FRS 119₂₀₀₄ Employee Benefits and Amendment to FRS 119₂₀₀₄ Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures)
 - FRS 126 Accounting and Reporting by Retirement Benefits Plans (which supersedes FRS 126₂₀₀₄ Accounting and Reporting by Retirement Benefits Plans)
 - FRS 129 Financial Reporting in Hyperinflationary Economies (which supersedes FRS 129₂₀₀₄ Financial Reporting in Hyperinflationary Economies)
- (iii) FRS 112 Income Taxes (effective for accounting periods beginning on or after 1 July, 2007)
 - (iv) FRS 134 Interim Financial Reporting (effective for accounting periods beginning on or after 1 July, 2007)

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7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**VOIR HOLDINGS BERHAD (Company No. 765218-V)****5. NOTES TO PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES - (continued)****5.2.14 The new or revised financial reporting standards - (continued)**

- (v) FRS 139 Financial Instruments : Recognition and Measurement (effective date yet to be determined by Malaysian Accounting Standards Board)

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Company will apply this standard when effective.

- (b) Standards that are not yet effective and not relevant for the Group's operations

- (i) FRS 111 Construction Contracts (effective for accounting periods beginning on or after 1 July, 2007)
- (ii) FRS 120 Accounting for Government Grants and Disclosure of Government Assistance (effective for accounting periods beginning on or after 1 July, 2007)
- (iii) Amendment to FRS 121 The Effect of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July, 2007)

5.2.15 Subsequent events

On 17 August, 2007, the Company acquired the entire equity interest of Kumpulan Voir Sdn. Bhd. from Marvellous Future Sdn. Bhd. for a purchase consideration of RM37,137,598 via the issuance of 37,137,598 ordinary shares of RM1.00 of the Company.

At the same date, the Company became 70% owned subsidiary of Marvellous Future Sdn. Bhd., a company incorporated in Malaysia.

Other than above, there was no material subsequent events since the last financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report.

5.2.16 Financial instruments

The carrying amount of financial assets and liabilities of the Group at the balance sheet date approximate their fair values.

5.2.17 Audited financial statements

No audited financial statements were prepared in respect of any period subsequent to 30 June, 2007.

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8. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our financial condition and results of operations for each of the three (3) FYE 2004, 2005 and 2006 and the 6-month financial period ended 30 June 2007. The financial data for the financial years under review have been derived from our Proforma Consolidated Financial Statements which is based on our Group's audited financial statements, assuming that our current Group structure had been in existence throughout the financial years under review as set out in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in Section 7.6 of this Prospectus.

Our Proforma Consolidated Financial Statements are prepared in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities. You should read the financial information presented below together with the Reporting Accountants' Letter on the Proforma Consolidated Financial Information and the related appendices and notes thereto as disclosed in Section 7.6 of this Prospectus and our historical financial information as disclosed in Section 7 of this Prospectus.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in Section 5 of this Prospectus.

Consolidated Income Statements

	<----- FYE ----->			6-month financial period ended 30 Jun	
	2004 RM 000	2005 RM 000	2006 RM 000	2007 RM 000	2006 [#] RM 000
Revenue	92,547	113,535	117,150	54,768	51,936
Gross Profit	44,127	52,029	57,472	30,733	26,183
EBITDA	10,726	13,453	16,132	6,798	6,255
Depreciation and amortisation expenses	(1,870)	(1,738)	(1,947)	(1,081)	(1,063)
Finance costs	(1,648)	(1,537)	(2,374)	(1,272)	(1,141)
PBT	7,208	10,178	11,811	4,445	4,051
Taxation	(2,032)	(3,106)	(3,803)	(1,450)	(1,256)
PAT	5,176	7,072	8,008	2,995	2,795
MI	(218)	(202)	107	157	54
PATMI	4,958	6,870	8,115	3,152	2,849
Attributable to equity holders	4,958	6,870	8,115	3,152	2,849
Gross profit margin (%)	47.68	45.83	49.06	56.11	50.41
Net profit margin (%)	5.36	6.05	6.93	5.76	5.49
Number of ordinary shares assumed in issue (000)*	37,138	37,138	37,138	37,138	37,138
Proforma EPS (RM)	0.13	0.18	0.22	0.08	0.08
Effective tax rate (%)	28.19	30.52	32.20	32.62	31.00

* The number of ordinary shares assumed in issue throughout the financial years under review represent the number of ordinary shares in issue after the Acquisition of KVSBS.

