

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2010

	Note	Unaudited 30 June 2010 RM'000	Audited 31 December 2009 RM'000
ASSETS			
Non Current Assets			
Property, plant & equipment		37,114	37,439
Prepaid land lease payment		4,905	4,968
		<u>42,019</u>	<u>42,407</u>
Current Asset			
Inventories		1,675	2,167
Trade receivables		5,818	4,557
Other receivables		2,233	1,524
Current tax assets		170	170
Cash and bank balances		42	140
		<u>9,938</u>	<u>9,617</u>
Non current assets held for sales		2,605	2,606
TOTAL ASSETS		<u>54,562</u>	<u>54,630</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		97,486	97,486
Reserves		(94,646)	(92,632)
		<u>2,840</u>	<u>4,854</u>
Total Equity		<u>2,840</u>	<u>4,854</u>
Non current liabilities			
Long term borrowings	B9	14,314	14,561
		<u>14,314</u>	<u>14,561</u>
Current Liabilities			
Trade payables		12,336	11,442
Other payables		14,199	12,877
Amount owing to directors		160	160
Short term borrowings	B9	2,269	2,300
Bank Overdraft	B9	8,444	8,436
		<u>37,408</u>	<u>35,215</u>
Total Liabilities		51,722	49,776
TOTAL EQUITY AND LIABILITIES		<u>54,562</u>	<u>54,630</u>
Net assets per share attributable to ordinary equity holders		0.03	0.05

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 2010**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		30 June 2010 RM'000	30 June 2009 RM'000	30 June 2010 RM'000	30 June 2009 RM'000
Revenue		2,444	2,118	4,378	5,734
Cost of Sales		<u>(2,179)</u>	<u>(2,106)</u>	<u>(3,691)</u>	<u>(5,371)</u>
Gross (Loss)/ Profit		265	12	687	363
Other income		<u>-</u>	<u>152</u>	<u>-</u>	<u>152</u>
		265	164	687	515
Operating Expenses		<u>(552)</u>	<u>(1,396)</u>	<u>(1,288)</u>	<u>(3,227)</u>
		(287)	(1,232)	(601)	(2,712)
Financial cost		(319)	(443)	(630)	(804)
Depreciation		<u>(358)</u>	<u>(476)</u>	<u>(782)</u>	<u>(920)</u>
Loss Before Taxation		(964)	(2,151)	(2,013)	(4,436)
Taxation	B5	-	-	-	-
Loss After Taxation		<u>(964)</u>	<u>(2,151)</u>	<u>(2,013)</u>	<u>(4,436)</u>
Attributable to:					
Equity Holders of The Parent		(964)	(2,151)	(2,013)	(4,436)
Minority Interests		-	-	-	-
		<u>(964)</u>	<u>(2,151)</u>	<u>(2,013)</u>	<u>(4,436)</u>
Basic earnings/(loss) per ordinary share (sen)	B13	(0.99)	(2.21)	(2.06)	(4.55)
Diluted earnings/(loss) per ordinary share (sen)	B13	(0.99)	(2.21)	(2.06)	(4.55)

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 2010**

	<- 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 2010	97,486	(92,633)	4,853	-	4,853
Net loss for the period	-	(2,013)	(2,013)	-	(2,013)
At 30 June 2010	<u>97,486</u>	<u>(94,646)</u>	<u>2,840</u>	<u>-</u>	<u>2,840</u>
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>

