

### RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS, PROMOTERS OF VTI VINTAGE BERHAD ("VVB" OR THE "COMPANY") AND THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST HAS BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AmMERCHANT BANK BERHAD, BEING THE ADVISER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE, OFFER FOR SALE AND PLACEMENT OF ICULS AND IS SATISFIED THAT ANY PROFIT FORECAST (FOR WHICH THE DIRECTORS OF VVB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

### STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION HAS APPROVED THE PUBLIC ISSUE, OFFER FOR SALE AND PLACEMENT OF ICULS AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE PUBLIC ISSUE, OFFER FOR SALE AND PLACEMENT OF ICULS.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF VVB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

THE VALUATION APPROVED OR ACCEPTED BY THE SECURITIES COMMISSION SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SECURITIES COMMISSION, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SECURITIES COMMISSION ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF VVB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, VVB OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

SECURITIES LISTED ON THE KUALA LUMPUR STOCK EXCHANGE ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 45 OF THE SECURITIES COMMISSION ACT 1993, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

**INDICATIVE TIMETABLE**

The indicative timing of events leading up to the listing of and quotation for VVB's entire issued and paid-up share capital of RM78,246,002 comprising 78,246,002 ordinary shares of RM1.00 each and RM19,240,000 nominal value of ICULS on the Second Board of the KLSE is set out below:-

<b>Indicative Date</b>	<b>Event</b>
30 September 2003	Issue of Prospectus/Opening date of the Public Issue / Offer For Sale / Placement Of ICULS
10 October 2003	Closing date of the Public Issue / Offer For Sale / Placement of ICULS
16 October 2003	Balloting of Applications
31 October 2003	Despatch of Notices of Allotment of the Shares/ICULS of VVB to successful applicants
6 November 2003	Listing of the Company's entire issued and paid-up share capital and ICULS on the Second Board of the KLSE

**THIS TIMETABLE IS INDICATIVE AND IS SUBJECT TO CHANGES, WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8.00 P.M. ON 10 OCTOBER 2003 OR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS IN THEIR ABSOLUTE DISCRETION MAY DECIDE. SHOULD THERE BE AN EXTENSION OF THE CLOSING DATE, THE DATE OF LISTING WILL BE EXTENDED.**

**WHERE THE DIRECTORS MAY DECIDE THAT THE CLOSING DATE OF APPLICATION BE EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE ADVERTISED IN A WIDELY CIRCULATED NEWSPAPER NOT LESS THAN ONE (1) MARKET DAY BEFORE THE ORIGINAL CLOSING DATE.**

---

**DEFINITIONS**


---

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

<b>Acquisition Of Vintage Group</b>	— The Acquisition Of VTH and the Acquisition Of VTI, collectively
<b>Acquisition Of VTH</b>	— The acquisition of the entire equity interest in VTH comprising 100,000 Shares for a purchase consideration of RM205,000 satisfied by the issuance of 205,000 new VVB Shares at an issue price of RM1.00 per VVB Share
<b>Acquisition Of VTI</b>	— The acquisition of the entire equity interest in VTI comprising 15,000,000 Shares for a purchase consideration of RM59,795,000 satisfied by the issuance of 59,795,000 new VVB Shares at an issue price of RM1.00 per VVB Share
<b>Act</b>	— Companies Act, 1965
<b>ADA</b>	— Authorised Depository Agent
<b>ADA Code</b>	— ADA (Broker) Code
<b>Application</b>	— Refers to application for the Public Issue Shares by the Malaysian Public by way of Application Forms or by way of Electronic Share Application or ESA
<b>Application Forms</b>	— Application for Public Issue Shares/Offer Shares/Placement Of ICULS by way of a printed Application Forms
<b>AmMerchant Bank</b>	— AmMerchant Bank Berhad (23742-V)
<b>ATM</b>	— Automated Teller Machine
<b>Board or Directors</b>	— The Board of Directors of VVB
<b>Board Lot(s)</b>	— 100 units of Shares or ICULS, as the case may be
<b>CDS</b>	— Central Depository System
<b>Code</b>	— Malaysian Code on Take-Overs and Mergers 1998
<b>Consideration Securities</b>	— RM28.012 million comprising of RM27.486 million in the form of new Shares and ICULS in VVB in the proportion of 30% (i.e. 8.246 million Shares to be issued at an issue price of RM1.00 per Share) : 70% (i.e. RM19.24 million nominal value ICULS to be issued at 100% nominal value of ICULS) and RM526,000 in cash. The Consideration Securities defined herein include the 450,000 Shares and RM1,050,000 nominal value of ICULS reserved for existing shareholders of Pencorp pursuant to the Share Swap.
<b>Consideration Shares</b>	— The 60 million Shares in VVB issued pursuant to the Acquisition Of Vintage Group
<b>Consolidated Shares</b>	— The consolidated Shares in Pencorp arising from the consolidation of forty (40) ordinary shares of 2.5 sen each into one (1) Share in Pencorp pursuant to the capital reduction and consolidation of Pencorp
<b>Danaharta</b>	— Pengurusan Danaharta Nasional Berhad (464363-W)

