

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	Unaudited 31 December 2009 RM'000	Audited 31 December 2008 RM'000
ASSETS			
Non Current Assets			
Property, plant & equipment		37,439	39,452
Prepaid land lease payment		4,968	5,094
Intangible asset		-	24,626
		<u>42,407</u>	<u>69,172</u>
Current Asset			
Inventories		2,167	2,629
Trade receivables		10,875	16,810
Amount due from customer for contract works		-	887
Other receivables		2,602	1,331
Current tax assets		170	170
Cash and bank balances		140	316
		<u>15,954</u>	<u>22,143</u>
Non current assets held for sales		2,606	3,379
TOTAL ASSETS		<u>60,967</u>	<u>94,694</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		97,486	97,486
Reserves		(92,528)	(55,096)
		<u>4,958</u>	<u>42,390</u>
Minority Interests		-	-
Total Equity		<u>4,958</u>	<u>42,390</u>
Non current liabilities			
Long term borrowings	B9	14,686	15,988
Deferred tax liabilities		-	-
		<u>14,686</u>	<u>15,988</u>
Current Liabilities			
Trade payables		17,533	15,546
Other payables		6,701	5,406
Amount owing to directors		6,476	6,079
Short term borrowings	B9	950	823
Bank Overdraft	B9	9,663	8,462
		<u>41,323</u>	<u>36,316</u>
Total Liabilities		56,009	52,304
TOTAL EQUITY AND LIABILITIES		<u>60,967</u>	<u>94,694</u>
Net assets per share attributable to ordinary equity holders		0.05	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 YEAR ENDED 31 DECEMBER 2009

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31 December 2009 RM'000	31 December 2008 RM'000	31 December 2009 RM'000	31 December 2008 RM'000
Revenue		1,891	4,714	8,768	23,071
Cost of Sales		<u>(2,399)</u>	<u>(6,710)</u>	<u>(8,759)</u>	<u>(19,745)</u>
Gross (Loss)/ Profit		(508)	(1,996)	9	3,326
Other income		<u>-</u>	<u>37</u>	<u>178</u>	<u>243</u>
		(508)	(1,959)	187	3,569
Operating Expenses		<u>(27,719)</u>	<u>(3,335)</u>	<u>(33,365)</u>	<u>(7,640)</u>
		(28,227)	(4,071)	(33,178)	(4,071)
Financial cost		(1,171)	(799)	(2,352)	(1,713)
Depreciation		<u>(656)</u>	<u>(295)</u>	<u>(1,902)</u>	<u>(1,618)</u>
Loss Before Taxation		(30,054)	(6,388)	(37,432)	(7,402)
Taxation	B5	-	-	-	-
Loss After Taxation		<u>(30,054)</u>	<u>(6,388)</u>	<u>(37,432)</u>	<u>(7,402)</u>
Attributable to:					
Equity Holders of The Parent		(30,054)	(6,388)	(37,432)	(7,402)
Minority Interests		-	-	-	-
Pre-acquisition profit		-	-	-	-
		<u>(30,054)</u>	<u>(6,388)</u>	<u>(37,432)</u>	<u>(7,402)</u>
Basic earnings/(loss) per ordinary share (sen)	B13	(30.83)	(6.55)	(38.40)	(7.59)
Diluted earnings/(loss) per ordinary share (sen)	B13	(30.83)	(6.55)	(38.40)	(7.59)

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 YEAR ENDED 31 DECEMBER 2009

	<- Attributable to Equity Holders of the Parent ->				
	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 January 2009	97,486	(55,096)	42,390	-	42,390
Net loss for the year	-	(37,432)	(37,432)	-	(37,432)
At 31 December 2009	<u>97,486</u>	<u>(92,528)</u>	<u>4,958</u>	<u>-</u>	<u>4,958</u>
At 1 January 2008	97,486	(47,694)	49,792	-	49,792
Net loss for the year	-	(7,402)	(7,402)	-	(7,402)
At 31 December 2008	<u>97,486</u>	<u>(55,096)</u>	<u>42,390</u>	<u>-</u>	<u>42,390</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 YEAR ENDED 31 DECEMBER 2009**