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 2010**

	3 months ended	
	30 June 2010 RM'000	30 June 2009 RM'000
Cash flows from operating activities		
Loss before taxation	(2,013)	(4,436)
Adjustments for:		
Depreciation	782	920
Loss on disposal of property, plant and equipment	-	157
Interest expenses	630	804
Interest income	-	(121)
Operating loss before working capital changes	(601)	(2,676)
Changes in working capital		
Inventories	547	1,029
Receivables	(910)	834
Payables	2,217	(162)
Amount owing to directors	-	9
	1,854	1,710
Cash generated from /(used in) operations	1,253	(966)
Interest paid	(630)	(804)
	(630)	(804)
Net cash (used in)/from operating activities	623	(1,770)
Cash flows from investing activities		
Purchase of of property, plant and equipment	(448)	-
Proceeds from disposal of property, plant and equipment	-	633
Interest received	-	121
Net cash (used in)/ from investing activities	(448)	754
Cash flows from financing activities		
Repayment of hire purchase	(31)	(126)
Repayment of bank borrowings	(248)	449
Net cash (used in)/from financing activities	(279)	323
Net decrease in cash and cash equivalents	(104)	(693)
Cash and cash equivalents at the beginning of the period	(8,300)	(8,150)
Cash and cash equivalents at the end of the period	(8,406)	(8,843)
Note:		
Closing balance of cash and cash equivalents comprises:		
Cash and bank balances	38	428
Fixed deposits	4	4
Bank Overdrafts	(8,444)	(9,271)
	(8,402)	(8,839)
Fixed deposits pledged to bank	(4)	(4)
	(8,406)	(8,843)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010
EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS

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 ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. 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 ("the Company" or "Vintage") and all its subsidiaries (collectively known as "the Group") since the financial year ended 31 December 2009.

A2. Changes in Accounting Policies

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 2009 except for the adoption of the following :

FRSs, Amendments to FRSs and IC Interpretations	Effective for financial periods beginnings on or after
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 - The Limit on Defined Benefit Assets, Minimum Funding Requirement and their Interaction	1 January 2010
Improvement to FRSs:	
FRS 5 Non-Current Assets Held for Sale and Discontinued Operations	1 January 2010
FRS 7 Financial Instruments : Disclosure	1 January 2010
FRS 8 Operating Segments	1 January 2010
FRS 101 Presentation of Financial Statements (as revised in 2009)	1 January 2010
FRS 107 Statement of Cash Flows	1 January 2010
FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
FRS 110 Event after the Reporting Period	1 January 2010
FRS 116 Property, Plant and Equipment	1 January 2010
FRS 117 Leases	1 January 2010
FRS 118 Revenue	1 January 2010
FRS 119 Employee Benefits	1 January 2010
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 123 Borrowing Cost	1 January 2010
FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 128 Investment in Associates	1 January 2010
FRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2010
FRS 131 Interests in Joint Ventures	1 January 2010
FRS 134 Interim Financial Reporting	1 January 2010
FRS 136 Impairment of Assets	1 January 2010
FRS 138 Intangible Assets	1 January 2010
FRS 139 Financial Instruments : Recognition and Measurement	1 January 2010
FRS 140 Investment Property	1 January 2010

A2. Changes in Accounting Policies (Cont'd)

FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginnings on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosure	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (Revised)	1 January 2010
FRS 123	Borrowing Cost (Revised)	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendments:		
FRS 1	First-time Adoption of Financing Reporting Standards	1 January 2010
FRS 2	Share-based Payment : Vesting Condition and Cancellation	1 January 2010
FRS 7	Financial Instruments : Disclosure	1 January 2010
FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 132	Financial Instruments : Presentation	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurements	1 January 2010
IC Interpretation:		
IC Interpretation 9:	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10:	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11:	FRS 2-Group and Treasury Share Transaction	1 January 2010

The above FRSs, amendments to FRSs and IC Interpretations have no material impact on the financial statements of the Group and the Company upon their initial application.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified. However, it included the following "Emphasis of Matter" from the auditors' report of the Group and the Company and its subsidiary companies, Vintage Tiles Industries Sdn Bhd, Vintage Tiles Holdings Sdn Bhd, Vintage Roofing Construction Sdn Bhd, Newsteel Building Systems Sdn Bhd, Tirai Impresif Sdn Bhd (Subsidiary of Vintage Roofing & Construction Sdn Bhd).

Without qualifying auditors' opinion, the Company incurred a loss for the year of RM70,580,098 and as at the balance sheet date, the Company's current liabilities exceeded its current assets by RM6,121,971 and its total liabilities exceeded its total assets by RM5,586,114. The financial statements have been prepared on the going concern basis, the appropriateness of which is dependent upon the Company obtaining sufficient finance from the shareholders or from other sources to finance the further operations of the Company.

