

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	Note	Unaudited 30 June 2009 RM'000	Audited 31 December 2008 RM'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Property, plant &amp; equipment</b>	A1	38,531	39,452
<b>Prepaid land lease payment</b>		5,022	5,094
<b>Intangible asset</b>		24,626	24,626
		<u>68,179</u>	<u>69,172</u>
<b>Current Asset</b>			
Net cash from/(used in) financing activities		1,600	2,629
Trade receivables		14,482	16,810
Amount due from customer for contract works		887	887
Other receivables		2,825	1,331
Current tax assets		170	170
Cash and bank balances		432	316
		<u>20,396</u>	<u>22,143</u>
<b>Non current assets held for sales</b>		2,662	3,379
<b>TOTAL ASSETS</b>		<u>91,237</u>	<u>94,694</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share Capital		97,486	97,486
Reserves		(59,532)	(55,096)
		<u>37,954</u>	<u>42,390</u>
<b>Minority Interests</b>		-	-
<b>Total Equity</b>		<u>37,954</u>	<u>42,390</u>
<b>Non current liabilities</b>			
Long term borrowings	B9	13,573	15,988
Deferred tax liabilities		-	-
		<u>13,573</u>	<u>15,988</u>
<b>Current Liabilities</b>			
Trade payables		15,302	15,546
Other payables		5,488	5,406
Amount owing to directors		6,088	6,079
Short term borrowings	B9	3,561	823
Bank Overdraft	B9	9,271	8,462
		<u>39,710</u>	<u>36,316</u>
<b>Total Liabilities</b>		53,283	52,304
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>91,237</u>	<u>94,694</u>
Net assets per share attributable to ordinary equity holders		0.39	0.43

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2009**

	Note	Individual Quarter 6 months ended		Cumulative Quarter 6 months ended	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Revenue		2,118	5,112	5,734	10,154
Cost of Sales		<u>(2,106)</u>	<u>(3,236)</u>	<u>(5,371)</u>	<u>(7,531)</u>
Gross Profit		12	1,876	363	2,623
Net cash from/(used in) financing activities		<u>152</u>	<u>148</u>	<u>152</u>	<u>204</u>
		164	2,024	515	2,827
Operating Expenses		<u>(1,396)</u>	<u>(1,285)</u>	<u>(3,227)</u>	<u>(2,549)</u>
		(1,232)	278	(2,712)	278
Financial cost		(443)	(252)	(804)	(637)
Depreciation		<u>(440)</u>	<u>(437)</u>	<u>(920)</u>	<u>(885)</u>
(Loss)/Profit Before Tax		(2,115)	50	(4,436)	(1,244)
Taxation	B5	-	-	-	-
(Loss)/Profit After Tax		<u>(2,115)</u>	<u>50</u>	<u>(4,436)</u>	<u>(1,244)</u>
Attributable to:					
Equity Holders of The Parent		(2,115)	50	(4,436)	(1,244)
Minority Interests		-	-	-	-
Pre-acquisition profit		-	-	-	-
		<u>(2,115)</u>	<u>50</u>	<u>(4,436)</u>	<u>(1,244)</u>
Basic earnings/(loss) per ordinary share (sen)	B13	(2.17)	0.05	(4.55)	(1.28)
Diluted earnings/(loss) per ordinary share (sen)	B13	(2.17)	0.05	(4.55)	(1.28)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2009**

	<b>&lt;- Attributable to Equity Holders of the Parent -&gt;</b>				
	<b>Distributable</b>				
	<b>Share Capital RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>	<b>Minority Interest RM'000</b>	<b>Total Equity RM'000</b>
At 1 January 2009	97,486	(55,096)	42,390	-	42,390
Net loss for the period	-	(4,436)	(4,436)	-	(4,436)
At 30 June 2009	<u>97,486</u>	<u>(59,532)</u>	<u>37,954</u>	<u>-</u>	<u>37,954</u>
Net cash from/(used in) financing activities					
At 1 January 2008	97,486	(47,694)	49,792	-	49,792
Net loss for the period	-	(1,244)	(1,244)	-	(1,244)
At 30 June 2008	<u>97,486</u>	<u>(48,938)</u>	<u>48,548</u>	<u>-</u>	<u>48,548</u>

