

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	30 June 2011 RM'000	Audited 31 December 2010 RM'000
ASSETS			
Non Current Assets			
Property, plant & equipment		35,815	36,444
Current Assets			
Inventories		1,397	1,638
Trade receivables		20,154	625
Other receivables		2,145	320
Current tax assets		156	156
Fixed deposit		4	4
Cash and bank balances		1,306	52
		<u>25,162</u>	<u>2,795</u>
Non current assets held for sale		2,150	2,603
TOTAL ASSETS		<u><u>63,127</u></u>	<u><u>41,842</u></u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		97,486	97,486
Reserves		<u>(107,991)</u>	<u>(108,238)</u>
		(10,505)	(10,752)
Non controlling interests		-	-
Total Equity		<u>(10,505)</u>	<u>(10,752)</u>
Non current liabilities			
Long term borrowings	B8	14,109	12,336
Current Liabilities			
Trade payables		27,858	11,033
Other payables		8,281	6,166
Amount owing to directors		11,547	9,549
Current Tax Liabilities		265	265
Short term borrowings	B8	2,832	4,573
Bank Overdraft	B8	8,740	8,672
		<u>59,523</u>	<u>40,258</u>
Total Liabilities		73,632	52,594
TOTAL EQUITY AND LIABILITIES		<u><u>63,127</u></u>	<u><u>41,842</u></u>
Net assets per share attributable to ordinary equity holders (RM)		<u>(0.11)</u>	<u>(0.11)</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the condensed financial statements.

The results have undergone a limited review by the external auditors (Messrs Omar Arif & Co.)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011

	Current Period 30 June 2011 RM'000	Preceding Year 30 June 2010 RM'000	Current Period To Date 30 June 2011 RM'000	Preceding Year Period To Date 30 June 2010 RM'000
Revenue	8,706	2,444	22,967	4,378
Cost of Sales	<u>(8,043)</u>	<u>(2,179)</u>	<u>(21,189)</u>	<u>(3,691)</u>
Gross Profit	663	265	1,778	687
Other income	<u>1,033</u>	<u>-</u>	<u>1,309</u>	<u>-</u>
	1,696	265	3,087	687
Operating Expenses	<u>(472)</u>	<u>(552)</u>	<u>(1,597)</u>	<u>(1,288)</u>
	1,224	(287)	1,490	(601)
Finance cost	(290)	(319)	(614)	(630)
Depreciation	<u>(308)</u>	<u>(358)</u>	<u>(629)</u>	<u>(782)</u>
Profit / (Loss) Before Taxation	626	(964)	247	(2,013)
Taxation	-	-	-	-
Profit / (Loss) After Taxation	<u>626</u>	<u>(964)</u>	<u>247</u>	<u>(2,013)</u>
Other comprehensive income	-	-	-	-
Total comprehensive profit / (loss) for the period	<u>626</u>	<u>(964)</u>	<u>247</u>	<u>(2,013)</u>
Equity holders of the Parent	626	(964)	247	(2,013)
Non controlling interests	-	-	-	-
	<u>626</u>	<u>(964)</u>	<u>247</u>	<u>(2,013)</u>
Basic earnings/(loss) per ordinary share (sen)	0.64	(0.99)	0.25	(2.06)
Diluted earnings/(loss) per ordinary share (sen)	0.64	(0.99)	0.25	(2.06)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the condensed financial statements.

The results have undergone a limited review by the external auditors (Messrs Omar Arif & Co.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011

	<- Attributable to Equity Holders of the Parent ->			Non Controlling	Total
	Share	Accumulated	Total	Interests	Equity
	Capital	Losses	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	97,486	(108,238)	(10,752)	-	(10,752)
Total comprehensive profit for the period	-	247	247	-	247
At 30 June 2011	<u>97,486</u>	<u>(107,991)</u>	<u>(10,505)</u>	<u>-</u>	<u>(10,505)</u>
At 1 January 2010	97,486	(92,632)	4,854	-	4,854
Total comprehensive loss for the period	-	(2,013)	(2,013)	-	(2,013)
At 30 June 2010	<u>97,486</u>	<u>(94,645)</u>	<u>2,841</u>	<u>-</u>	<u>2,841</u>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the condensed financial statements.

