

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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	Unaudited 31 December 2007 RM'000	Audited 31 December 2006 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A1	41,093	43,866
Investment property		774	783
Prepaid land lease payment		7,701	7,721
Intangible asset		24,626	24,626
		74,194	76,996
Current Assets			
Inventories		4,537	4,677
Trade receivables		12,687	14,682
Other receivables		2,375	2,814
Current tax assets		181	944
Cash and bank balances		2,483	2,678
		22,263	25,795
TOTAL ASSETS		96,457	102,791
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		97,486	97,486
ICULS		-	-
Reserves		(48,204)	(37,888)
		49,282	59,598
Minority Interests			
Total Equity		49,282	59,598
Non-current liabilities			
Long term borrowings	22	9,831	11,818
Medium Term Notes	22	-	2,000
Deferred tax liabilities		405	405
		10,236	14,223
Current Liabilities			
Trade payables		10,640	9,994
Other payables		4,321	3,196
Amount owing to directors		3,413	-
Medium Term Notes	22	2,000	-
Short term borrowings	22	6,502	4,324
Bank Overdraft	22	10,063	11,427
Provision for taxation		-	29
		36,939	28,970
Total Liabilities		47,175	43,193
TOTAL EQUITY AND LIABILITIES		96,457	102,791
Net assets per share attributable to ordinary equity holders of the parent		0.51	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.

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CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31 DEC 2007 RM'000	31 DEC 2006 RM'000	31 DEC 2007 RM'000	31 DEC 2006 RM'000
Revenue		6,514	7,768	33,237	35,220
Cost of Sales		<u>(6,124)</u>	<u>(6,681)</u>	<u>(29,077)</u>	<u>(26,054)</u>
Gross Profit		390	1,087	4,160	9,166
Other Income		<u>104</u>	<u>2,454</u>	<u>209</u>	<u>2,701</u>
		494	3,541	4,369	11,867
Operating Expenses		<u>(3,823)</u>	<u>(3,410)</u>	<u>(10,953)</u>	<u>(11,143)</u>
		(3,329)	131	(6,584)	724
Finance cost		(312)	(569)	(1,822)	(1,917)
Depreciation		<u>(462)</u>	<u>(490)</u>	<u>(1,909)</u>	<u>(2,110)</u>
Loss Before Tax		(4,103)	(928)	(10,315)	(3,303)
Taxation	18	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>13</u>
Loss after taxation		<u><u>(4,103)</u></u>	<u><u>(928)</u></u>	<u><u>(10,316)</u></u>	<u><u>(3,290)</u></u>
Attributable to :					
Equity Holders of The Parent		(4,103)	(928)	(10,316)	(3,290)
Minority interests		-	-	-	-
Pre-acquisition profit		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u><u>(4,103)</u></u>	<u><u>(928)</u></u>	<u><u>(10,316)</u></u>	<u><u>(3,290)</u></u>
Basic (loss)/earnings per ordinary share (sen)	26	(4.21)	(0.95)	(10.58)	(3.37)
Diluted (loss)/earnings per ordinary share (sen)	26	(4.21)	(0.95)	(10.58)	(3.37)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2007

Note	← Attributable to Equity Holders of the Parent →			Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-Distributable → 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	-	-	(10,316)	(10,316)	-	(10,316)
At 31 December 2007	97,486	-	(48,204)	49,282	-	49,282
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 profit for the period	-	-	(3,290)	(3,290)	(2)	(3,292)
Dividend paid	-	-	-	-	-	-
At 31 December 2006	97,486	-	(37,888)	59,598	-	59,598

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2007

	Note	31 December 2007 RM'000	31 December 2006 RM'000
Cash flows from operating activities			
Net (loss) / profit for the period		(10,316)	(3,287)
Adjustments for :			
Depreciation		1,906	2,190
Loss on disposal of property, plant and equipment		178	-
Gain on disposal of property, plant and equipment		-	(2,346)
Loss on disposal of short term investment		-	153
Interest expenses		1,749	1,573
Interest income		-	(29)
		(6,483)	(1,746)
Operating (loss) / profit before working capital changes			
Changes in working capital			
Inventories		137	(43)
Receivables		2,278	(252)
Payables		4,018	479
Amount owing to directors		3,101	-
		9,534	184
Cash from / (used in) operations		3,051	(1,562)
Interest paid		(911)	(704)
Tax refund		783	750
Tax paid		(50)	(38)
		2,873	(1,554)
Net cash from / (used in) operating activities			
Cash flows from investing activities			
Net cash inflow from acquisition of subsidiary		-	-
Purchase of property, plant and equipment		(362)	(6,104)
Proceeds from disposal of property, plant and equipment		1,215	1,767
Capitalisation of term loan interest		(109)	-
Interest received		-	29
Factory in progress		(26)	-
		718	(4,308)
Net cash from / (used in) investing activities			