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2009**

	6 months ended	
	30 June 2009 RM'000	30 June 2008 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(4,436)	(1,244)
Adjustments for:		
Depreciation	920	885
Loss on disposal of property, plant and equipment	157	-
Interest expenses	804	637
Interest income	(121)	-
Net cash from/(used in) financing activities	<u>          </u>	<u>          </u>
<b>Operating (loss)/profit before working capital changes</b>	<b>(2,676)</b>	<b>278</b>
Changes in working capital		
Inventories	1,029	(700)
Receivables	834	(13)
Payables	(162)	(3,713)
Amount owing to directors	9	2,447
	<u>1,710</u>	<u>(1,979)</u>
<b>Cash used in operations</b>	<b>(966)</b>	<b>(1,701)</b>
Interest paid	(804)	(376)
Tax paid	-	(3)
	<u>          </u>	<u>          </u>
<b>Net cash used in operating activities</b>	<b>(1,770)</b>	<b>(2,080)</b>
<b>Cash flows from investing activities</b>		
Purchase of of property, plant and equipment	-	(15)
Proceeds from disposal of property, plant and equipment	633	-
Interest received	121	-
<b>Net cash from/(used in) investing activities</b>	<u>754</u>	<u>(15)</u>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2009**

	<b>6 months ended</b>	
	<b>30 June 2009</b>	<b>30 June 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Withdrawal of fixed deposit	-	2,000
Proceed from term loan	-	2,147
Repayment of hire purchase	(126)	(167)
Repayment of bank borrowings	449	(2,141)
Interest paid	-	(261)
Repayment of medium term note	-	(2,000)
<b>Net cash from/(used in) financing activities</b>	<b>323</b>	<b>(422)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(693)</b>	<b>(2,517)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(8,146)</b>	<b>(9,298)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(8,839)</b>	<b>(11,815)</b>
 Note:		
<b>Closing balance of cash and cash equivalents comprises:</b>		
Cash and bank balances	432	362
Bank Overdrafts	(9,271)	(12,177)
	<b>(8,839)</b>	<b>(11,815)</b>

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

**EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS**

**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 2008. The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of VTI Vintage Berhad and all its subsidiaries (collectively known as "the Group") since the year ended 31 December 2008.

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 financial year ended 31 December 2008.

**A2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the financial year ended 31 December 2008 was not qualified. However, it included the following “Emphasis of Matter” from the auditors’ report of a subsidiary, Newsteel Building Systems Sdn Bhd (“Newsteel”).

Without qualifying auditors’ opinion, Newsteel incurred a loss for the year 2008 amounting to RM2,011,275, and as at 31 December 2008, Newsteel’s current liabilities exceeded its current assets by RM3,755,930 and its total liabilities exceeded its total assets by RM3,485,750. The appropriateness of preparation of Newsteel’s financial statements on the going concern basis is dependent upon Newsteel obtaining sufficient financing from the shareholders or from

**A3. Segmental Information**

**Segment Revenue**

	<b>6 months ended 30 June 2009 Revenue RM'000</b>	<b>6 months ended 30 June 2008 Revenue RM'000</b>
Revenue from continuing operations:		
Manufacturing & Trading	9,648	18,137
Construction contract	70	677
	<u>9,718</u>	<u>18,814</u>
Inter-segment eliminations	(3,984)	(8,660)
	<u>5,734</u>	<u>10,154</u>

**A3. Segmental Information (Continued)**

**Segment Results**

	<b>6 months ended 30 June 2009 Profit before taxation RM'000</b>	<b>6 months ended 30 June 2008 Profit before taxation RM'000</b>
Loss before tax		
Manufacturing & Trading	(3,609)	(792)
Construction contract	(827)	(452)
	<u>(4,436)</u>	<u>(1,244)</u>
Inter-segment eliminations	-	-
	<u>(4,436)</u>	<u>(1,244)</u>

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flow 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 2009.

**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 2008.

**A9. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

**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 2008.

#### **A13. Significant Events**

On 4 May 2009, MIMB Investment Bank Berhad, on behalf of VTI Vintage Berhad ("Vintage" or "the Company"), announced that the Board of Directors of Vintage has resolved to undertake the following:-

- (i) proposed share capital reduction of Vintage's existing issued and paid-up share capital of RM97,486,002 comprising 97,486,002 ordinary shares of RM1.00 each ("Vintage Shares") to RM43,868,701 comprising 97,486,002 ordinary shares of RM0.45 each ("Reduced Shares") via the cancellation of RM0.55 of the par value of each Vintage Share pursuant to Section 64 of the Companies Act, 1965 ("Proposed Capital Reduction");
- (ii) proposed amendments to the memorandum and articles of association of Vintage to facilitate the change in the par value of the Vintage Shares resulting from the Proposed Capital Reduction ("Proposed M&A Amendments"); and
- (iii) proposed renounceable rights issue of up to 24,371,501 new Reduced Shares ("Rights Shares") on the basis of one (1) Rights Share for every four (4) Reduced Shares to be held at a date to be determined after the completion of the Proposed Capital Reduction on a minimum subscription basis ("Proposed Rights Issue").

