

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2007**

	Note	Unaudited 31 March 2007 RM'000	Audited 31 December 2006 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>	A1	51,196	51,588
<b>Investment property</b>		781	782
<b>Goodwill on consolidation</b>		24,626	24,626
		76,603	76,996
<b>Current Assets</b>			
Inventories		4,204	4,677
Trade receivables		13,401	14,683
Other receivables		5,805	2,814
Cash and bank balances		3,194	2,678
		26,603	24,852
<b>TOTAL ASSETS</b>		103,205	101,848
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share Capital		97,486	97,486
ICULS		-	-
Reserves		(39,213)	(37,888)

		58,273	59,598
<b>Minority Interests</b>		-	-
<b>Total Equity</b>		<u>58,273</u>	<u>59,598</u>
<b>Non-current liabilities</b>			
Long term borrowings	22	11,840	11,818
Medium Term Notes		2,000	2,000
Deferred tax liabilities		405	405
		<u>14,245</u>	<u>14,224</u>
<b>Current Liabilities</b>			
Trade payables		9,378	9,994
Other payables		3,713	3,196
Amount owing to directors		-	-
Short term borrowings	22	5,814	4,324
Bank Overdraft		11,912	11,427
Provision for taxation		(129)	(915)
		<u>30,687</u>	<u>28,026</u>
<b>Total Liabilities</b>		44,932	42,250
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>103,205</u>	<u>101,848</u>
Net assets per share attributable to ordinary equity holders of the parent		0.60	0.61

The notes set out on pages 6 to 12 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 THREE MONTH PERIOD ENDED 31 MARCH 2007**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 March	31 March	31 March	31 March
	2007	2006	2007	2006
Note	RM'000	RM'000	RM'000	RM'000
Revenue	10,087	9,667	10,087	9,667
Cost of Sales	<u>(8,117)</u>	<u>(6,872)</u>	<u>(8,117)</u>	<u>(6,872)</u>
Gross Profit	1,970	2,795	1,970	2,795
Other Income	<u>83</u>	<u>123</u>	<u>83</u>	<u>123</u>
	2,053	2,918	2,053	2,918
Operating Expenses	<u>(2,378)</u>	<u>(1,975)</u>	<u>(2,378)</u>	<u>(1,975)</u>
	(325)	942	(325)	942
Finance cost	(500)	(465)	(500)	(465)
Depreciation	<u>(500)</u>	<u>(1,048)</u>	<u>(500)</u>	<u>(1,048)</u>
Loss Before Tax	(1,324)	(571)	(1,324)	(571)

Taxation	18	-	-	-	-
<b>Loss after taxation</b>		<u>(1,324)</u>	<u>(571)</u>	<u>(1,324)</u>	<u>(571)</u>
<b>Attributable to :</b>					
Equity Holders of The Parent		(1,324)	(571)	(1,324)	(571)
Minority interests		-	-	-	-
Pre-acquisition profit		-	-	-	-
		<u>(1,324)</u>	<u>(571)</u>	<u>(1,324)</u>	<u>(571)</u>
Basic (loss)/earnings per ordinary share (sen)	26	(1.36)	(0.59)	(1.36)	(0.59)
Diluted (loss)/earnings per ordinary share (sen)	26	(1.36)	(0.59)	(1.36)	(0.59)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 MARCH 2007**

	←	Attributable to Equity Holders of the Parent			→	Minority Interest	Total Equity
		Share Capital	ICULS	Distributable Retained Earnings			
Note		RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2007		97,486	-	(37,888)	59,598	-	59,598
Issue of securities		-	-	-	-	-	-
Conversion of ICULS to shares		-	-	-	-	-	-
Net loss for the period		-	-	(1,324)	(1,324)	-	(1,324)
At 31 March 2007		97,486	-	(39,213)	58,273	-	58,273
At 1 January 2006		96,842	644	(34,598)	62,888	2	62,890
Issue of securities		-	-	-	-	-	-
Conversion of ICULS to shares		-	-	-	-	-	-
Net profit for the period		-	-	(571)	(571)	1	-
Dividend paid		-	-	-	-	-	-

