

VTI VINTAGE BERHAD (Co No. 589167-W)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DEC 2006

	Note	Unaudited 31 December 2006 RM'000	Audited 31 December 2005 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A1	51,583	47,244
Investment property		787	787
Goodwill on consolidation		24,618	24,618
		76,989	72,649
Current Assets			
Inventories		4,643	4,634
Trade receivables		10,657	14,130
Other receivables		6,519	3,310
Short term investment		-	-
Cash and bank balances		2,690	841
		24,508	22,915
TOTAL ASSETS		101,497	95,565
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		97,486	96,842
ICULS		-	644
Reserves		(37,835)	(34,598)
		59,651	62,888
Minority Interests		3	2
Total Equity		59,654	62,890
Non-current liabilities			
Long term borrowings	22	10,902	10,792
Deferred tax liabilities		405	435
Medium Term Notes		2,000	
		13,308	11,227
Current Liabilities			
Trade payables		9,800	9,065
Other payables		3,636	1,802
Short term borrowings	22	5,231	7,185
Bank Overdraft		10,827	5,065
Provision for taxation		(958)	(1,670)
		28,535	21,447
Total Liabilities		41,843	32,674
TOTAL EQUITY AND LIABILITIES		101,497	95,565
Net assets per share attributable to ordinary equity holders of the parent		0.61	0.65

The notes set out on pages 6 to 13 form an integral part of and should be read in conjunction with this interim financial report.

VTI VINTAGE BERHAD (Co No. 589167-W)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DEC 2006

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31 Dec 2006 RM'000	31 Dec 2005 RM'000	31 Dec 2006 RM'000	31 Dec 2005 RM'000
Revenue		7,768	8,607	35,899	28,238
Cost of Sales		(6,681)	(7,993)	(27,075)	(25,746)
Gross Profit		1,087	614	8,824	2,492
Other Income		2,454	214	2,709	532
		3,541	828	11,533	3,024
Operating Expenses		(3,411)	(2,669)	(10,704)	(7,419)
		131	(1,841)	829	(4,395)
Finance cost		(569)	(404)	(2,004)	(1,174)
Depreciation		(490)	(1,107)	(2,110)	(3,422)
Profit/(Loss) Before Tax		(928)	(3,352)	(3,285)	(8,991)
Taxation	18	-	-	-	2,004
Profit/(Loss) after taxation		(928)	(3,352)	(3,285)	(6,987)
Attributable to :					
Equity Holders of The Parent		(928)	(3,352)	(3,285)	(6,987)
Minority interests		-	(31)	-	-
Pre-acquisition profit		-	309	-	309
		(928)	(3,074)	(3,285)	(6,678)
Basic (loss)/earnings per ordinary share (sen)	26	(0.95)	(3.17)	(3.37)	(6.90)
Diluted (loss)/earnings per ordinary share (sen)	26	(0.95)	(3.15)	(3.37)	(6.85)

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VTI VINTAGE BERHAD (Co No. 589167-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DEC 2006

Note	Attributable to Equity Holders of the Parent			Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	ICULS RM'000	Non-Distributable Distributable Retained Earnings RM'000			
At 1 January 2006	96,842	644	(34,598)	62,888	2	62,890
Issue of securities	-	-	-	-	-	-
Conversion of ICULS to shares	644	(644)	-	-	-	-
Net loss for the period	-	-	(3,285)	(3,285)	-	(3,285)
At 31 Dec 2006	97,486	-	(37,883)	59,603	2	59,605
At 1 January 2005	96,757	729	(27,920)	69,566	-	69,566
Issue of securities	-	-	-	-	-	-
Conversion of ICULS to shares	85	(85)	-	-	-	-
Net profit for the period	-	-	(6,678)	(6,678)	-	(6,678)
Dividend paid	-	-	-	-	-	-
At 31 Dec 2005	96,842	644	(34,598)	62,888	-	62,888

The notes set out on pages 6 to 13 form an integral part of and should be read in conjunction with this interim financial report.

VTI VINTAGE BERHAD (Co No. 589167-W)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DEC 2006

Note	31 December 2006 RM'000	31 December 2005 RM'000
Cash flows from operating activities		
Net (loss) / profit for the period	(3,285)	(8,992)
Adjustments for :		
Depreciation	2,110	3,422
Loss on disposal of property, plant and equipment	31	21
Gain on disposal of property, plant and equipment	(2,377)	(329)
Loss on disposal of short term investment	53	
Interest expenses	1,944	1,130
Interest income	(29)	-
Property, Plant and Equipment Written Off		100
	<hr/>	<hr/>
Operating profit before working capital changes	(1,553)	(4,648)
Changes in working capital		
Inventories	(9)	(1,250)
Receivables	(376)	1,272
Payables	(925)	8,226
	(1,310)	8,248
	<hr/>	<hr/>
Cash from operations	(2,862)	3,600
Interest paid	(964)	(462)
Tax refund	780	4
Tax paid	(47)	(626)
	<hr/>	<hr/>
Net cash from operating activities	(3,093)	2,516
Cash flows from investing activities		
Net cash inflow from acquisition of subsidiary	-	115
Purchase of property, plant and equipment	(6,721)	(15,114)
Proceeds from disposal of property, plant and equipment	2,617	1,010
Purchase of short term investment	(34)	
Proceeds from disposal of short term investment	621	
Proceeds from medium term notes	2,000	
Interest received	29	
	<hr/>	<hr/>
Net cash used in investing activities	(1,488)	(13,989)