**DEFINITIONS (Cont'd)**

<b>Distribution</b>	— The distribution of the Consideration Securities (after deducting 450,000 Shares and RM1.05 million normal value of ICULS reserved for existing shareholders of Pencorp pursuant to the Share Swap) to the Scheme Creditors proportionately based on the amount of debt outstanding as at 31 December 2001
<b>EBIDTA</b>	— Earnings before interest, depreciation, taxation and amortisation
<b>Electronic Share Application</b>	— Application for Public Issue Shares by the Malaysian Public through a Participating Financial Institution's ATM
<b>EPS</b>	— Earnings per Share
<b>FIC</b>	— Foreign Investment Committee
<b>GDP</b>	— Gross domestic product
<b>ICULS</b>	— 4% Irredeemable Convertible Unsecured Loan Stock 2003/2006
<b>KLSE</b>	— Kuala Lumpur Stock Exchange (30632-P)
<b>Listing</b>	— Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of VVB of RM78,246,002 comprising 78,246,002 Shares and RM19,240,000 nominal value of ICULS on the Second Board of the KLSE
<b>Malaysian Public</b>	— Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	— Any day from Monday to Friday which is not a market holiday (as declared by KLSE) or a public holiday
<b>MCD or Central Depository</b>	— Malaysian Central Depository Sdn Bhd (258345-X), a subsidiary company of KLSE
<b>MI</b>	— Minority interests
<b>MIH or Issuing House</b>	— Malaysian Issuing House Sdn Bhd
<b>MITI</b>	— Ministry of International Trade and Industry
<b>NTA</b>	— Net tangible assets
<b>Offer For Sale or Offer</b>	— Offer for Sale by the Offerors of 10,000,000 VVB Shares at an offer price of RM1.00 per VVB Share via placement
<b>Offer Shares</b>	— 10,000,000 VVB Shares to be offered pursuant to the Offer For Sale
<b>Offerors</b>	— The Offerors of the Offer For Sale being the Vendors Of Vintage Group
<b>Participating Financial Institution(s)</b>	— Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 14 of this Prospectus
<b>PAT</b>	— Profit after taxation

**DEFINITIONS (Cont'd)**

<b>PBT</b>	— Profit before taxation
<b>PE Multiple</b>	— Price earnings multiple
<b>Pencorp</b>	— Penas Corporation Berhad (331867-A)
<b>Pencorp Group</b>	— Pencorp and its subsidiaries and associated company
<b>Placement Of ICULS</b>	— The placement by the Scheme Creditors of RM100,000 nominal value of ICULS in VVB to 100 potential investors to be identified and nominated by VVB on the basis of ten (10) Board Lot of ICULS to each nominated investor
<b>Placement Agent</b>	— AmMerchant Bank
<b>Promoters</b>	— Dato' Lim Sin Khong, Ong Thuan Ming, Datuk Sari bin Suhut and Cheah Suan Lee, collectively
<b>Public Issue or Issue</b>	— The Public Issue of 10,000,000 new Shares in VVB representing approximately 12.8% of the enlarged issued and paid-up share capital of VVB at an issue price of RM1.00 per Share to Directors and eligible employees of the VVB Group, potential investors and the Malaysian Public
<b>Public Issue Shares</b>	— The 10,000,000 new Shares in VVB to be issued pursuant to the Public Issue
<b>Restructuring Scheme</b>	— The restructuring scheme of Pencorp as approved by the Scheme Creditors of Pencorp at the Court convened meeting held on 12 December 2002 and the shareholders of Pencorp at the Court convened meeting and EGM held on 17 May 2003
<b>R&amp;D</b>	— Research and development
<b>RM and sen</b>	— Ringgit Malaysia and sen respectively
<b>SC</b>	— Securities Commission
<b>Scheme Creditors</b>	— Pursuant to the Restructuring Scheme, all the secured creditors, unsecured creditors and corporate guarantee creditors of Pencorp
<b>Share(s)</b>	— Ordinary share(s) of RM1.00 each
<b>Share Swap</b>	— The swapping of the entire 1,500,000 Consolidated Shares in Pencorp with 450,000 Shares and RM1,050,000 nominal value of ICULS in VVB on the basis of three (3) new Shares and RM7 nominal value of ICULS in VVB for every ten (10) Consolidated Shares held in Pencorp after the capital reduction and consolidation of Pencorp
<b>Substantial Shareholder(s)</b>	— Shareholder(s) holding 5% or more equity interest in the Company
<b>VVB or Company</b>	— VTI Vintage Berhad (589167-W)
<b>VVB Group or the Group</b>	— VVB and its subsidiaries, excluding Pencorp Group
<b>VTH</b>	— Vintage Tiles Holdings Sdn Bhd (463650-X), a wholly-owned subsidiary of VVB

---

**DEFINITIONS (Cont'd)**

---

- VTI** — Vintage Tiles Industries Sdn Bhd (369769-K), a wholly-owned subsidiary of VVB
- VRC** — Vintage Roofing & Construction Sdn Bhd (497226-P), a 70% subsidiary of VTH and 30% associated company of VTI
- Vendors Of Vintage Group** — Dato' Lim Sin Khong, Ong Thuan Ming, Datuk Sari bin Suhut and Cheah Suan Lee, collectively

---

**TABLE OF CONTENTS**


---

	<b>Page</b>
<b>1. INFORMATION SUMMARY.....</b>	<b>1</b>
1.1 History And Business .....	1
1.2 Promoters, Substantial Shareholders, Directors And Key Management And Key Technical Personnel Of VVB.....	4
1.3 Intellectual Property Rights Of The VVB Group .....	5
1.4 Financial Highlights .....	5
1.5 Proforma Consolidated Balance Sheets Of VVB Group As At 31 May 2003.....	7
1.6 Summary Of Material Risk Factors .....	9
1.7 Principal Statistics Relating To The Public Issue, Offer For Sale And Placement Of Of ICULS.....	9
1.8 Utilisation Of Proceeds .....	11
1.9 Material Litigation, Indebtedness, Contingent Liabilities, Commitments and Working Capital.....	12
 <b>2. PARTICULARS OF PUBLIC ISSUE, OFFER FOR SALE AND PLACEMENT OF ICULS.....</b>	 <b>13</b>
2.1 Share Capital.....	14
2.2 Critical Dates Of The Public Issue, Offer For Sale And Placement Of ICULS.....	15
2.3 Basis Of Arriving At The Public Issue/Offer Price/Nominal Value of ICULS .....	16
2.4 Details Of The Public Issue, Offer For Sale And Placement Of ICULS .....	16
2.5 Purposes Of The Public Issue, Offer For Sale And Placement Of ICULS .....	18
2.6 Utilisation Of Proceeds From The Public Issue, Offer For Sale And Placement Of ICULS .....	18
2.7 Brokerage, Management Fees and Placement Fees.....	20
2.8 Principal Terms Of The ICULS .....	20
 <b>3. RISK FACTORS.....</b>	 <b>22</b>
 <b>4. INFORMATION ON THE VVB GROUP.....</b>	 <b>28</b>
4.1 Background Of The VVB Group .....	28
4.2 VVB Group's Corporate Structure .....	29
4.3 History And Principal Activities Of The VVB Group .....	30
4.4 Business Overview Of The VVB Group.....	31
4.5 Quality Control Procedures .....	36
4.6 Research And Development .....	37
4.7 Employees.....	38
4.8 Approval, Major Licences And Permits Obtained.....	39
4.9 Brand Names and Trade Marks .....	39
4.10 Information On Subsidiary Companies.....	39
4.11 Industry Overview.....	43
4.12 Players and Competition .....	50
4.13 Laws And Regulations.....	50
4.14 Substitute Products .....	51
4.15 Reliance On And Vulnerability To Imports .....	51
4.16 Interruptions In Business For The Past Twelve (12) Months .....	51
4.17 Major Customers .....	52
4.18 Major Suppliers.....	52
4.19 Future Plans And Strategies And Prospects .....	53