(Collectively, the "Proposals")

Please refer to the announcement dated 4 May 2009 for further information on the Proposals.

#### **A14. Subsequent Events**

On 22 July 2009, Kuala Lumpur High Court ("Court") had granted a restraining order ("Order") to Vintage for a period of 90 days effective from 22 July 2009 to 19 October 2009 pursuant to Section 176 (10) of the Companies Act, 1965. The Group has faced with numerous suits filed by trade creditors who have alleged that outstanding debts are owed to them. In an effort to settle the debts and come to an agreement with the creditors, Vintage had prepared an initial scheme for the purposes of a debt restructuring scheme under Section 176 (10) of the Companies Act, 1965. On the basis of the proposed scheme, the Group had filed an application under Section 176 (10) of the Companies Act, 1965. The Company had on 22 July 2009 obtained a restraining order under Section 176 (10) of the Companies Act, 1965 which restrained and stayed for a period of 90 days further proceedings in any action or the institution or commencement of any proceedings against the Company or any of the companies in the Group.

#### **A15. Contingent Liabilities**

	<b>As at 30 June 2009</b>	<b>As at 30 June 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given to banks for credit facilities granted to subsidiaries	<u>24,512</u>	<u>30,510</u>
Corporate guarantees issued to third parties in respect of trade facilities granted to subsidiaries	<u>7,000</u>	<u>9,000</u>



**Additional information required by the Bursa Malaysia Securities Listing Requirements**

**B1. Review of performance**

The Group's revenue for the quarter ended 30 June 2009 was 43.53% lower as compared to the corresponding quarter in 2008 due to lower sales and activity level recorded by the construction and manufacturing subsidiaries. The management is taking a cautious approach due to the adverse economic condition affecting the general economy and specifically the construction industry. The reduction in turnover coupled with higher cost of raw materials has adversely impacted the operation, and has resulted in a minimum gross profit of RM0.36 million only.

**B2. Variation of results against preceding quarter**

	<b>Current Quarter 30 June 2009 RM'000</b>	<b>Previous Quarter 31 March 2009 RM'000</b>
Revenue	<u>2,118</u>	<u>3,616</u>
Loss before taxation	<u>(2,115)</u>	<u>(2,321)</u>

For the quarter under review, the revenue of the Group was 41.43% lower as compared to the preceding quarter mainly due to lower activity level as a result of festive seasons and adverse conditions affecting the economy and construction sector.

**B3. Prospects**

The group is taking further precautionary measures during these challenging times and has formulated strategies to

- (i) proposed share capital reduction of Vintage's existing issued and paid-up share capital of RM97,486,002 comprising 97,486,002 ordinary shares of RM1.00 each ("Vintage Shares") to RM43,868,701 comprising 97,486,002 ordinary shares of RM0.45 each ("Reduced Shares") via the cancellation of RM0.55 of the par value of each Vintage Share pursuant to Section 64 of the Companies Act, 1965 ("Proposed Capital Reduction");
- (ii) proposed amendments to the memorandum and articles of association of Vintage to facilitate the change in the par value of the Vintage Shares resulting from the Proposed Capital Reduction ("Proposed M&A Amendments"); and
- (iii) proposed renounceable rights issue of up to 24,371,501 new Reduced Shares ("Rights Shares") on the basis of one (1) Rights Share for every four (4) Reduced Shares to be held at a date to be determined after the completion of the Proposed Capital Reduction on a minimum subscription basis ("Proposed Rights Issue").

(Collectively, the "Proposals")

Please refer to the announcement dated 4 May 2009 for further information on the Proposals.

**B4. Profit forecast**

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

**B5. Taxation**

	Individual Quarter 6 months ended		Cumulative Quarter 6 months ended	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
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 at a loss position.

**B6. Unquoted investments and properties**

There was no disposal of unquoted investments and properties during the quarter under review.

**B7. Quoted investments**

The Group did not deal in any quoted investments.

**B8. Corporate Proposals**

**(a) Status of corporate proposals**

Since the last quarterly announcement, there is no material development pertaining to the approved special issue of up to 42.0 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.

On 27 August 2008, Vintage has obtained the approval of the Securities Commission ("SC") via the SC's letter dated 27 August 2008 for and extension of time of twelve (12) months up to 27 August 2009 for Vintage to complete the implementation of the Special Issue.

**(b) Status of utilisation of proceeds**

Not applicable.