	12 months ended	
	31 December 2009	31 December 2008
	RM'000	RM'000
Cash flows from operating activities		
Loss before taxation	(37,432)	(7,402)
Adjustments for:		
Depreciation	1,902	1,618
Other receivables written off	-	1,219
Goodwill written off	24,626	-
Allowance for doubtful debts	5,304	-
Loss on disposal of property, plant and equipment	350	208
Interest expenses	2,352	1,661
Interest income	(122)	-
	(3,020)	(2,696)
Operating loss before working capital changes		
Changes in working capital		
Inventories	463	1,908
Receivables	247	(7,011)
Payables	3,282	6,830
Amount owing to directors	397	3,364
	4,389	5,091
	1,369	2,395
Cash generated from /(used in) operations		
Interest paid	(2,352)	(860)
Tax paid	-	(3)
Tax refund	-	13
	(2,352)	(850)
Net cash (used in)/from operating activities	(983)	1,545
Cash flows from investing activities		
Purchase of of property, plant and equipment	(127)	(311)
Proceeds from disposal of property, plant and equipment	787	240
Interest received	122	-
Net cash from/ (used in) investing activities	782	(71)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	12 months ended	
	31 December 2009	31 December 2008
	RM'000	RM'000
Cash flows from financing activities		
Proceed from term loan	-	2,449
Repayment of hire purchase	(352)	(381)
Repayment of bank borrowings	(824)	(1,588)
Interest paid	-	(801)
Repayment of medium term note	-	(2,000)
Net cash used in financing activities	(1,176)	(2,321)
Net decrease in cash and cash equivalents	(1,377)	(847)
Cash and cash equivalents at the beginning of the period	(8,150)	(7,303)
Cash and cash equivalents at the end of the period	(9,527)	(8,150)
 Note:		
Closing balance of cash and cash equivalents comprises:		
Cash and bank balances	136	312
Fixed deposits	4	4
Bank Overdrafts	(9,663)	(8,462)
	<u>(9,523)</u>	<u>(8,146)</u>
Fixed deposits pledged to bank	(4)	(4)
	<u>(9,527)</u>	<u>(8,150)</u>

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 other sources to finance the further operations of Newsteel.

A3. Segmental Information

Segment Revenue

	12 months ended 31 December 2009 Revenue RM'000	12 months ended 31 December 2008 Revenue RM'000
Revenue from continuing operations:		
Manufacturing & Trading	15,860	21,866
Construction contract	299	2,771
	16,159	24,637
Inter-segment eliminations	(7,391)	(1,566)
	8,768	23,071

A3. Segmental Information (Continued)

Segment Results

	12 months ended 31 December 2009 Profit before taxation RM'000	12 months ended 31 December 2008 Profit before taxation RM'000
Loss before tax		
Manufacturing & Trading	(34,288)	(5,464)
Construction contract	(3,144)	(1,938)
	<u>(37,432)</u>	<u>(7,402)</u>
Inter-segment eliminations	-	-
	<u>(37,432)</u>	<u>(7,402)</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 31 December 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

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, VTI Vintage Berhad ("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. The Restraining Order had been expired on 19 October 2009.

Upon expiry of the Restraining Order obtained on 22 July 2009, Vintage had further applied for an extension of Restraining Order. On 23 November 2009, the Court has granted Vintage with an extension for another sixty (60) days from 23 November 2009, which had been expired on 22 January 2010.

Upon expiry of the extended Restraining Order obtained on 23 November 2009, Vintage had further applied for an extension of Restraining Order and the hearing date of the said application is fixed on 4 March 2010.

A14. Subsequent Events

There were no material events subsequent to the end of the period under review that have not been reflected in the interim financial statement for the said period.

A15. Contingent Liabilities

	As at 31 December 2009 RM'000	As at 31 December 2008 RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries	24,512	24,512
Corporate guarantees issued to third parties in respect of trade facilities granted to subsidiaries	7,000	7,000

Additional information required by the Bursa Malaysia Securities Listing Requirements

B1. Review of performance

The Group's revenue for the quarter ended 31 December 2009 was 59.89% 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 minimal gross loss of RM0.51 million. Besides, the gross loss also due to the high fixed overhead cost with lower production units during the quarter under review.

In addition, for the year ended 31 December 2009 the Group has reported a net loss of RM37.43 million which was resulted by high operating expenses. The operating expenses increased approximately 350.00% as compared with year 2008. The increase in the operating expenses was mainly contributed by goodwill written off and allowance for doubtful debts.