**TABLE OF CONTENTS (Cont'd)**

<b>5.</b>	<b>RESTRUCTURING SCHEME</b> .....	<b>54</b>
5.1	Background Information On Pencorp.....	54
5.2	Restructuring Scheme.....	55
5.3	Completion Of The Restructuring Scheme.....	59
<b>6.</b>	<b>PROMOTERS / SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT</b> ....	<b>61</b>
6.1	Promoters.....	61
6.2	Substantial Shareholders .....	62
6.3	Board Of Directors .....	63
6.4	Audit Committee .....	66
6.5	Management Team And Key Technical Personnel .....	66
6.6	Declaration Of Directors, Key Management And Key Technical Personnel .....	68
6.7	Family Relationship .....	68
6.8	Existing Or Proposed Service Agreements .....	68
<b>7.</b>	<b>APPROVAL AND CONDITIONS</b> .....	<b>69</b>
7.1	Approvals And Conditions .....	69
7.2	Moratorium On Shares .....	73
<b>8.</b>	<b>RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST</b> .....	<b>74</b>
8.1	Existing And Proposed Related-Party Transactions And Conflict Of Interest .....	74
8.2	Transaction Which Are Unusual In Their Nature Or Conditions.....	75
8.3	Outstanding Loans Made By The VVB Group To/For The Benefit Of Related Parties	75
8.4	Interest In Similar Business .....	75
8.5	Declaration By The Advisers .....	75
<b>9.</b>	<b>OTHER INFORMATION</b> .....	<b>76</b>
9.1	Information On Land And Buildings.....	76
<b>10.</b>	<b>FINANCIAL INFORMATION</b> .....	<b>77</b>
10.1	Proforma Consolidated Profit And Dividend Record .....	77
10.2	Segmental Analysis .....	78
10.3	Directors' Declaration On Financial Performance .....	79
10.4	Working Capital, Borrowings, Contingent Liabilities, Material Commitments And Litigations .....	80
10.5	Consolidated Profit Forecast And Assumptions For The Financial Year Ending December 2003 .....	81
10.6	Reporting Accountants' Letter On The Consolidated Profit Forecast Of The VVB Group For The Financial Year Ending 31 December 2003 .....	82
10.7	Directors' Comments On The Profit Forecast .....	87
10.8	Basis Of Accounting Policies .....	87
10.9	Dividend Forecast .....	87
10.10	Sensitivity Analysis .....	88
10.11	Proforma Consolidated Balance Sheets Of VVB Group As At 31 May 2003 .....	89
10.12	Reporting Accountants' Letter On The Proforma Consolidated Balance Sheets As At 31 May 2003 .....	93
<b>11.</b>	<b>ACCOUNTANTS' REPORT</b> .....	<b>94</b>
<b>12.</b>	<b>DIRECTORS' REPORT</b> .....	<b>119</b>



**TABLE OF CONTENTS (Cont'd)**

---

<b>13.</b>	<b>GENERAL INFORMATION.....</b>	<b>120</b>
13.1	Share Capital.....	120
13.2	Articles Of Association.....	120
13.3	Directors And Substantial Shareholders .....	127
13.4	Material Contracts .....	129
13.5	Public Take-Overs.....	130
13.6	Material Litigation .....	130
13.7	General Information.....	131
13.8	Consents .....	132
13.9	Documents For Inspection .....	133
13.10	Responsibility Statements .....	133
<b>14.</b>	<b>PROCEDURE FOR APPLICATION AND ACCEPTANCES.....</b>	<b>134</b>
14.1	Opening And Closing Of Application List .....	134
14.2	Procedures For Application .....	134
14.3	Applications And Acceptances .....	143
14.4	CDS Accounts .....	144
14.5	Notice Of Allotment.....	145
14.6	Formalising Of CDS Account .....	146
14.7	List Of Authorised Depository Agents .....	146

---

**CORPORATE INFORMATION**


---

**BOARD OF DIRECTORS**

<b>Name (Directorship/Position held)</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Dato' Lim Sin Khong (Chairman)	37 Jalan USJ 5/4 UEP Subang Jaya 47610 Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian
Ong Thuan Ming (Executive Director)	27 Terasek Empat Bangsar Baru 59100 Bangsar Kuala Lumpur	Company Director	Malaysian
Teoh Chong Lim (Executive Director)	79 Jalan SS 2/43 47300 Petaling Jaya Selangor	Company Director	Malaysian
Datuk Sari bin Suhut (Non-Independent, Non-Executive Director)	Colonade Condo, 63-11-2 Jalan Kebajikan 88400 Kota Kinabalu Sabah	Company Director	Malaysian
Dato' Abdul Aziz bin Haji Mohd Noh (Independent, Non-Executive Director)	31, Jalan Sultan Salahuddin Abdul Aziz Shah 1 9/6A Seksyen 9 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Wan Kamarudin bin Wan Hassan (Independent, Non-Executive Director)	5 Jalan 38/10 Taman Koperasi Polis Fasa 2 68100 Kuala Lumpur	Company Director	Malaysian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Dato' Abdul Aziz bin Haji Mohd Noh	Chairman	Independent Non-Executive Director
Wan Kamarudin bin Wan Hassan	Member	Independent Non-Executive Director
Teoh Chong Lim	Member	Executive Director