**B9. Borrowings and debt securities**

The total borrowings of the Group as at 30 June 2009 comprised of the followings:

	<b>30 June 2009</b> <b>RM'000</b>
Secured bank borrowings:	
Short term borrowing	12,832
Long term borrowings	<u>13,573</u>
	<u>26,405</u>

**B10. Off balance sheet financial instruments**

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

**B11. Changes in material litigation**

**Foong & Partners (“The Petitioner”) v. VTI Vintage Berhad (Kuala Lumpur High Court, Winding Up No. D-28-2-2009)**

The Group has made an announcement on 26 March 2009 in relation to the advertisement of winding up petition on Vintage (Kuala Lumpur High Court, Winding Up No. D-28-2-2009) by Messrs. Foong & Partners (“the Petitioner”), alleging that Vintage is indebted to the Petitioner for the sum of RM32,350.00 being the consultancy fees on the legal services rendered to Vintage. There is no interest claimed by the Petitioner. Vintage has dispute on the claim and instructed the solicitor to confirm with the Petitioner on the dispute and currently is pending for reply. The circumstances leading to the filing of the winding up petition against Vintage was due to the fact that the Company did not make the said payment in the sum of RM32,350.00 to the Petitioner as the said amount is in dispute.

Vintage had made an application pending the preparation of an initial scheme of debt restructuring scheme compromise between the Group and its creditors under Section 176 (1) of the Act for a restraining order under Section 176 (10) to restrain actions and proceedings against the Petitioner for a period of ninety (90) days from the date of the Restraining Order ie. 22 July 2009, which to be expired on 19 October 2009.

**Star Shine Global Trading Sdn Bhd (“Star Shine”) v. VTI Vintage Berhad (Kuala Lumpur High Court, Winding Up No. D1-28-265-2009)**

The Group has made another announcement on 25 May 2009 pertaining to the winding up petition on Vintage (Kuala Lumpur High Court, Winding Up No. D1-28-265-2009) by Star Shine, alleging that Vintage is indebted to the Petitioner for the sum of RM1,492,675.95 together with accrued interest of RM383,148.50 calculated as at 14 January 2009 and further interest to be charged on the principal sum at 1.5% per month from 15 January 2009 until full settlement for the goods sold and delivered to Newsteel, a subsidiary of Vintage by virtue of the Corporate Guarantee dated 9 August 2005 executed by Vintage in favour of Star Shine whereby Vintage has guaranteed to pay on demand all monies due and owing by Newsteel to the Petitioner up to limit of RM2,000,000.00. Newsteel has dispute on the claim and instructed the solicitor to confirm with Star Shine on the dispute.

The Group has adequate resources to meet the commitment of both claims and therefore, the petition has no financial and operational impact to the Group. Vintage has appointed solicitor to oppose or strike out these Petitions and the Applications.

Vintage had made an application pending the preparation of an initial scheme of debt restructuring scheme compromise between the Group and its creditors under Section 176 (1) of the Act for a restraining order under Section 176 (10) to restrain actions and proceedings against Star Shine for a period of ninety (90) days from the date of the Restraining Order ie. 22 July 2009, which to be expired on 19 October 2009.

**Restraining Order**

The Group has made another announcement on 27 July 2009 pertaining to the Kuala Lumpur High Court (“Court”) had on 22 July 2009 granted a restraining order (“Order”) to Vintage for a period of 90 days effective from 22 July 2009 to 19 October 2009 pursuant to Section 176 (10) of the Companies Act, 1965. The Group has faced with numerous suits filed by trade creditors who have alleged that outstanding debts are owed to them. In an effort to settle the debts and come to an agreement with the creditors, Vintage had prepared an initial scheme for the purposes of a debt restructuring scheme under Section 176 (10) of the Companies Act, 1965. On the basis of the proposed scheme, the Companies had filed an application under Section 176 (10) of the Companies Act, 1965. The Company had on 22 July 2009 obtained a restraining order under Section 176 (10) of the Companies Act, 1965 which restrained and stayed for a period of 90 days further proceedings in any action or the institution or commencement of any proceedings against the Company or any of the companies in the Group.

**B12. Dividends**

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

**B13. Basic earnings per share**

Basic earnings per share is calculated by dividing the net loss for the period by weighted average number of shares in issue during the period.

	Individual Quarter 6 months ended		Cumulative Quarter 6 months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Net (loss)/profit for the period (RM'000)	<u>(2,115)</u>	<u>50</u>	<u>(4,436)</u>	<u>(1,244)</u>
Weighted average no of ordinary Shares in issue ('000)	<u>97,486</u>	<u>97,486</u>	<u>97,486</u>	<u>97,486</u>
Basic (loss)/profit per share (sen)	<u>(2.17)</u>	<u>0.05</u>	<u>(4.55)</u>	<u>(1.28)</u>

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.

**B14. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with the Board of Directors meeting on 21 August 2009.