

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 ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended December 2007.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2007 was not qualified.

A3. Segmental Information

Segment Revenue

	6 months ended 30 June 2008 Revenue RM'000	6 months ended 30 June 2007 Revenue RM'000
Revenue from continuing operations :		
Manufacturing & trading	18,136	16,348
Construction contract	677	6,521
	18,813	22,869
Inter-segment eliminations	(8,660)	(3,807)
	10,154	19,062

Segment Results

	6 months ended 30 June 2008 Profit before tax RM'000	6 months ended 30 June 2007 Profit before tax RM'000
Profit/ (Loss) Before Tax		
Manufacturing & trading	(792)	(2,611)
Construction contract	(452)	(603)
	(1,244)	(3,214)
Inter-segment eliminations	-	-
	(1,244)	(3,214)

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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

There were no material changes in estimate used for the preparation of the interim financial report.

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 30 June 2008.

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, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

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 2007.

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 30 June 2008 RM	As at 31 Mar 2008 RM
Corporate guarantees given to banks for credit facilities granted to subsidiaries	30,510,000	30,510,000
Corporate guarantees issued to third parties in respect of trade facilities of subsidiaries	9,000,000	9,000,000