---

**CORPORATE INFORMATION (Cont'd)**

---

- COMPANY SECRETARY** : Kok Keng Siong (MAICSA 7001507)  
26A Jalan 5/60A  
Taman Desa Segambut  
51200 Kuala Lumpur  
Malaysia  
Tel : 03 – 6201 3188
- REGISTERED OFFICE** : F-3-5, Plaza Damas  
60 Jalan Sri Hartamas 1  
Sri Hartamas  
50480 Kuala Lumpur  
Malaysia  
Tel : 03 – 6201 3188  
Fax : 03 – 6201 3688
- HEAD OFFICE** : 45, Jalan 109E Desa Business Park  
Taman Desa 58100 Kuala Lumpur  
Malaysia  
Tel : 03 - 7981 2266  
Fax : 03 – 7984 3922  
Website : [www.vintageroofing.com](http://www.vintageroofing.com)
- REGISTRAR & TRANSFER OFFICE** : PFA Registration Services Sdn Bhd (19234-W)  
Level 13, Uptown 1  
No. 1 Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 03 – 7725 4888
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27th Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50804 Kuala Lumpur  
Malaysia  
Tel : 03 – 2693 2075
- PRINCIPAL BANKERS** : Public Bank Berhad (6463-H)  
Taman Desa Branch  
1A-3A Business Centre  
Taman Desa  
58100 Kuala Lumpur  
Malaysia  
Tel : 03 – 7983 7811
- Alliance Bank Malaysia Berhad (88103-W)  
Ground Floor, Plaza Magnum  
128 Jalan Pudu  
55100 Kuala Lumpur  
Malaysia  
Tel : 03 - 2143 8800

---

**CORPORATE INFORMATION (Cont'd)**

---

- AUDITORS** : Omar Arif & Co  
Suite 1610-1611  
Tingkat 16, Plaza Pengkalan  
Batu 3, Jalan Ipoh  
51200 Kuala Lumpur  
Malaysia  
Tel : 03 – 4043 3422
- REPORTING ACCOUNTANTS** : Anuarul Azizan Chew & Co.  
(An independent member of Morison International)  
Chartered Accountants  
No. 18, Jalan 1/64  
Off Jalan Kolam Air/Jalan Ipoh  
51200 Kuala Lumpur  
Malaysia  
Tel :03 – 4041 7233
- SOLICITORS FOR PUBLIC  
ISSUE, OFFER FOR SALE AND  
PLACEMENT OF ICULS** : Teh & Lee  
Unit 23-3, 3<sup>rd</sup> Floor  
The Boulevard, Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia  
Tel :03 - 2283 2800
- SOLICITORS FOR GROUP  
AFFAIRS** : Cheang & Ariff  
39 Court  
39 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Malaysia  
Tel: 03 - 2161 0803
- Sidek, Teoh, Wong & Dennis  
Level 32, Menara TH Perdana  
1001, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel: 03 - 2692 3000
- ADVISER AND PLACEMENT  
AGENT** : AmMerchant Bank Berhad (23742-V)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia  
Tel : 03 – 2078 2633
- LISTING SOUGHT** : Second Board of the Kuala Lumpur Stock Exchange

# VTI VINTAGE BERHAD

(Company No.589167-W)  
(Incorporated in Malaysia under the Companies Act, 1965)

---

## 1. INFORMATION SUMMARY

---

**THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE VVB GROUP, AND SHOULD BE READ AND UNDERSTOOD IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.**

### 1.1 History and Business

VVB was incorporated in Malaysia under the Act on 12 August 2002 as a public limited company. It is principally involved in investment holdings and the provision of management services. The present authorised share capital of the Company is RM500,000,000 comprising 500,000,000 Shares of which RM68,246,002 comprising 68,246,002 Shares have been issued and fully paid-up. Upon completion of the Public Issue, the issued and paid-up capital of VVB will be RM78,246,002 comprising 78,246,002 Shares.

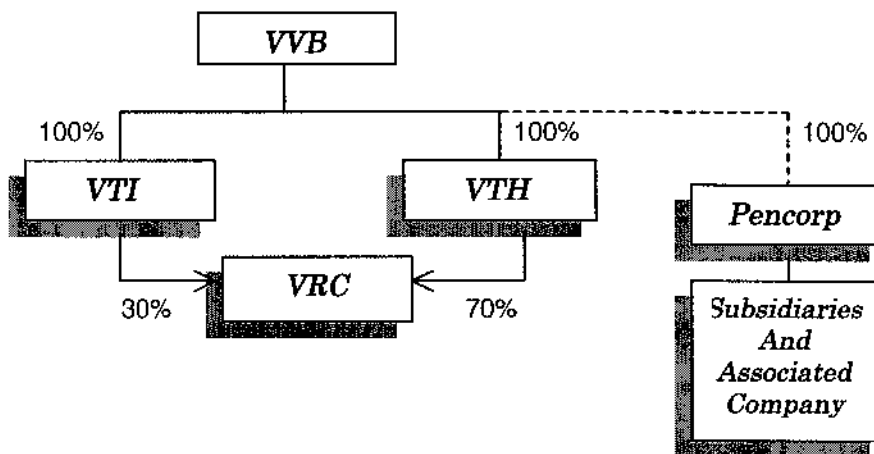
The VVB Group is principally involved in the manufacturing and trading, supply and laying of roofing tiles. The concrete roof tiles are manufactured and sold by the VVB Group under the brand name "VINTAGE". As the VINTAGE concrete roof tiles are produced to give protection from tropical rain storm, the VVB Group has earned the recognition for its range of quality products which have the attributes of economicality, practicality and reliability besides being competitively priced in comparison to clay, asbestos and metal roofing.