A4. Segmental Information

Segment Revenue

	3 months ended 30 June 2010 Revenue RM'000	3 months ended 30 June 2009 Revenue RM'000
Revenue from continuing operations:		
Manufacturing & Trading	7,337	9,648
Construction contract	393	70
	<u>7,730</u>	<u>9,718</u>
Inter-segment eliminations	(3,352)	(3,984)
	<u>4,378</u>	<u>5,734</u>
	3 months ended 30 June 2010 Profit before taxation RM'000	3 months ended 30 June 2009 Profit before taxation RM'000
Loss before tax		
Manufacturing & Trading	(1,584)	(3,609)
Construction contract	(429)	(827)
	<u>(2,013)</u>	<u>(4,436)</u>
Inter-segment eliminations	-	-
	<u>(2,013)</u>	<u>(4,436)</u>

A5. 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.

A6. Changes in estimates

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

A7. Comments about Seasonal or Cyclical Factors

The Group's business are generally affected by the various festive seasons.

A8. Dividends Paid

There were no dividends paid during the current quarter ended 30 June 2010.

A9. 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 2009.

A10. Debt and Equity Securities

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

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the quarter under review.

A12. Capital Commitments

There were no outstanding capital commitments for the quarter under review.

A13. Changes in Contingent Liabilities

There is no changes in contingent liabilities since the last annual balance sheet as at 31 December 2009.

A14. Significant Events

(i) **Obligation of the Company as an Affected Lister Issuer**

On 25 February 2010, Vintage announced that it is considered an Affected Listed Issuer pursuant to the Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia as it has triggered Paragraph 2.1 (a) of the PN17.

Pursuant to the PN17, Vintage as an Affected Listed Issuer is required to comply with the followings:

- (i) within 12 months from the date of first announcement:
 - (a) submit a regularisation plan to the Securities Commission ("SC") if the plan will result in a significant change in the business direction or policy of the Company; or
 - (b) submit a regularisation plan to the Bursa Malaysia if the plan will not result in a significant change in the business direction or policy of the Company, and obtain Bursa Malaysia's approval to implement the plan;
- (ii) implement the regularisation plan within the timeframe stipulated by the SC or Bursa Malaysia, as the case may be;
- (iii) announce within three (3) months from the First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company;
- (iv) announce the status of its regularisation plan and the number of months to the end of the relevant timeframes on a monthly basis ("monthly announcement") until further notice from Bursa Malaysia.

A14. Significant Events (Cont'd)

(ii) **Status of Regularisation Plan - Letter of Award**

On 3 March 2010, Vintage announced that the regularisation plan of Vintage will not result in significant change in the business direction of policy of the Company. The proposed regularisation plan is envisaged to encompass proposed capital reduction, proposed rights issue, proposed write off of debts and proposed debt settlement scheme with the bank and trade creditors.

In connection to the above, Vintage Roofing & Construction Sdn Bhd ("VRC"), a wholly-owned subsidiary of Vintage, had on 3 March 2010, accepted a letter of award from MITC Engineering Sdn Bhd ("MITC") as sub-contractor for the proposed construction and completion 154 of 248 units double storey link house located at Lot 18337, Daerah Kuala Langat, Mukim Tanjung Dua Belas, Selangor Darul Ehsan for a contract sum of RM13,675,506.16 ("Said Project"). It gives immediate site possession upon award and is expected to be completed by 7 April 2011.

Further, MITC has also agreed to procure its tiles supply for its development from Vintage for the Said Project. The above award of contract is expected to contribute positively to the earnings of Vintage and its subsidiaries.

VRC further on 20 August 2010 accepted a letter of award from Fitters Engineering Services Sdn Bhd ("FESSB") as sub-contractor for the proposed construction of the superstructural works for 4th, 5th and 6th Floor at Lot 26220, Jalan Genting Klang, Taman Danau Kota, Mukim Setapak, Kuala Lumpur for a contract sum of RM20,527,239.88.