B2. Variation of results against preceding quarter

	Current Quarter 31 December 2009 RM'000	Previous Quarter 30 September 2009 RM'000
Revenue	<u>1,891</u>	<u>1,143</u>
Loss before taxation	<u>(30,054)</u>	<u>(2,942)</u>

For the quarter under review, the revenue of the Group was 65.44% higher as compared to the preceding quarter mainly due to higher production activity level and delivery of goods.

However, the Group has reported a loss before taxation of RM30.05 million. The significant increase in loss before taxation was mainly due to goodwill written off and allowance for doubtful debts.

B3. Prospects

The group is taking further precautionary measures during these challenging times and has formulated strategies to overcome the adversities. In addition to that, the Board of Directors has resolved to undertake the followings:

- (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

B3. Prospects (Cont'd)

- (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.

- (iv) On 22 July 2009, Vintage had obtained the Restraining Order for Vintage to finalise the initial scheme for the purposes of a debt restructuring scheme under Section 176 (10) of the Companies Act, 1965. The Restraining Order had been expired on 19 October 2009.

Upon expiry of the Restraining Order obtained on 22 July 2009, Vintage had further applied for an extension of Restraining Order. On 23 November 2009, the Court has granted Vintage with an extension for another sixty (60) days from 23 November 2009, which had been expired on 22 January 2010.

Upon expiry of the extended Restraining Order obtained on 23 November 2009, Vintage had further applied for an extension of Restraining Order and the hearing date of the said application is fixed on 4 March 2010.

- (v) In September 2009, in order to drive down the cost of production, Vintage has temporarily realigned and concentrated all production activities at the Nilai Plant. Rawang plant will be reconditioned and upgraded to a more cost effective production facility.

B4. Profit forecast

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

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 December	31 December	31 December	31 December
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	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

During the financial year under review, Vintage Group had disposed of a leasehold bungalow located at Cameron Highland for a consideration of RM0.50 million. The disposal had reported a loss of RM0.27 million and the sale proceeds has been utilised as partial settlement of outstanding borrowings from a financial institution.

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. In line with the Government’s announcement on the de-regulation Foreign Investment Committee Guidelines on 30 June 2009, the 30% Bumiputera Equity Condition had been abolished. In this regards, Vintage is in the midst of applying for waiver on the condition for Vintage to increase Bumiputera Equity Interest to at least 30%. There is no further updates since the last quarter announcement.

(b) Status of utilisation of proceeds

Not applicable.

B9. Borrowings and debt securities

The total borrowings of the Group as at 31 December 2009 comprised of the followings:

	31 December 2009 RM'000
Secured bank borrowings:	
Short term borrowing	10,613
Long term borrowings	14,686
	<hr/> 25,299 <hr/>

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 had been expired on 19 October 2009.

Upon expiry of the Restraining Order obtained on 22 July 2009, Vintage had further applied for an extension of Restraining Order. On 23 November 2009, The Court has granted Vintage with an extension for another sixty (60) days from 23 November 2009, which had been expired on 22 January 2010.

Upon expiry of the extended Restraining Order obtained on 23 November 2009, Vintage had further applied for an extension of Restraining Order and the hearing date of the said application is fixed be on 4 March 2010.

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 had been expired on 19 October 2009.

Upon expiry of the Restraining Order obtained on 22 July 2009, Vintage had further applied for an extension of Restraining Order. On 23 November 2009, The Court has granted Vintage with an extension for another sixty (60) days from 23 November 2009, which had been expired on 22 January 2010.

Upon expiry of the extended Restraining Order obtained on 23 November 2009, Vintage had further applied for an extension of Restraining Order and the hearing date of the said application is fixed be on 4 March 2010.

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.

Upon expiry of the Restraining Order obtained on 22 July 2009, Vintage had further applied for an extension of Restraining Order. On 23 November 2009, The Court has granted Vintage with an extension for another sixty (60) days from 23 November 2009, which had been expired on 22 January 2010.

Upon expiry of the extended Restraining Order obtained on 23 November 2009, Vintage had further applied for an extension of Restraining Order and the hearing date of the said application is fixed be on 4 March 2010.

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 3 months ended		Cumulative Quarter 12 months ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Net loss for the period (RM'000)	<u>(30,054)</u>	<u>(6,388)</u>	<u>(37,432)</u>	<u>(7,402)</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 per share (sen)	<u>(30.83)</u>	<u>(6.55)</u>	<u>(38.40)</u>	<u>(7.59)</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 23 February 2010.