In addition to the manufacture of concrete roof tiles, the VVB Group also manufactures a wide range of accessory tiles to complement the VINTAGE range of concrete roof tiles. These comprise of the Standard Ridges for roof pitches and hips of 18-36 degrees, rounded Hip Starters which are versatile for most roof pitches, Steep Angle Ridges for roof pitches of 45-60 degrees, round Gable End Cover or Barge tiles which are interchangeable for right and left handed application, three-way and four-way Apexes to crown roofing designs.

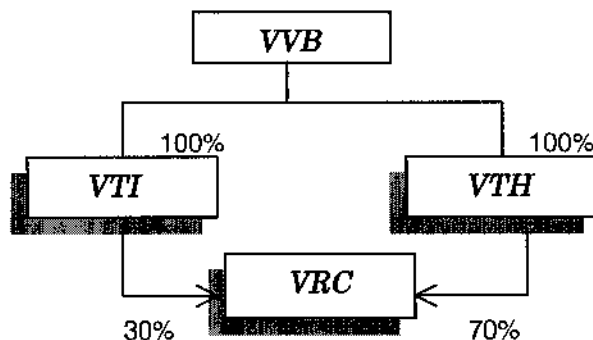
Presently, the VVB Group carries out its manufacturing activities via its core subsidiary, namely VTI. VTI has two (2) factories, situated in Langkap, Perak and Nilai, Negeri Sembilan. The logistic advantage of these two (2) factories allows the VVB Group to tap into the business potentials in the neighbouring states such as Selangor, Negeri Sembilan, Malacca, Johor, Perak, Pulau Pinang, Kedah and Perlis. Since 1997, the VVB Group has successfully marketed and distributed the VINTAGE concrete roof tiles to some of the most prestigious housing and commercial projects in Malaysia which include, amongst others the Cyberjaya Lodge and Resort, Islamic College Phase 1 Bangi and Proton City at Tanjung Malim, Perak.

**1. INFORMATION SUMMARY (Cont'd)**

An overview of the VVB Group's current corporate structure is set out as below :-



It is the intention of VVB to hold Pencorp Group on a temporary basis and solely for the implementation of the Restructuring Scheme. As such, VVB will dispose of the entire issued and paid-up share capital of Pencorp for a nominal consideration of RM1.00 to unrelated third parties prior to the Listing resulting in the final corporate structure of the VVB Group to be as set out below. *(Note : Accordingly, the Pencorp Group is not part of the VVB Group for disclosure purposes in this Prospectus).*



**1. INFORMATION SUMMARY (Cont'd)**

Details of the subsidiary companies of VVB are summarised below:-

<b>Subsidiary</b>	<b>Date and place of Incorporation</b>	<b>% Equity held</b>	<b>Principal activities</b>
VTI	7 December 1995 Malaysia	100	Manufacturing and sale of concrete roof tiles.
VTH	8 June 1998 Malaysia	100	Investment holding.
VRC	23 October 1999 Malaysia	100	Supply and laying of roof tiles on a consignment basis.
<b><u>(Temporary subsidiaries of VVB) *</u></b>			
Pencorp	24 January 1995 Malaysia	100	Investment holding
<b><u>Subsidiaries of Pencorp</u></b>			
Penas Management Sdn Bhd	12 January 1990 Malaysia	100	Construction of commercial and residential buildings and project management consulting
Penas Construction Sdn Bhd	13 March 1990 Malaysia	100	Construction of commercial and residential buildings
Penas Engineering Sdn Bhd	3 June 1992 Malaysia	100	Plumbing and sanitary engineering works
<b><u>Associated Company of Pencorp</u></b>			
Innovisco Sdn Bhd	20 November 1992 Malaysia	35	Construction works and a 'Class A' contractor

\* *Will be disposed of prior to Listing*

**Further information on the VVB Group is set out in Section 4 of this Prospectus.**

## 1. INFORMATION SUMMARY (Cont'd)

### 1.2 Promoters, Substantial Shareholders, Directors, Key Management and Key Technical Personnel of VVB

	Designation	Shareholdings upon VVB's Listing *			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Promoters And Substantial Shareholders</b>					
Dato' Lim Sin Khong	Chairman	19,229 <sup>^</sup>	24.6	-	-
Ong Thuan Ming	Executive Director	15,500 <sup>^</sup>	19.8	-	-
Datuk Sari bin Suhut	Non-independent Non-Executive Director	7,471 <sup>#</sup>	9.6	-	-
Cheah Suan Lee	Shareholder	10,000	12.8	-	-
Danaharta Companies @	Shareholder	4,836	6.2	-	-
<b>Directors</b>					
Dato' Lim Sin Khong	Chairman	19,229 <sup>^</sup>	24.6	-	-
Ong Thuan Ming	Executive Director	15,500 <sup>^</sup>	19.8	-	-
Teoh Chong Lim	Executive Director	300 <sup>^</sup>	0.4	-	-
Datuk Sari bin Suhut	Non-independent Non-Executive Director	7,471 <sup>#</sup>	9.6	-	-
Dato' Abdul Aziz bin Hj Mohd Noh	Non-Executive Director	100 <sup>^</sup>	0.1	-	-
Wan Kamaruddin bin Wan Hassan	Non-Executive Director	100 <sup>^</sup>	0.1	-	-
<b>Key Management and Key Technical Personnel</b>					
Teh Choon San	General Manager of Sales Division	80 <sup>^</sup>	0.1	-	-
Niranpal Singh	General Manager of Operations	80 <sup>^</sup>	0.1	-	-
Gary Fong Chin Lim	Sales Manager	60 <sup>^</sup>	0.1	-	-
Henrietta Kual	Administration & Human Resource Manager	50 <sup>^</sup>	0.1	-	-
Kanesananthan s/o Subramaniam	Factory Manager	40 <sup>^</sup>	0.1	-	-
Jocelyn Chan	Accounts Manager	40 <sup>^</sup>	0.1	-	-

**Notes :-**

- \* Based on enlarged share capital of 78,246,002 Shares.
- # 6,971,300 Shares held by Datuk Sari bin Suhut will be transferred to Nova Seni Sdn Bhd, an investment holding company prior to Listing.
- <sup>^</sup> Assuming full subscription of Shares by Directors and eligible employees of VVB made available to them via the Public Issue.
- @ Pursuant to the Restructuring Scheme, Danaharta and its subsidiary, Danaharta Urus Sdn Bhd collectively referred to as "Danaharta Companies" received 4,385,972 Shares and 11,222,000 ICULS in VVB. Collectively, the two (2) shareholders are deemed Substantial Shareholders of VVB.