The results have undergone a limited review by the external auditors (Messrs. Omar Arif & Co)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011

	Current Period To Date 30 June 2011 RM'000	Preceding Period To Date 30-Jun-10 RM'000
Cash flows from operating activities		
Profit / (Loss) before taxation	247	(2,013)
Adjustments for:		
Depreciation	628	782
Impairment Loss	453	-
Reversal for Provision for Doubtful Debts	(1,033)	-
Amortisation of leasehold land	1	-
Interest expenses	614	630
Operating profit/(loss) before working capital changes	910	(601)
Changes in working capital		
Inventories	241	547
Receivables	(20,321)	(910)
Payables	18,940	2,217
Amount owing to directors	1,998	-
	858	1,854
Cash generated from operations	1,768	1,253
Interest paid	(614)	(630)
Net cash from operating activities	1,154	623
Cash flows from investing activities		
Purchase of of property, plant and equipment	-	(448)
Net cash used in investing activities	-	(448)
Cash flows from financing activities		
Repayment of hire purchase	(37)	(31)
Addition / (repayment) of bank borrowings	69	(248)
Net cash from / (used in) financing activities	32	(279)
Net increase / (decrease) in cash and cash equivalents	1,186	(104)
Cash and cash equivalents at the beginning of the period	(8,620)	(8,300)
Cash and cash equivalents at the end of the period	(7,434)	(8,406)
Note:		
Closing balance of cash and cash equivalents comprises:		
Cash and bank balances	1,306	38
Fixed deposits	4	4
Bank Overdrafts	(8,740)	(8,444)
	(7,430)	(8,402)
Fixed deposits pledged to bank	(4)	(4)
	(7,434)	(8,406)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the condensed financial statements.

The results have undergone a limited review by the external auditors (Messrs Omar Arif & Co.)

NOTES TO CONDENSED FINANCIAL STATEMENT (UNAUDITED)

A1. Basis of Preparation

The condensed financial statements are audited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The condensed financial statements have been prepared on the assumption that the Group is a going concern. The appropriateness of using the going concern assumption is highly dependent upon the successful implementation of a regularisation plan. As such, the condensed financial statements have not included any adjustments to the value and classification of assets and liabilities that may be necessary if the going concern assumption is no longer appropriate. Although it is the intention of the Directors to continue to operate the Group as a going concern, this can only be assured with the support of the lenders and shareholders.

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. These explanatory notes attached to the condensed financial statements provide an explanation of 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 2010.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2010 except for the adoption of the following :

FRSs, Amendment to FRSs and IC Interpretations	Effective for financial period beginnings on or after
Amendments to FRS 132 Financial Instruments : Presentation	1 March 2010
FRS 1 First Time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3 Business Combinations (revised)	1 July 2010
FRS 127 Consolidation and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
IC Interpretation 12 Service Concession Agreements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distribution of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting standards	1 January 2011
- Limited Exemption from Comparative FRS 7 Disclosures fro First-time Adopters	
- Additional Exemptions for First-time Adopters	
Amendments to FRS 2 Group Cash-settled Share Based Payment Transactions	1 January 2011
Amendments to FRS 7 Financial Instruments : Disclosures - Improving Disclosures about Financial instruments	1 January 2011

A2. Changes in Accounting Policies (Cont'd)

	Effective for financial period beginnings on or after
FRSs, Amendment to FRSs and IC Interpretations	
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Improvements to FRSs (2010)	1 January 2011

The above FRSs, amendments to FRSs and IC Interpretations have no material impact on the financial statements of the Group 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 2010, was qualified as follows :

"As disclosed in Note 2(a) to the financial statements, the Group and the Company incurred a net loss of RM11,254,367 and RM770,916 respectively during the financial year ended 31 December 2010. As at 31 December 2010, the Group and the Company's current liabilities exceeded their current assets by RM34,859,208 and RM6,939,354 respectively and the Company has triggered paragraph 2.1(a) of Practice Note 17 ("PN17") criteria's and is therefore classified under PN17.

The Group and the Subsidiaries are faced with numerous legal suits filed by creditors who have alleged that outstanding debts are owed to them. The Company had proposed a debt restructuring scheme under Section 176(10) of the Companies Act, 1965. The Company and all its subsidiaries obtained a Restraining Order on 22 July, 2009 for 90 days under Section 176(10) Companies Act, 1965 for the purpose of finalising the scheme. The Restraining Order has been renewed by the High Court several times and is currently valid until 7 May, 2011. Details of this Restraining Order are fully described in Note 31(b) of the Notes to the Financial Statements.

The Company has submitted a regularisation plan to Bursa Malaysia Securities Berhad on 22 April 2011, a summary of which is disclosed in Note 31(a)(ii) of the Notes to the Financial Statements. The significant issues in the regularisation plan includes amongst others, the private placement of 12,000,000 new VTI Vintage Berhad shares and the issue of a Renounceable Rights Issue of 31,497,200 new VTI Vintage Berhad shares. We do not give an opinion on the significant issues mentioned in view of their material uncertainty.