VTI VINTAGE BERHAD (Co No. 589167-W)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DEC 2006

Note	31 December 2006 RM'000	31 December 2005 RM'000
Cash flows from financing activities		
Proceeds from hire purchase creditors	1,602	1,158
Proceeds from term loan	1,647	6,189
Repayment of hire purchase creditors	(847)	(416)
Repayment of term loan	(752)	(1,025)
Dividend paid	-	-
Interest paid	(981)	(667)
Net cash (used in) / from financing activities	670	5,239
Net (decrease) / increase in cash and cash equivalents	(3,912)	(6,234)
Cash and cash equivalents at the beginning of the period	(4,225)	2,009
Cash and cash equivalents at the end of the period	(8,137)	(4,225)
Note :		
Closing balance of cash and cash equivalents comprises : -		
Fixed deposit with licensed bank	1,038	504
Cash and bank balances	1,652	336
Bank overdrafts	(10,827)	(5,065)
Cash and cash equivalents at the end of the period	(8,137)	(4,225)

The notes set out on pages 6 to 13 form an integral part of and should be read in conjunction with this interim financial report.

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENT

**PART A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134 – Interim Financial Reporting**

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

1.1 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 January 2006:

- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Estimates and Errors
- FRS 110 Events after the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investments in Associates
- FRS 131 Interests in Joint Ventures
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets
- FRS 140 Investment Property

The adoption of FRS 2, 5, 102, 108, 110, 121, 128, 131, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed.

Under FRS 3, any excess of the Group's interest in the fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit or loss. The change in accounting policy for negative goodwill had no effect on the financial statements as there was no negative goodwill deferred as at 31 December 2005

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS has affected the presentation of minority interests, share of net after-tax results of associated company and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(c) FRS 140: Investment Property

The adoption of this new FRS has resulted in the reclassification of investment properties from property, plant and equipment and presented as a separate line item in non-current assets. Investment properties are measured at depreciated cost less any impairment loss.

1.2 Comparatives

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

Balance Sheet

Adoption of FRS 140:

	Previously stated RM'000	Adjustment (Note A1.1(c)) RM'000	Restated RM'000
At 31 December 2005			
Property, Plant and Equipment	48,030	(787)	47,243
Investment Properties	-	787	787

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statement for the year ended 31 December 2005 was not qualified.

A3. Segmental Information

Segment Revenue

	12 months ended 31 DEC 2006 Revenue RM'000	12 months ended 31 DEC 2005 Revenue RM'000
Revenue from continuing operations :		
Manufacturing & trading	32,420	26,699
Construction contract	8,479	3,282
	<u>40,900</u>	<u>29,981</u>
Inter-segment eliminations	(5,001)	(1,978)
	<u><u>35,899</u></u>	<u><u>28,003</u></u>

Segment Results

	12 months ended 31 DEC 2006 Profit before tax RM'000	12 months ended 31 DEC 2005 Profit before tax RM'000
Profit Before Tax		
Manufacturing & trading	(2,531)	(8,552)
Construction contract	(754)	(439)
	<u>(3,285)</u>	<u>(8,991)</u>
Inter-segment eliminations	-	-
	<u><u>(3,285)</u></u>	<u><u>(8,991)</u></u>

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cashflow during the current quarter ended 31 Dec 2006.

VTI VINTAGE BERHAD (Co No. 589167-W)**A5. Changes in Estimates**

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end.

With effect from the current financial year (1 January 2006), the group changed the annual depreciation rate for certain classes of assets so as to better reflect their estimated useful life as follows:

No.	Type of Assets	Current Depreciation Rate	Revised Depreciation Rate	
		%	%	Years
1	Motor vehicle	20	10	10
2	Computers	10 – 50	20	5
3	Renovation	10 – 15	10	10
4	Office Equipment	10 – 20	20	5
5	Tools & Equipment	10 – 20	20	5
6	Plant & Machinery	10 – 20	3.33	30
7	Leasehold Land & Buildings	Leasehold period	Leasehold period or 2% whichever is shorter	

The effect on the financial statements of this change in accounting estimates is a reduction in depreciation expenses estimated as follows :

Full Year 2006 (RM 2,128,440)
 Future Years* (RM 2,128,440)

(* Based on fixed assets as at 31-12-06 and to the extent these fixed assets are still being depreciated in future years)

A6. Comments about Seasonal or Cyclical Factors

The Group's business are generally affected by the various festive seasons.

A7. Dividends Paid

There were no dividends paid during the current quarter ended 31 Dec 2006.

A8. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment have been brought forward without any amendments from the financial statements for the year ended 31 December 2005.

VTI VINTAGE BERHAD (Co No. 589167-W)

A9. Debt and Equity Securities

During the current quarter ended 31 Dec 2006, the Group issued 2.0 million Medium Term Notes at a nominal value of RM1.00 each for the Group's working capital purposes.