At 31 March 2006

<u>96,842</u>	<u>644</u>	<u>(35,168)</u>	<u>62,318</u>	<u>3</u>	<u>62,321</u>
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# VTI VINTAGE BERHAD ( Co No. 589167-W )

(Incorporated In Malaysia)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2007

	Note	31 March 2007 RM'000	31 March 2006 RM'000
<b>Cash flows from operating activities</b>			
Net (loss) / profit for the period		(1,324)	(571)
Adjustments for :			
Depreciation		500	1,048
Loss on disposal of property, plant and equipment		-	-
Gain on disposal of property, plant and equipment		-	-
Interest expenses		486	447
Interest income		(7)	(6)
		<hr/>	<hr/>
Operating profit before working capital changes		(345)	918
Changes in working capital			
Inventories		507	(460)
Receivables		(1,738)	(4,791)
Payables		1,826	4,785
		<hr/>	<hr/>
		595	(466)
		<hr/>	<hr/>
Cash from operations		250	452
Interest paid		(237)	(235)
Tax refund		788	725

Tax paid	(2)	(20)
<b>Net cash from operating activities</b>	798	922
<b>Cash flows from investing activities</b>		
Net cash inflow from acquisition of subsidiary	-	-
Purchase of property, plant and equipment	(107)	(330)
Proceeds from disposal of property, plant and equipment	-	-
Interest received	7	6
<b>Net cash used in investing activities</b>	(99)	(324)
<b>Cash flows from financing activities</b>		
Proceeds from hire purchase creditors	-	-
Proceeds from term loan	-	-
Repayment of hire purchase creditors	(120)	(195)
Repayment of term loan	(299)	(181)
Dividend paid	-	-
Interest paid	(249)	(212)
<b>Net cash (used in) / from financing activities</b>	(668)	(588)
Net (decrease) / increase in cash and cash equivalents	31	11
Cash and cash equivalents at the beginning of the period	(8,749)	(4,225)
Cash and cash equivalents at the end of the period	(8,718)	(4,214)

**Note :**

Closing balance of cash and cash equivalents comprises : -

Fixed deposit with licensed bank	1,517	1,643
Cash and bank balances	1,677	(17)



Bank overdrafts	(11,912)	(5,840)
Cash and cash equivalents at the end of the period	(8,718)	(4,214)

The notes set out on pages 6 to 12 form an integral part of, and should be read in conjunction with this interim financial report.

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# **VTI VINTAGE BERHAD ( Co No. 589167-W )**

## **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 2006. The following notes explain the 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 2006.

#### **1.1 Changes in Accounting Policies**

On 1 January 2006, the Group and the Company adopted new and revised Financial Reporting Standards ("FRS") mandatory for financial period beginning on or after 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 Group has not made an early adoption of FRS 117 Leases which is effective for financial periods beginning on or after 1 October 2006.

The adoption of FRS 2, 5, 102, 108, 110, 121, 128, 131, 132, 133 and 140 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 2006

**(b) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS has affected the presentation of minority interest, 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 interest.

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	Adjustment (Note A1.1(c))	Restated
	RM'000	RM'000	RM'000
<b>At 31 December 2005</b>			
Property, Plant and Equipment	48,030	(787)	47,243
Investment Properties	-	787	787
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## **A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statement for the year ended 31 December 2006 was not qualified.

## **A3. Segmental Information**

### **Segment Revenue**

	<b>3 months ended 31 March 2007 Revenue RM'000</b>	<b>3 months ended 31 March 2006 Revenue RM'000</b>
Revenue from continuing operations :		
Manufacturing & trading	8,659	8,689
Construction contract	3,646	1,904
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	12,304	10,594
Inter-segment eliminations	(2,217)	(926)
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	10,087	9,667
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### **Segment Results**

	<b>3 months ended 31 March 2007</b>	<b>3 months ended 31 March 2006</b>
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	<b>Profit before tax</b>	<b>Profit before tax</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit Before Tax		
Manufacturing & trading	(1,024)	(424)
Construction contract	(300)	(147)
	<hr/>	<hr/>
	(1,324)	(571)
Inter-segment eliminations	-	-
	<hr/>	<hr/>
	(1,324)	(571)
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**A4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cashflow that are unusual of their nature, size or incidence during the current quarter

**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.

There were no changes in estimation of residual value and remaining useful life of its property ,plant and equipment that have had a material effect in the current quarter results.