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2007

Note	31 December 2007 RM'000	31 December 2006 RM'000
Cash flows from financing activities		
Proceeds from hire purchase creditors	-	1,333
Proceeds from term loan	602	1,666
Repayment of hire purchase creditors	(536)	(577)
Repayment of term loan	(1,653)	(2,215)
Interest paid	(835)	(868)
Issuance of medium term notes	-	2,000
Net cash (used in) / from financing activities	(2,422)	1,338
Net increase / (decrease) in cash and cash equivalents	1,169	(4,524)
Cash and cash equivalents at the beginning of the period	(8,749)	(4,225)
Cash and cash equivalents at the end of the period	(7,580)	(8,749)
Note :		
Closing balance of cash and cash equivalents comprises : -		
Fixed deposit with licensed bank	2,147	2,231
Cash and bank balances	336	447
Bank overdrafts	(10,063)	(11,427)
Cash and cash equivalents at the end of the period	(7,580)	(8,749)

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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:

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(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 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

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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

	12 months ended 31 Dec 2007 Revenue RM'000	12 months ended 31 Dec 2006 Revenue RM'000
Revenue from continuing operations :		
Manufacturing & trading	29,222	31,170
Construction contract	8,669	8,479
	<u>37,891</u>	<u>39,650</u>
Inter-segment eliminations	(4,654)	(4,430)
	<u>33,237</u>	<u>35,220</u>

Segment Results

	12 months ended 31 Dec 2007 Profit before tax RM'000	12 months ended 31 Dec 2006 Profit before tax RM'000
Profit Before Tax		
Manufacturing & trading	(7,617)	(2,531)
Construction contract	(2,698)	(759)
	<u>(10,315)</u>	<u>(3,290)</u>
Inter-segment eliminations	-	-
	<u>(10,315)</u>	<u>(3,290)</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.

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A7. Dividends Paid

There were no dividends paid during the current quarter ended 31 December 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 2007.

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 December 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 statements.

A14. Contigent Liabilities

	As at 31-Dec-2007 RM	As at 31-Dec-2006 RM
Corporate guarantees given to banks for credit facilities granted to subsidiaries	<u>30,510,000</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 31 December 2007 was 16% lower as compared to the corresponding quarter in 2006 due to lower contract income recorded by the construction subsidiary and lower sales volume by the manufacturing subsidiary. The reduction in turnover coupled with the higher cost of raw materials resulted in a higher loss from operating activities of RM2.9mil in the fourth quarter of 2007 as compared to a loss of RM0.93mil in the same quarter of 2006.

15. Variation of results against preceding quarter

	Current Quarter 31 Dec 2007 RM'000	Preceding Quarter 30 Sept 2007 RM'000
Revenue	6,514	7,660
Loss before taxation	<u>(4,103)</u>	<u>(2,999)</u>

For the quarter under review, the revenue of the Group was 15% lower as compared to the preceding quarter. Completion of projects on hand in third quarter of 2007 and slow delivery of concrete roof tiles products in the fourth quarter resulted to lower revenue. Operating loss for the quarter was 37% higher than that of preceding quarter mainly due to allowance for doubtful debts of RM1.2mil made in the current quarter. Without the allowance for doubtful debts, operating loss in the current quarter is 3.6% lower than that of preceding quarter. This is achieved through the costs savings measures implemented in the fourth quarter.

16. Prospects for the next financial year

With the selling price of concrete roof tiles products increasing steadily in the fourth quarter and further costs savings expected from the measures implemented, we expect to see an improvement in the financial performance of the Group moving forward.

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 12 months ended	
	31 Dec 2007 RM'000	31 Dec 2006 RM'000	31 Dec 2007 RM'000	31 Dec 2006 RM'000
Income tax				
Current year	-	12	-	12
Prior year	-	1	(1)	1
	<u>-</u>	<u>13</u>	<u>(1)</u>	<u>13</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

On 29 June 2006, the Company announced that it is proposing a special issue of up to 42 million new ordinary shares of RM1.00 each to bumiputra investors to be approved by the Ministry of International Trade and Industry ("MITI") at an issue price to be determined later ("The Proposal").

The Proposal has received approval for implementation from the Securities Commission ("SC") and MITI on 29 August 2007 and 13 September 2007 respectively. Bursa Malaysia Securities Berhad granted its approval on 18 September 2007 for the listing and quotation for the Special Issue Shares, and the Shareholders of the Company approved The Proposal at an Extraordinary General Meeting held on 28 November 2007.

(b) Status of utilisation of proceeds

Not applicable.

22. Borrowings and debt securities

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

	31 Dec 2007
	RM'000
Short term borrowings :	
Secured	15,565
Unsecured	3,000
Long term borrowings :	
Secured	9,831
	<u>28,396</u>

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.

	Individual Quarter		Cumulative Quarter	
	31-Dec 2007	31-Dec 2006	31-Dec 2007	31-Dec 2006
Net (loss)/profit for the period (RM'000)	<u>(4,103)</u>	<u>(928)</u>	<u>(10,316)</u>	<u>(3,290)</u>
Weighted average number of ordinary shares in issue ('000)	<u>97,486</u>	<u>97,486</u>	<u>97,486</u>	<u>97,486</u>
Basic (loss)/earnings per share (sen)	<u>(4.21)</u>	<u>(0.95)</u>	<u>(10.58)</u>	<u>(3.37)</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 27 February 2008.