A10. Changes in Composition of the Group

There were no changes in the composition of the group for the quarter under review.

A11. Capital Commitments

There were no outstanding capital commitments for the quarter under review.

A12. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last audited balance sheet as at 31 December 2005.

A13 Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in this interim financial statement.

A14 Contingent Liabilities

	As at 31-Dec-2006 RM	As at 31-Dec-2005 RM
Corporate guarantees given to banks for credit facilities granted to subsidiaries	33,000,000	33,000,000
Corporate guarantees issued to third parties in respect of trade facilities of subsidiaries	8,000,000	8,000,000

Additional information required by the BMSB's Listing Requirements

14. Review of performance

The Group's revenue for the quarter under review was 10% lower compared to the corresponding quarter in the preceding year mainly due to lower volume of sales recorded by its subsidiaries.
 In the quarter under review, the Group disposed of certain assets that are not in use and expensed out the issuance expenses of RM1.25 million relating to its 10 years RM100.0 million Medium Term Notes Programme.
 The Group recorded a loss of RM928,000 in this quarter due to this one time expenses and lower sales volume.

15. Variation of results against preceding quarter

	Current Quarter 31 Dec 2006	Preceding Quarter 30 Sept 2006
	RM'000	RM'000
Revenue	<u>7,768</u>	<u>11,103</u>
Profit/(Loss) before taxation	<u>(928)</u>	<u>274</u>
Medium Term Notes issuance expenses	1,253	-
Profit/(Loss) before taxation and Medium Term Notes issuance expenses	<u>325</u>	<u>274</u>

For the quarter under review, the revenue of the Group decreased by 30% compared to that of the preceding quarter. This is due to the shorter business days in Q4 compared to Q3 of 2006 arising from the Hari Raya Puasa, Deepavali and Christmas celebrations.
 Gross profit margin of the Group's products improved in Q4 due to further price recovery.

16. Prospects for the current financial year

With the additional scope of work secured by the Group's construction unit with SPNB, estimated at RM300.0 million over the next three (3) years, new jobs from the private sector and the anticipated recovery in the construction sector arising from the effect of the implementation of the Ninth Malaysia Plan, the Directors are optimistic of a better Group performance in 2007.

17. Profit forecast

There was no profit forecast or profit guarantee made during the financial period under review.

18. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Dec 2006	31 Dec 2005	31 Dec 2006	31 Dec 2005
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

No provision for taxation was provided for in the current quarter as the Group is in a loss position for the year to date.

Additional information required by the BMSB's Listing Requirements

19. Unquoted investments and properties

During the period under review, there were no dealing in unquoted investment and properties.

20. Quoted investments

The Group did not deal in any quoted investments.

21. Corporate Proposals

(a) Status of corporate proposals

There were no outstanding corporate proposals in the quarter under review.

(b) Status of utilisation of proceeds

Not applicable.

22. Borrowings and debt securities

	31 Dec 2006	31 December 2005
	RM'000	RM'000
Short term borrowings :		
Secured	13,091	12,250
Unsecured	2,966	-
	<u>16,057</u>	<u>12,250</u>
Long term borrowings :		
Secured	<u>12,902</u>	<u>10,792</u>

23. Off balance sheet financial instruments

There were no material instruments with off balance sheet risk issued as at the date of this report.

24. Changes in material litigation

There were no pending material litigations as at the date of this quarterly report.

25. Dividends

No dividend has been recommended to date in respect of the current financial year.

26. Basic earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) for the period by the weighted number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	31-Dec	31-Dec	31-Dec	31-Dec
	2006	2005	2006	2005
Net (loss)/profit for the period (RM'000)	<u>(928)</u>	<u>(3,074)</u>	<u>(3,285)</u>	<u>(6,678)</u>
Weighted average number of ordinary shares in issue ('000)	<u>97,486</u>	<u>96,842</u>	<u>97,486</u>	<u>96,773</u>
Basic (loss)/earnings per share (sen)	<u>(0.95)</u>	<u>(3.17)</u>	<u>(3.37)</u>	<u>(6.90)</u>

VTI VINTAGE BERHAD (Co No. 589167-W)
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Additional information required by the BMSB's Listing Requirements

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the period and weighted average number of ordinary shares in issue during the period have been adjusted for the effects of dilutive potential ordinary shares from the conversion of ICULS.

	Individual Quarter		Cumulative Quarter	
	31-Dec 2006	31-Dec 2005	31-Dec 2006	31-Dec 2005
Net (loss)/profit for the period (RM'000)	<u>(928)</u>	<u>(3,074)</u>	<u>(3,285)</u>	<u>(6,678)</u>
Weighted average number of ordinary shares in issue ('000)	97,486	96,842	97,486	96,773
Adjustment for assumed conversion of ICULS ('000)	<u>-</u>	<u>644</u>	<u>-</u>	<u>644</u>
Diluted (loss)/earnings per share (sen)	<u>(0.95)</u>	<u>(3.15)</u>	<u>(3.37)</u>	<u>(6.86)</u>