**Further information on the Promoters, Substantial Shareholders, Directors and Key Management and Key Technical Personnel of VVB are set out in Section 6 of this Prospectus**



**1. INFORMATION SUMMARY (Cont'd)****1.3 Intellectual Property Rights of VVB Group**

The concrete roof tiles are manufactured and sold by the VVB Group under the brand name "VINTAGE". The details of the "VINTAGE" trade mark are as follows :-

Name of Trade Mark	Company	Application No.	Date of Filing	Description of Goods
VINTAGE	VTI	97/13145	15 September 1997	Building materials (non-metallic), tiles and roofing tiles (non-metallic)/Class 19

**1.4 Financial Highlights**

The following table has been extracted from the Accountants' Report in Section 11 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

A summary of the proforma consolidated audited results of the VVB Group for the five (5) financial years ended 31 December 1998 to 2002 and the five (5) months ended 31 May 2003 has been prepared for illustrative purposes only based on the audited accounts of the VVB Group and the assumption that the current structure of the VVB Group has been in existence throughout the financial years/period under review:-

	Financial Year Ended 31 December					5 months ended
	1998	1999	2000	2001	2002	31.5.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	6,069	10,841	12,039	16,800	30,137	17,416
(Loss) / Earnings before interest, depreciation, taxation and amortisation	(703)	1,047	933	5,036	10,945	6,053
Interest Income	8	56	118	31	-	-
Interest expense	(366)	(183)	(177)	(155)	(315)	(219)
Depreciation and Amortisation	(747)	(730)	(731)	(898)	(1,514)	(900)
Exceptional items	-	-	-	-	-	-
(Loss before taxation) / PBT	(1,808)	190	143	4,014	9,116	4,934
Taxation	-	-	(43)	(64)	(1,583)	(1,127)
(Loss after taxation) / PAT	(1,808)	190	100	3,950	7,533	3,807
Extraordinary items	-	-	-	-	-	-
MI	-	-	(6)	(52)	(9)	-
Pre-acquisition profits	-	-	-	-	(21)	-
(Loss Profit after taxation and MI) / PAT and MI	(1,808)	190	94	3,898	7,503	3,807
No. of Shares assumed to be in issue during the year ('000)	78,246	78,246	78,246	78,246	78,246	78,246
Gross EPS (sen)	(2.31)	0.24	0.18	5.12	11.62	++15.13
Net (loss per Share)/EPS (sen)	(2.31)	0.24	0.12	4.98	9.59	++11.68
Dividend rate (%)	-	-	-	-	-	-
Effective tax rate (%)	-	-	30.07	1.59	17.37	22.84

**1. INFORMATION SUMMARY (Cont'd)**

Notes:-

++ Annualised

- (a) For the financial year ended 31 December 1998, turnover was 10.3% lower than the previous year mainly due to the regional economic crisis and slowdown in the property and construction sector which started in late 1997. Similarly, profitability also decreased due to the regional economic crisis which had resulted in the oversupply of concrete roof tiles and lower selling prices of concrete roof tiles in the market. In response to these market changes, the VVB Group reduced its selling price for its tiles and hence, recorded a lower gross profit margin of 19.0% and a loss after taxation of RM1.8 million.
- (b) For the financial year ended 31 December 1999, the turnover increased by RM4.8 million or 78.6% from that of the previous year as the Malaysian economy recovered from the regional economic crisis. In response to the increase in demand, VVB Group increased its concrete roof tile production capacity by extending production hours by twofold. Profit margin increased significantly due to the higher market price for concrete roof tiles and lower cost of production. In line with the increase in gross profit margin, VVB Group's financial performance recorded a turnaround from the loss in the previous year to a PAT of RM190,000 in 1999.
- (c) For the financial year ended 31 December 2000, turnover improved further by 11.1% as a result of the regional economic recovery. Despite the increase in turnover, PAT reduced to approximately RM94,000. This was mainly due to the lower gross profit margin achieved as a result of the high cost incurred during the year.
- (d) For the financial year ended 31 December 2001, turnover continued to increase by 39.5% to approximately RM16.8 million in 2001. This was mainly attributable to the recovery in the construction sector which had translated into higher demand for roofing tiles. In addition, VTI had also launched its new factory in Langkap, Perak in order to increase its production capacity to meet the increased market demand.
- (e) For the financial year ended 31 December 2002, turnover of VTI increased to approximately RM28.7 million while the turnover of VRC increased to RM4.6 million from only RM1.1 million in the previous year. As a result, the VVB Group's turnover increased by approximately RM13.3 million or 79.4%. The increased in turnover resulted from the full commissioning of VTI's new tile factory in Langkap, Perak in late 2001 as well as the larger volume of contracts secured by VRC for the laying of concrete roof tiles. PAT is mainly contributed by VTI. In line with the increase in turnover, the PAT of VVB Group improved by 92.6% to RM7.5 million in 2002.
- (f) Assuming that the Restructuring Scheme had taken effect throughout the years and the share capital of VVB is 78,246,002 Shares.
- (g) The proforma (loss)/gross EPS and net EPS is computed based on the number of Shares assumed to be issued of 78,246,002 Shares.
- (h) There were no extraordinary items and exceptional items in respect of the financial years under review.
- (i) As at 31 December 2001, VTH owns 70% equity interest in VRC and subsequently, on 28 January 2002, VTI acquired the remaining 30% equity interest in VRC from a third party.