The preparation of the condensed financial statements of the Group and the Company on a going concern basis is significantly dependent on the outcome of the regularisation plan. The successful implementation of the regularisation plan and the ability of the Group and the Company to operate profitably in the foreseeable future, indicates the existence of material uncertainties which may cast significant doubt about the Group and the Company's ability to continue as a going concern."

Similarly, the auditors' report of subsidiary companies, Vintage Tiles Industries Sdn Bhd, Vintage Roofing & Construction Sdn Bhd, Vintage Tiles Industries (EM) Sdn Bhd and Tirai Impresif Sdn Bhd have also been qualified in respect of the going concern basis.

The auditors' reports of another subsidiary company, Newsteel Building Systems Sdn Bhd, contain an emphasis of matter relating to the appropriateness of the going concern basis of accounting used in the preparation of their financial statements.

A4. Segmental Information

Segment Revenue

	Current Period To Date 30 June 2011 Revenue RM'000	Preceding Period To Date 30 June 2010 Revenue RM'000
Revenue from continuing operations:		
Manufacturing & Trading	5,229	7,337
Construction contract	18,578	393
	<u>23,807</u>	<u>7,730</u>
Inter-segment eliminations	(840)	(3,352)
	<u>22,967</u>	<u>4,378</u>
	Current Period To Date 30 June 2011 Profit before tax RM'000	Preceding Period To Date 30 June 2010 Loss before tax RM'000
Profit / (Loss) before tax		
Manufacturing & Trading	(612)	(1,584)
Construction contract	859	(429)
	<u>247</u>	<u>(2,013)</u>
Inter-segment eliminations	-	-
	<u>247</u>	<u>(2,013)</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 estimates 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 2011

A9. Valuation of Property, Plant and Equipment

There was no fair value adjustment of property, plant and equipment during the quarter. Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss on revaluation of Sabah Land amounting to RM452,771.

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 statement of financial position as at 31 December 2010.

A14. Significant Events

(i) **Practice Note 17 - Status of Plan to Regularise Condition**

On 10 February 2011, VVB had announced that MIMB on behalf of the Company submitted an application for an extension of time to Bursa Malaysia to submit the proposed regularisation plan.

On 18 April 2011, reference was made to VVB's requisite announcement dated 9 September 2010 and the announcement dated 15 March 2011, whereby Bursa Malaysia had approved VVB's application for an extension of time until 24 April 2011 to submit its regularisation plan pursuant to PN17 of the Listing Requirements.

In the event that :

- (a) The Company fails to submit the regulation plan to the regulatory authorities for approval on or before 24 April 2011;
- (b) The Company fails to obtain the approval from any of the regulatory authorities necessary for the implementaion of its regularisation plan; or
- (c) The Company fails to implement its regularisation plan within the time frame or extended time frames stipulated by the regulatory authorities.

Bursa Malaysia reserves the right to proceed with the suspension of the trading of the securities of the Company and to commence delisting procedures against the Company.

Upon occurrence of any of the events set out in (a) to (c) above, the suspension shall be imposed on the trading of the listed securities of the Company upon the expiry of five (5) market days from the date the Company is notified by Bursa Malaysia and de-listing procedures shall be commenced against the Company.

The Company submitted its regularisation plan to Bursa Malaysia for approval on 22 April 2011 which comprises of :

- i. Proposed reduction of VTI Vintage Berhad's existing issued and paid-up share capital from approximately RM97.49 million comprising 97,486,002 Existing Shares to approximately RM9.75 million comprising 97,486,002 ordinary shares of RM0.10 each via the cancellation of RM0.90 of the par value of each Existing Share pursuant jto Section 64 of the Act;

A14. Significant Events (Cont'd)

(i) **Practice Note 17 - Status of Plan to Regularise Condition (Cont'd)**

- ii. Proposed share consolidation via the consolidation of five (5) Reduced Shares into one (1) VTI Vintage Berhad's share after the Proposed Capital Reduction.
- iii. Proposed amendments to the M&A of VTI Vintage Berhad to facilitate the change in the par value of the VTI Vintage Berhad's Shares resulting from the Proposed Capital Reduction and Proposed Share Consolidation;
- iv. Proposed Private Placement of 12,000,000 new VTI Vintage Berhad shares
- v. Proposed renounceable rights issue of up to 31,497,200 new VTI Vintage Berhad's Shares on the basis of one (1) new VTI Vintage Berhad's for every one (1) existing VTI Vintage Berhad's Share held by the shareholders of VVB after the Proposed Shareholders' Scheme and Proposed Private Placement.
- vi. Proposed formal scheme of arrangement and compromise pursuant to Section 176 of the Act in respect to the amounts owing to the secured and unsecured creditors of VTI Vintage Berhad via the issuance of up to 18,556,106 new VVB Shares after a seventy five percent (75%) debt waiver by the unsecured creditors;
- vii. Proposed set-off of any cash advances against the subscription monies payable by a Director pursuant to his irrevocable undertaking to subscribe for his rights entitlement and/or procure subscriptions for the Proposed Rights Issue up to a maximum amount of RM5.0 million.

