

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2007**

	Note	Unaudited 30 Jun 2007 RM'000	Audited 31 December 2006 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A1	50,196	51,588
Investment property		779	782
Goodwill on consolidation		24,626	24,626
		75,601	76,996
<b>Current Assets</b>			
Inventories		3,805	4,677
Trade receivables		12,268	14,683
Other receivables		6,729	2,814
Cash and bank balances		2,318	2,678
		25,119	24,852
<b>TOTAL ASSETS</b>		100,720	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		(41,103)	(37,888)
		56,383	59,598
<b>Minority Interests</b>		-	-
<b>Total Equity</b>		56,383	59,598
<b>Non-current liabilities</b>			
Long term borrowings	22	11,277	11,818
Medium Term Notes	22	2,000	2,000
Deferred tax liabilities		405	405
		13,682	14,224
<b>Current Liabilities</b>			
Trade payables		10,527	9,994
Other payables		4,349	3,196
Amount owing to directors		300	-
Short term borrowings	22	5,539	4,324
Bank Overdraft	22	10,080	11,427
Provision for taxation		(142)	(915)
		30,654	28,026
<b>Total Liabilities</b>		44,336	42,250
<b>TOTAL EQUITY AND LIABILITIES</b>		100,720	101,848
Net assets per share attributable to ordinary equity holders of the parent		0.58	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 30 JUNE 2007**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30 JUN 2007 RM'000	30 JUN 2006 RM'000	30 JUN 2007 RM'000	30 JUN 2006 RM'000
Revenue		8,975	7,361	19,062	17,028
Cost of Sales		<u>(7,586)</u>	<u>(6,091)</u>	<u>(15,657)</u>	<u>(12,964)</u>
Gross Profit		1,390	1,269	3,406	4,065
Other Income		<u>(20)</u>	<u>80</u>	<u>63</u>	<u>203</u>
		1,370	1,350	3,469	4,268
Operating Expenses		<u>(2,278)</u>	<u>(1,811)</u>	<u>(4,666)</u>	<u>(3,786)</u>
		(908)	(461)	(1,197)	481
Finance cost		(528)	(443)	(1,028)	(908)
Depreciation		<u>(500)</u>	<u>(1,005)</u>	<u>(990)</u>	<u>(2,053)</u>
Loss Before Tax		(1,936)	(1,909)	(3,214)	(2,480)
Taxation	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss after taxation</b>		<u><u>(1,936)</u></u>	<u><u>(1,909)</u></u>	<u><u>(3,214)</u></u>	<u><u>(2,480)</u></u>
<b>Attributable to :</b>					
Equity Holders of The Parent		(1,936)	(1,909)	(3,214)	(2,480)
Minority interests		-	-	-	-
Pre-acquisition profit		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u><u>(1,936)</u></u>	<u><u>(1,909)</u></u>	<u><u>(3,214)</u></u>	<u><u>(2,480)</u></u>
Basic (loss)/earnings per ordinary share (sen)	26	(1.99)	(1.97)	(3.30)	(2.56)
Diluted (loss)/earnings per ordinary share (sen)	26	(1.99)	(1.97)	(3.30)	(2.54)

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**VTI VINTAGE BERHAD ( Co No. 589167-W )**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2007**

Note	← Attributable to Equity Holders of the Parent → ← Non-Distributable →			Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	ICULS RM'000	Distributable Retained Earnings 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	-	-	(3,214)	(3,214)	-	(3,214)
At 30 June 2007	97,486	-	(41,103)	56,383	-	56,383
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	-	-	(2,480)	(2,480)	-	-
Dividend paid	-	-	-	-	-	-
At 30 June 2006	96,842	644	(37,078)	60,408	2	60,410

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 CASH FLOW STATEMENT FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2007

	Note	30 Jun 2007 RM'000	30 Jun 2006 RM'000
<b>Cash flows from operating activities</b>			
Net (loss) / profit for the period		(3,214)	(2,480)
Adjustments for :			
Depreciation		990	2,053
Loss on disposal of property, plant and equipment		68	-
Gain on disposal of property, plant and equipment		-	-
Interest expenses		1,006	833
Interest income		(15)	(14)
		<hr/>	<hr/>
Operating profit before working capital changes		(1,165)	392
Changes in working capital			
Inventories		872	(338)
Receivables		(1,500)	(2,758)
Payables		2,991	3,560
		<hr/>	<hr/>
		2,364	464
		<hr/>	<hr/>
Cash from operations		1,199	856
Interest paid		(502)	(420)
Tax refund		788	725
Tax paid		(15)	(39)
		<hr/>	<hr/>
<b>Net cash from operating activities</b>		1,469	1,121
<b>Cash flows from investing activities</b>			
Net cash inflow from acquisition of subsidiary		-	-
Purchase of property, plant and equipment		(236)	(2,621)
Proceeds from disposal of property, plant and equipment		573	-
Interest received		15	14
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		352	(2,607)