**The analysis and commentary of the VVB Group are set out in Section 11 of this Prospectus.**

## 1. INFORMATION SUMMARY (Cont'd)

### 1.5 Proforma Consolidated Balance Sheets of VVB Group as at 31 May 2003

The proforma consolidated balance sheets of VVB are set out below for illustration purposes only.

	Proforma I Audited as at 31 May 2003	Proforma II After I and Share Swap	Proforma III After II and Distribution	Proforma IV After III and Acquisition Of Vintage Group	Proforma V After IV and Public Issue, Offer For Sale and Placement Of ICULS	Proforma VI After V and full conversion of ICULS*
	RM	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS EMPLOYED</b>						
PROPERTY, PLANT AND EQUIPMENT	-	-	-	31,543	31,543	31,543
GOODWILL	-	-	-	25,785	25,785	25,785
<b>CURRENT ASSETS</b>						
Inventories	-	-	-	2,979	2,979	2,979
Trade Receivables	-	-	-	11,459	11,459	11,459
Other Receivables	-	-	-	1,693	1,693	1,693
Rentention sum receivable	-	-	-	58	58	58
Cash and bank balances	2	-	-	246	8,246	8,246
	2	-	-	16,435	24,435	24,435
<b>LESS: CURRENT LIABILITIES</b>						
Trade payables	-	-	-	1,597	1,597	1,597
Other payables	3,237	3	529	1,402	1,402	1,402
Amount owing to a director	5,483	6	6	22	22	22
Hire purchase payables	-	-	-	144	144	144
Bill payables	-	-	-	686	686	686
Term loan	-	-	-	649	649	649
Provision for taxation	-	-	-	2,427	2,427	2,427
Bank overdraft	-	-	-	1,199	1,199	1,199
	8,720	9	535	8,126	8,126	8,126
<b>NET CURRENT ASSETS</b>	<b>(8,718)</b>	<b>(9)</b>	<b>(535)</b>	<b>8,309</b>	<b>16,309</b>	<b>16,309</b>
	<b>(8,718)</b>	<b>(9)</b>	<b>(535)</b>	<b>65,637</b>	<b>73,637</b>	<b>73,637</b>

**1. INFORMATION SUMMARY (Cont'd)**

	Proforma I Audited as at 31 May 2003	Proforma II After I and Share Swap	Proforma III After II and Distribution	Proforma IV After III and Acquisition Of Vintage Group	Proforma V After IV and Public Issue, Offer For Sale and Placement Of ICULS	Proforma VI After V and full conversion of ICULS*
	RM	RM'000	RM'000	RM'000	RM'000	RM'000
<b>FINANCED BY</b>						
SHARE CAPITAL	2	450	8,246	68,246	78,246	97,486
RESERVE ON CONSOLIDATION	-	-	-	-	-	-
ACCUMULATED LOSSES	(8,720)	(1,509)	(28,021)	(28,021)	(30,021)	(30,021)
	(8,718)	(1,059)	(19,775)	40,225	48,225	67,465
ICULS	-	1,050	19,240	19,240	19,240	-
Hire purchase payables	-	-	-	352	352	352
Term loan	-	-	-	5,820	5,820	5,820
	(8,718)	(9)	(535)	65,637	73,637	73,637
NTA per Share (RM)	(4,359.00)	(2.35)	(2.40)	0.21	0.29	0.43

\* Assuming full conversion of ICULS at a conversion price of RM1.00.

The detailed Proforma Consolidated Balance Sheets and the Accountants' letter thereon are set out in Sections 10.11 and 10.12 of this Prospectus respectively.

**1. INFORMATION SUMMARY (Cont'd)****1.6 Summary of Material Risk Factors**

The following are a list of some of the material risk factors (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the Public Issue/Offer For Sale/Placement Of ICULS should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the Public Issue/Offer For Sale/Placement Of ICULS :-

- (i) No prior market for VVB's Shares and ICULS;
- (ii) Political, social, economic, regulatory and environmental considerations;
- (iii) Business risk;
- (iv) Competitive risk;
- (v) Dependence on key personnel;
- (vi) Control by Substantial Shareholders;
- (vii) Financial risk;
- (viii) Supply and prices of raw material;
- (ix) Cyclical risk;
- (x) Brand names;
- (xi) Technology and machinery;
- (xii) Security and systems disruptions;
- (xiii) Foreign exchange risk;
- (xiv) Impact of the Iraq War and Severe Acute Respiratory Syndrome ("SARS");
- (xv) Implications of Asean Free Trade Area ("AFTA")
- (xvi) Environmental issues;
- (xvii) Capital market risk;
- (xviii) Dependency on particular product; and
- (xix) Delay in or abortion of Listing

**Details of the risk factors are contained in Section 3 of this Prospectus.**

**1.7 Principal Statistics Relating to the Public Issue, Offer For Sale and Placement Of ICULS****Share Capital**

The following statistics relating to the Public Issue, Offer For Sale and Placement Of ICULS are derived from the full text of this Prospectus and should be read in conjunction with the text.

	<b>RM</b>
<b>AUTHORISED SHARE CAPITAL OF VVB</b>	
- 500,000,000 Shares comprising ordinary shares of RM1.00 each	500,000,000
<b>ISSUED AND FULLY PAID-UP SHARE CAPITAL OF VVB:</b>	
Issued and fully paid-up	68,246,002
<b>TO BE ISSUED PURSUANT TO THE PUBLIC ISSUE</b>	
- 10,000,000 Shares	10,000,000
Upon Listing	<b>78,246,002</b>
<b>TO BE OFFERED PURSUANT TO THE OFFER FOR SALE</b>	
- 10,000,000 Shares	10,000,000
<b>ISSUE/OFFER PRICE PER SHARE (RM)</b>	1.00
<b>TO BE OFFERED PURSUANT TO PLACEMENT OF ICULS</b>	
- RM100,000 nominal value of ICULS	100,000
<b>NOMINAL VALUE OF ICULS</b>	1.00

**1. INFORMATION SUMMARY (Cont'd)****Class of Shares**

There is only one (1) class of Shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari-passu with one another. The Public Issue Shares to be issued pursuant to this Prospectus will rank pari passu in all aspects with the existing Shares of VVB save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date which is prior to the date of allotment of the Public Issue Shares.