Unaudited and stated for comparative purpose only.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Notes :

- (a) Revenue of the Group consists of retail sales from consignment counters, specialty stores and wholesale. The two major revenue contributions for the Group are consignment counters' sales and specialty stores' sales.

In year 2004, the significant increase in revenue was mainly due to introduction of new product line by AASB and increase in number of consignment counters and specialty stores. The gross profit margin has also increased significantly mainly due to the economies of scale and enhanced brand image/equity. The increased gross profit margin contributed to the significantly higher net profit margin.

In year 2005, the significant increase in revenue was mainly due to full year revenue contribution from the counters opened in 2004 as mentioned above and additional revenue contribution from new specialty stores. The revenue growth contributed to the significantly higher net profit margin.

In year 2006, net profit margin increased significantly mainly due to the Group continues to enjoy economies of scale from its business operations.

For the six (6) months financial period ended 30 June, 2007, the gross profit margin was significantly increased mainly attributable to the increase in the number of specialty stores and consignment counters and higher gross profit margin generated from specialty stores sales compared to the corresponding period ended 30 June, 2006.

	←----- FYE ----->			6-month Financial period ←----- ended 30 June ----->	
	2004	2005	2006	2007	2006
Number of consignment	302	302	307	307	302
Number of specialty stores	28	35	40	41	36

- (b) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the year respectively over revenue. The proforma EPS has been calculated based on net profit for the year over the number of ordinary shares in issue.
- (c) Effective tax rate has been calculated based on taxation over profit before taxation. The Group's effective tax rate was higher than the statutory income tax rate mainly due to certain expenses which were disallowed for tax purpose in the respective financial years, adjustment of provision for taxation in prior years and unrecognised deferred tax assets.

The submission of tax returns and settlement of tax liabilities of the Group are up to date.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

8.1 Overview

The Group's revenue has been increasing steadily throughout the last three (3) FYE 2004, 2005 and 2006 with the latest revenue reaching RM117.2 million (FYE 2005: RM113.5 million; FYE 2004: RM92.5 million). The revenue growth was mainly driven by organic expansion, introduction of new brands/sub-labels launching, acquisitions of other brands and growth of our distribution channels.

Our PBT improved from RM7.2 million for the FYE 2004 to RM11.8 million for the year ended 31 December 2006, an increase of 64% within the same corresponding period. The growth in our PBT was mainly fuelled by the improvement in gross margin arising from existing and/or new products, economies of scale achieved via higher operating level and favourable market positioning.

Please refer to Section 11 of this Prospectus for further details of our operations and Section 12 of this Prospectus for further details on the companies in our Group and our Group's principal business activities.

8.2 Segmental Analysis

Analysis of Revenue derived from Fashion Apparels segment

8.2.1 Revenue by business segment

	<----- FYE ----->			6-month financial period ended 30 June	
	2004 RM 000	2005 RM 000	2006 RM 000	2007 RM 000	2006* RM 000
Fashion Apparels	92,547	113,535	117,040	54,632	51,936
Non-Fashion Apparels	-	-	110	136	-
	<u>92,547</u>	<u>113,535</u>	<u>117,150</u>	<u>54,768</u>	<u>51,936</u>

(i) Revenue by brand category (Fashion Apparels only)

	<----- FYE ----->			6-month financial period ended 30 June	
	2004 RM 000	2005 RM 000	2006 RM 000	2007 RM 000	2006* RM 000
In-house brands	81,665	102,712	105,682	48,631	46,328
Licensed brands	10,882	10,823	11,358	6,001	5,608
	<u>92,547</u>	<u>113,535</u>	<u>117,040</u>	<u>54,632</u>	<u>51,936</u>

8. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(ii) Revenue by distribution channel (Fashion Apparels only)

	<----- FYE ----->			6-month financial period ended 30 June	
	2004 RM 000	2005 RM 000	2006 RM 000	2007 RM 000	2006 [#] RM 000
Consignment	56,746	66,995	66,487	28,587	29,587
Specialty Stores	30,934	39,956	43,460	21,958	19,219
Wholesales	4,867	6,584	7,093	4,087	3,130
	92,547	113,535	117,040	54,632	51,936

8.2.2 Gross Profit by in-house brand and licensed brand

	<----- FYE ----->			6-month financial period ended 30 June	
	2004 RM 000	2005 RM 000	2006 RM 000	2007 RM 000	2006 [#] RM 000
Gross Profit					
In-house brand	39,862	47,939	52,908	28,058	23,748
Licensed brand	4,265	4,090	4,564	2,675	2,435
Total	44,127	52,029	57,472	30,733	26,183
Gross Profit Margin					
In-house brand (%)	48.8	46.7	50.0	57.7	51.3
Licensed brand (%)	39.2	37.8	40.2	44.6	43.4

[#] Unaudited and stated for comparative purpose only

8.3 Year-on-Year Review / Period-on-Period Review

8.3.1 Review on 6-month Financial Period Ended 30 June 2007

During the 6-month financial period ended 30 June 2007, the group recorded revenue of RM54.8 million, an increase of RM2.9 million as compared to the 6-month financial period ended 30 June 2006's revenue of RM51.9 million. RM2.5 million of the increased revenue was derived from our in-house brands.

The Group achieved gross profit margin of 56.4% for the 6-month financial period ended 30 June 2007 as compared to 50.4% achieved in the 6-month financial period ended 30 June 2006. The improvement in gross profit margin was partially due to the increased revenue contribution from our specialty stores.

Due to the foregoing, our PBT and PAT increased to RM4.4 million and RM3.0 million respectively for the 6-month financial period ended 30 June 2007 as compared to RM4.0 million and RM2.8 million recorded in the 6-month financial period ended 30 June 2006.

The effective tax rate increased to 32.6% from 31.0% mainly due to losses incurred by two (2) subsidiaries which commenced business in FYE 2006.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

8.3.2 Review of FYE 2006

The increase of revenue of RM3.7 million to RM117.2 million in FYE 2006 (FYE 2005: RM113.5 million) showed a marginal growth of 3.3% despite unfavourable consumer confidence during the year. However, gross profit margin increased by 3.3 percentage points from 45.8% to 49.1%. The improvement in gross profit margin contributed to the increase of RM5.4 million to gross profit. In the year under review, PBT and PAT increased by 16.0% and 13.2% respectively as the Group continues to enjoy economies of scale. The effective tax rate increased to 32.2% in FYE 2006 (FYE 2005: 30.5%) mainly due to losses incurred by two (2) new subsidiaries which commenced business during the year.

8.3.3 Review of FYE 2005

The significant revenue growth of 22.7% from RM92.5 million in FYE 2004 to RM113.5 million in FYE 2005 was attributed by the following:

- Benefit from the full year revenue contribution from sub-labels launched in FYE 2004; and
- Total specialty stores increased by 7 during the year.

PBT increased from RM7.2 million in 2004 to RM10.2 million, an increase of approximately RM3.0 million, was attributed mainly from the revenue growth.

8.3.4 Review of FYE 2004

Revenue increased from RM80.8 million in FYE 2003 to RM92.5 million in FYE 2004, a growth of 14.5%. This was mainly due to the following:

- Introduction of 2 new sub-labels;
- Total number of consignment counters increased by 53 during the year; and
- Total number of specialty stores increased by 5 during the year and the opening of the Group's largest concept store in Klang Valley.

PBT increased from RM3.4 million in 2003 to RM7.2 million. The significant increase of RM3.8 million was in line with the revenue growth coupled with 20.5% improvement of gross profit margin from 39.6% in FYE 2003 to 47.7% in FYE 2004.