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2007**

	Note	30 Jun 2007 RM'000	30 Jun 2006 RM'000
<b>Cash flows from financing activities</b>			
Proceeds from hire purchase creditors		-	1,383
Proceeds from term loan		602	-
Repayment of hire purchase creditors		(276)	(590)
Repayment of term loan		(657)	(384)
Dividend paid		-	-
Interest paid		(504)	(412)
<b>Net cash (used in) / from financing activities</b>		<b>(835)</b>	<b>(4)</b>
Net (decrease) / increase in cash and cash equivalents		986	(1,490)
Cash and cash equivalents at the beginning of the period		(8,749)	(4,225)
Cash and cash equivalents at the end of the period		(7,763)	(5,715)
<b>Note :</b>			
Closing balance of cash and cash equivalents comprises : -			
Fixed deposit with licensed bank		-	1,018
Cash and bank balances		2,318	133
Bank overdrafts		(10,080)	(6,865)
Cash and cash equivalents at the end of the period		(7,763)	(5,715)

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 )

## 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 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:

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

### (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

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

### 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>6 months ended 30 June 2007 Revenue RM'000</b>	<b>6 months ended 30 June 2006 Revenue RM'000</b>
Revenue from continuing operations :		
Manufacturing & trading	16,348	16,277
Construction contract	6,521	2,929
	<u>22,869</u>	<u>19,207</u>
Inter-segment eliminations	(3,806)	(2,178)
	<u>19,062</u>	<u>17,028</u>

#### Segment Results

	<b>6 months ended 30 June 2007 Profit before tax RM'000</b>	<b>6 months ended 30 June 2006 Profit before tax RM'000</b>
Profit Before Tax		
Manufacturing & trading	(2,612)	(1,913)
Construction contract	(603)	(567)
	<u>(3,214)</u>	<u>(2,480)</u>
Inter-segment eliminations	-	-
	<u>(3,214)</u>	<u>(2,480)</u>

### 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.



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

### A7. Dividends Paid

There were no dividends paid during the current quarter ended 30 June 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 30 June 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 30-Jun-2007 RM</b>	<b>As at 31-Dec-2006 RM</b>
Corporate guarantees given to banks for credit facilities granted to subsidiaries	<u>33,250,000</u>	<u>34,250,000</u>
Corporate guarantees issued to third parties in respect of trade facilities of subsidiaries	<u>9,000,000</u>	<u>7,000,000</u>

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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 30 June 2007 was 22% higher compared to the corresponding quarter in 2006 mainly due to higher contract income recorded by its construction subsidiary. During the quarter, prices of the concrete roof tile products were softer, thereby, eroded the profit margin of the manufacturing subsidiary. Financing costs in this quarter was 19% higher compared to the same quarter in 2006 due to capex expansion. These combined factors resulted to a loss RM 1.9 million in this quarter.

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

	<b>Current Quarter</b> <b>30 June 2007</b> <b>RM'000</b>	<b>Preceding Quarter</b> <b>31 March 2007</b> <b>RM'000</b>
<b>Revenue</b>	<u>8,975</u>	<u>10,087</u>
<b>(Loss)/profit before taxation</b>	<u>(1,936)</u>	<u>(1,324)</u>

For the quarter under review, the revenue of the Group was 11% lower as compared to the preceding quarter. Operating loss for the quarter was 46% higher than that of preceding quarter. This is due to low sales volume, lower profit margin recorded by the manufacturing subsidiary due to softer prices and higher operating costs.

**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 from the public housing programme to the group performance once the pace of implementation progresses.

**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>3 months ended</b>		<b>Cumulative Quarter</b> <b>6 months ended</b>	
	<b>30 June</b> <b>2007</b> <b>RM'000</b>	<b>30 June</b> <b>2006</b> <b>RM'000</b>	<b>30 June</b> <b>2007</b> <b>RM'000</b>	<b>30 June</b> <b>2006</b> <b>RM'000</b>
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

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

**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 30 June 2007 comprised of the followings:

	<b>30 June 2007</b>
	<b>RM'000</b>
Short term borrowings :	
Secured	12,621
Unsecured	3,000
Long term borrowings :	
Secured	13,277
	<hr/>
	<b>28,897</b>
	<hr/> <hr/>

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.

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

**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>30-Jun</b>	<b>30-Jun</b>	<b>30-Jun</b>	<b>30-Jun</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Net (loss)/profit for the period (RM'000)	<u>(1,936)</u>	<u>(1,909)</u>	<u>(3,214)</u>	<u>(2,480)</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>(1.99)</u>	<u>(1.97)</u>	<u>(3.30)</u>	<u>(2.56)</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 29 August 2007