The new Shares to be issued on conversion of the ICULS shall rank pari passu in all respects with the existing Shares of VVB save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date which is prior to the date of conversion of the ICULS.

**PROFORMA CONSOLIDATED NTA PER SHARE**

	RM'000
Proforma Consolidated NTA as at 31 May 2003 (after Public Issue, Offer For Sale and Placement Of ICULS and before full conversion of ICULS)	22,440
Proforma Consolidated NTA per Share as at 31 May 2003 (based on enlarged share capital of 78,246,002 Shares and before full conversion of ICULS) (RM)	0.29
Proforma Consolidated NTA as at 31 May 2003 (after Public Issue, Offer For Sale and Placement Of ICULS and full conversion of ICULS)	41,680
Proforma Consolidated NTA per Share as at 31 May 2003 (based on enlarged share capital of 97,486,002 Shares and full conversion of ICULS) (RM)	0.43

**CONSOLIDATED PROFIT FORECAST**

Financial Year Ending	Forecast 31.12.2003 RM'000
Turnover	57,606
Consolidated PBT	13,386
Less : Taxation	(3,748)
Consolidated PAT	9,638
Less : Pre-acquisition profits	(5,809)
Consolidated PAT after pre-acquisition profits	3,829
Enlarged issued and paid-up share capital ('000 Shares)	78,246

	Forecast (Before Deducting Pre-Acquisition Profits) 31.12.2003	Forecast (After Deducting Pre-Acquisition Profits) 31.12.2003
<b>Before full conversion of ICULS</b>		
Basic gross EPS (sen) *	17.11	9.68
Basic net EPS (sen) *	12.32	4.89
Basic gross PE based on the Issue/Offer Price of RM1.00 per Share (times)	5.84	N/A
Basic net PE based on the Issue/Offer Price of RM1.00 per Share (times)	8.12	N/A

\* Based on enlarged share capital of 78,246,002 Shares  
N/A Not applicable

**1. INFORMATION SUMMARY (Cont'd)**

	<b>Forecast (Before Deducting Pre-Acquisition Profits) 31.12.2003</b>	<b>Forecast (After Deducting Pre-Acquisition Profits) 31.12.2003</b>
<b>After full conversion of ICULS</b>		
Diluted gross EPS (sen) #	13.73	7.77
Diluted net EPS (sen) #	9.89	3.93
Diluted gross PE based on the Issue/Offer Price of RM1.00 per Share (times)	7.28	N/A
Diluted net PE based on the Issue/Offer Price of RM1.00 per Share (times)	10.11	N/A

# *Based on enlarged share capital of 97,246,002 Shares after full conversion of ICULS at a conversion price of RM1.00*

N/A *Not applicable*

**The consolidated profit forecast of the VVB Group together with the Reporting Accountants' Letter thereon are set out in Section 10 of this Prospectus.**

**DIVIDEND FORECAST**

	<b>Forecast 31.12.2003</b>
Gross dividend per Share	3.00 sen
Net dividend per Share	2.16 sen
Gross dividend yield based on the Issue/Offer Price of RM1.00 per Share	3.00 %
Net dividend yield based on the Issue/Offer Price of RM1.00 per Share	2.16%
Net dividend cover (times) #	5.70

# *Based on net EPS before deducting pre-acquisition profits*

**Detailed information on the profit and dividend forecast are set out in Section 10 of this Prospectus.**

**1.8 Utilisation of Proceeds**

All proceeds of the Public Issue after deducting the related expenses will accrue to VVB. The estimated total gross proceeds of the Public Issue is RM10 million. VVB will bear all other expenses incidental to the listing of and quotation for VVB's Shares and ICULS on the Second Board of the KLSE which include placement fee, management fee, brokerage, registration fee, professional fees, SC fee, advertising and listing expenses and other relevant fees, the aggregate of which is estimated to be approximately RM2 million.

**1. INFORMATION SUMMARY (Cont'd)**

The VVB Group intends to use the gross proceeds from the Public Issue in the following manner :-

	<b>RM'000</b>
I) To purchase an existing factory building/purchase land and construct a new factory and installation of production line	7,000
II) Working capital requirements	1,000
III) Estimated listing expenses	2,000
<b>Total</b>	<b>10,000</b>

The Offer For Sale will raise gross proceeds of RM10 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by VVB. The Offerors shall bear all expenses, such as placement fee, management fee, brokerage, registration fee and share transfer fee relating to the Offer Shares. All proceeds from the Placement Of ICULS shall accrue to the Scheme Creditors accordingly.

**Further details of the abovementioned utilisation of proceeds are set out in Section 2 of this Prospectus.**

**1.9 Material Litigation, Indebtedness, Contingent Liabilities, Material Commitments and Working Capital**

As at 25 September 2003 (being the last practicable date prior to the printing of this Prospectus), save as disclose below, the Directors are not aware of any material litigation, indebtedness, contingent liability, material commitments and working capital which, upon becoming enforceable, may have material impact on the profits or net asset value of the Group.

As at 25 September 2003, the total borrowings of the VVB Group amounting to approximately RM29.726 million which comprise term loans, overdraft, leases, hire-purchases, trade facilities and ICULS, are as shown below :-

	<b>RM'000</b>
Short term	4,682
Long term	25,044
<b>Total</b>	<b>29,726</b>

The material litigation, indebtedness, contingent liabilities, material commitments and working capital pertaining to Pencorp Group will not be assumed by VVB as Pencorp will be disposed of prior to Listing.

**Further information on all material litigation, indebtedness, contingent liabilities, material commitments and working capital is set out in Section 10 of this Prospectus.**

**[ The rest of this page is intentionally left blank ]**