(iii) **Restraining Order**

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. 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. On 4 March 2010, the High Court granted a further extension to the Restraining Order for a period of 60 days from 4 March 2010 to 3 May 2010.

On 4 May 2010, Vintage had applied for an application for meeting of the creditors or class of creditors of Vintage pursuant to Section 176 (10) of the Companies Act, 1965. On 19 May 2010, the High Court also granted the above said application be summoned within 90 days from 19 May 2010. Therefore, the said meeting ought to be summoned on or before 18 August 2010 being 90 days from the date of the Court Order.

In order to conduct the Creditor Convened Meeting ("CCM"), Vintage had further applied for an fresh Restraining Order. On 19 May 2010, the High Court granted the Restraining Order for a period of 90 days from 19 May 2010 to 18 August 2010.

A14. Significant Events (Cont'd)

- (iv) **Application for Meeting of the Creditors or Class of Creditors of the Members of the Company Pursuant to Section 176(1) of the Companies Act, 1965.**

On 4 May 2010, Vintage had applied for an application for meeting of the creditors or class of creditors of Vintage pursuant to Section 176 (10) of the Companies Act, 1965. On 19 May 2010, the High Court also granted the above said application be summoned within 90 days from 19 May 2010. Therefore, the said meeting ought to be summoned on or before 18 August 2010 being 90 days from the date of the Court Order.

A15. Subsequent Events

- (i) **Application for Meeting of the Creditors or Class of Creditors of the Members of the Company Pursuant to Section 176(1) of the Companies Act, 1965.**

On 16 July 2010, Vintage had conducted its CCM with scheme creditors' approval on its Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 by the requisite majority in number representing three-fourth (3/4) in value of the Scheme Creditors present and voting in that class either in person or by proxy at the CCM.

There were no other 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.

A16. Contingent Liabilities

	As at 30 June 2010 RM'000	As at 30 June 2009 RM'000
Corporate guarantees given to banks for credit facilities	24,512	24,512
Corporate guarantees issued to third parties in respect of trade	7,000	7,000

A17. Significant Related Party Transactions

The significant related party transactions for the current period were summarised as below:-

	Amount RM'000
Rental paid to Emedia Corporation Sdn Bhd ("ECSB") *	32

- * Dato' Beh Hang Kong is a Director and shareholder of ECSB with a shareholding of 50.0%. He is also a Managing Director and substantial shareholders of VVB

These transactions has been entered into in the normal course of business and established on commercial terms.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS**

B1. Review of performance

The Group's revenue for the quarter ended 30 June 2010 was 23.65% lower as compared to the corresponding quarter in 2009 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 impacted the operation, and has resulted in a minimal loss from operation of RM0.96 million. Besides, the loss is also due to the high fixed overhead cost with lower production units during the quarter under review.

B2. Variation of results against preceding quarter

	Current Quarter 30 June 2010 RM'000	Previous Quarter 31 March 2010 RM'000
Revenue	<u>2,444</u>	<u>1,934</u>
Loss before taxation	<u>(964)</u>	<u>(1,049)</u>

For the quarter under review, the revenue of the Group was 26.37% higher as compared to the preceding quarter mainly due to increase in production activity level and delivery of goods.

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
- (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.

B3. Prospects (Cont'd)

- (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. On 4 March 2010, the High Court granted a further extension to the Restraining Order for a period of 60 days from 4 March 2010 to 3 May 2010.

Upon expiry of the extended Restraining Order obtained on 4 March 2010, Vintage had further applied for an extension of Restraining Order. On 19 May 2010, the High Court granted a further extension to the Restraining Order for a period of 90 days from 19 May 2010 to 18 August 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.
- (vi) On 13 April 2010, Vintage announced that it is currently in negotiation to secure the entry of strategic investor(s) to participate in the equity in Vintage. Vintage envisages that such strategic equity partnership will provide the necessary impetus for Vintage to enhance its roof tiles manufacturing and construction businesses which in turn is expected regularise its financial position in conjunction with its overall regularisation plan. The Board is of the opinion that the Proposed Regularisation Plan will strengthen the capital base of Vintage and return Vintage onto a better financial standing and profitability (via strategic investor), thereby benefiting all stakeholders.
- (vii) On 16 July 2010, Vintage had conducted its CCM with scheme creditors' approval on its Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 by the requisite majority in number representing three-fourth (3/4) in value of the Scheme Creditors present and voting in that class either in person or by proxy at the CCM.