**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 March 2007.

**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 2006.

**A9. Debt and Equity Securities**

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities during the current quarter end 31 March 2007.

**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 is no changes in contingent liabilities since the last annual balance Sheet as at 31 December 2006.

### **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 Contigent Liabilities**

	<b>As at 31-Mar-2007 RM</b>	<b>As at 31-Dec-2006 RM</b>
Corporate guarantees given to banks for credit facilities granted to subsidiaries	34,250,000	34,250,000
Corporate guarantees issued to third parties in respect of trade facilities of subsidiaries	7,000,000	7,000,000

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**Additional information required by the BMSB's Listing Requirements**

**14. Review of performance**

The Group's revenue for the quarter ended 31 March 2007 was 4% higher compared to the corresponding quarter in 2006 mainly due to higher contract income recorded by its construction subsidiary.

During the quarter, the Group saw further increase in prices of raw materials against that in corresponding quarter. These price increases eroded our profit margin, together with higher operating costs from the expansion to east Malaysia, the Group recorded a bigger loss in this quarter compared to the same quarter in 2006.

**15. Variation of results against preceding quarter**

	<b>Current Quarter</b> <b>31 Mar 2007</b> <b>RM'000</b>	<b>Preceding Quarter</b> <b>31 Dec 2006</b> <b>RM'000</b>
<b>Revenue</b>	10,087	7,768
<b>(Loss)/profit before taxation</b>	<u>(1,324)</u>	<u>(928)</u>

For the quarter under review, the revenue of the Group increased by 29% as compared to the preceding quarter. Operating loss for the quarter was 36% lower (without accounting gains from the disposal of fixed assets in preceding quarter), this is mainly due higher sales volume, stable profit margin and better costs control measures.

### 16. Prospects for the current financial year

Operating environment in the property and construction sector is anticipated to remain challenging, in particular in the private sector. However, the Group is expected to benefit from the public housing programme that are planned for implementation under the Ninth Malaysia Plan ("9MP").

The Directors are optimistic of positive contributions to the Group's performance from the implementation of 9MP.

### 17. Profit forecast

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

### 18. Taxation

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
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	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

No provision for taxation was provided for the current quarter as the Group was basically operating in a loss position.

### 19. Unquoted investments and properties

There were no disposals of unquoted investments and properties during the period under review.

## 20. Quoted investments

The Group did not deal in any quoted investments.

## 21. Corporate Proposals

### (a) Status of corporate proposals

There is no outstanding corporate proposal in the quarter under review.

### (b) Status of utilisation of proceeds

Not applicable.

## 22. Borrowings and debt securities

The total borrowings of the Group as at 31 March 2007 comprised of the followings:

	<b>31 March 2007</b> <b>RM'000</b>
Short term borrowings :	
Secured	14,726
Unsecured	3,000
Long term borrowings :	
Secured	13,840
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	31,566
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The above borrowings are denominated in Ringgit Malaysia

### 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

The Group does not have any pending material litigation, of which, in the opinion of the Directors, would have a material adverse effect on the financial results of the Group as at the date of this announcement.

### 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 weighted average number of ordinary shares in issue during the period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31-Mar</b>	<b>31-Mar</b>	<b>31-Mar</b>	<b>31-Mar</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Net (loss)/profit for the period (RM'000)	<u>(1,324)</u>	<u>(571)</u>	<u>(1,324)</u>	<u>(571)</u>
Weighted average number of ordinary shares in issue ('000)	<u>97,486</u>	<u>96,842</u>	<u>97,486</u>	<u>96,842</u>
Basic (loss)/earnings per share (sen)	<u>(1.36)</u>	<u>(0.59)</u>	<u>(1.36)</u>	<u>(0.59)</u>

### **Diluted earnings per share**

The Company does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore dilute its basic earnings

### **27. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 May 2007