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		3 months ended	
	30 June	30 June	30 June	30 June
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

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 an 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 30 June 2010 comprised of the followings:

	30 June 2010 RM'000
Secured bank borrowings:	
Short term borrowing	10,713
Long term borrowings	14,314
	<u>25,027</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 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. On 4 March 2010, the High Court granted a further extension to the Restraining Order for a period of 60 days from 4 March 2010 to 3 May 2010.

On 4 May 2010, Vintage had applied for an application for meeting of the creditors or class of creditors of Vintage pursuant to Section 176 (10) of the Companies Act, 1965. On 19 May 2010, the High Court also granted the above said application be summoned within 90 days from 19 May 2010. Therefore, the said meeting ought to be summoned on or before 18 August 2010 being 90 days from the date of the Court Order.

In order to conduct the Creditor Convened Meeting (“CCM”), Vintage had further applied for an fresh Restraining Order. On 19 May 2010, the High Court granted the Restraining Order for a period of 90 days from 19 May 2010 to 18 August 2010.

On 16 July 2010, Vintage had conducted its CCM with scheme creditors' approval on its Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 by the requisite majority in number representing three-fourth (3/4) in value of the Scheme Creditors present and voting in that class either in person or by proxy at the CCM.

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 made an 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.

B11. Changes in material litigation (Cont'd)

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

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. On 4 March 2010, the High Court granted a further extension to the Restraining Order for a period of 60 days from 4 March 2010 to 3 May 2010.

On 4 May 2010, Vintage had applied for an application for meeting of the creditors or class of creditors of Vintage pursuant to Section 176 (10) of the Companies Act, 1965. On 19 May 2010, the High Court also granted the above said application be summoned within 90 days from 19 May 2010. Therefore, the said meeting ought to be summoned on or before 18 August 2010 being 90 days from the date of the Court Order.

In order to conduct the Creditor Convened Meeting ("CCM"), Vintage had further applied for an fresh Restraining Order. On 19 May 2010, the High Court granted the Restraining Order for a period of 90 days from 19 May 2010 to 18 August 2010.

On 16 July 2010, Vintage had conducted its CCM with scheme creditors' approval on its Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 by the requisite majority in number representing three-fourth (3/4) in value of the Scheme Creditors present and voting in that class either in person or by proxy at the CCM.

Restraining Order

The Group made an 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. On 4 March 2010, the High Court granted a further extension to the Restraining Order for a period of 60 days from 4 March 2010 to 3 May 2010.

B11. Changes in material litigation (Cont'd)

Restraining Order (Cont'd)

On 4 May 2010, Vintage had applied for an application for meeting of the creditors or class of creditors of Vintage pursuant to Section 176 (10) of the Companies Act, 1965. On 19 May 2010, the High Court also granted the above said application be summoned within 90 days from 19 May 2010. Therefore, the said meeting ought to be summoned on or before 18 August 2010 being 90 days from the date of the Court Order.

In order to conduct the Creditor Convened Meeting ("CCM"), Vintage had further applied for an fresh Restraining Order. On 19 May 2010, the High Court granted the Restraining Order for a period of 90 days from 19 May 2010 to 18 August 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		Cumulative Quarter	
	3 months ended		3 months ended	
	30 June	30 June	30 June	30 June
	2010	2009	2010	2009
Net loss for the period (RM'000)	(964)	(2,151)	(2,013)	(4,436)
Weighted average no of ordinary Shares in issue ('000)	97,486	97,486	97,486	97,486
Basic loss per share (sen)	(0.99)	(2.21)	(2.06)	(4.55)

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 30 August 2010.