(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 or 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 end November 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.

On 28 October 2010, VRC further accepted a letter of award from MITC Engineering Sdn Bhd ("MITC") as sub-contractor for "Cadangan 90 Unit Rumah Bandar 2 Tingkat (20' X 60') Di Atas PT Lot 27756 Hingga PT Lot 27920, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan Dalam Project Usahasama Tentuan Setiausaha Kerajaan Selangor (Perbandaran) Dengan Syarikat Azam Perspektif Sdn Bhd" for a contract sum of RM6,259,200.

VRC further on 7 January 2011 accepted letter of award from Billion Edge Sdn Bhd ("BESB") as the contractor of the following projects:

A14. Significant Events (Cont'd)

(ii) **Status of Regularisation Plan - Letter of Award (Cont'd)**

- (i) piling and pile cap for the proposed construction project including 6 units of 5 storey shop office, 33 units of 4 storey shop office and 4 storey parking lot building on Lot 5204-5213 (Lot Asal), Bandar Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus for a contract sum of RM2,600,000.00.
- (ii) main building and infrastructure works for the proposed construction project including 6 units of 5 storey shop office, 33 units of 4 storey shop office and 4 storey parking lot building on Lot 5204-5213 (Lot Asal), Bandar Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus for a contract sum of RM26,500,000.00

(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 (1) 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 10 November 2010, VVB had announced that the application for the extension of the Restraining Order has been dismissed by the Court in the hearing held on 8 November 2010. However, the Company has instructed the solicitors to file a fresh application to the Court for the said RO.

On 9 February 2011, VVB had announced that Order has been granted by the High Court of Malaya at Kuala Lumpur on 8 February 2011 pursuant to Section 176(10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against the Company and the following subsidiaries for a period of ninety (90) days from 8 February 2011 to 7 May 2011.

- (a) Vintage Tiles Industries Sdn Bhd
- (b) Vintage Roofing & Construction Sdn Bhd
- (c) Newsteel Building Systems Sdn Bhd
- (d) Vintage Tiles Industries (EM) Sdn Bhd

A14. Significant Events (Cont'd)

(iii) **Restraining Order (Cont'd)**

Upon expiry of the extended Restraining Order obtained on 8 February 2011, VVB had further applied for an extension on the Restraining Order. On 11 May, 2011, the High Court of Malaya at Kuala Lumpur has granted a further period of another one hundred and twenty (120) days from 11 May 2011 to 7 September 2011.

(iv) **Disposal of Land**

On 7 January 2011, the Board of Directors of VVB announced that its wholly-owned subsidiary, Vintage Tiles Industries (EM) Sdn Bhd ("VTIEM") had on 5 January 2011 entered into a Sale and Purchase Agreement ("SPA") with SW 2020 Sdn Bhd (Company No. 861050-M) having its registered address at 3rd Floor, TB 292, Block 30, Fajar Commercial Complex, Jalan Haji Karim, Tawau, Sabah ("SW2020") to dispose of the land held under Country Lease No. 045086379 and measuring a total of 5 acres, 2 roods and 25 perches in the District of Tuaran, Sabah including all structures and buildings erected thereupon ("Land") for a total consideration of Ringgit Malaysia Two Million One Hundred and Fifty Thousand (RM2,150,000.00) only.

(v) **Memorandum of Understanding**

On 3 March 2011, the Board of Directors of VVB announced that the Company had on 2 March 2011 signed a Memorandum of Understanding ("MOU") with Shenzhen Guang Real Estate Group Co., Ltd ("Shenzhen Guang").

Shenzhen Guang is an exempted company organised under the laws of the People's Republic of China ("PRC"). Shenzhen Guang is a well established property development company with the head quarter in Shenzhen.

(Hereinafter, VVB and Shenzhen Guang are collectively referred to as "the Parties")

Based on the mutual consent, the Parties agree to reach the MOU as follows :

1. Shenzhen Guang intends to participate in the restructuring and the private placement of VVB; and
2. Shenzhen Guang, as the proposed strategic investor, intends to explore the possibilities of merger or acquisition of certain PRC companies whose business are involving the interior decoration and trading of the firefighting equipment.

On 1 June 2011, the Board of Directors of VVB announced that Mr Gou Zan Ming, the owner of Shenzhen Guang had on 18 April 2011 signed an undertaking letter to subscribe for up to 6,500,000 placements shares of RM0.50 each pursuant to Proposed Private Placement exercise to be undertaken by the Company.

A15. 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 statements for the period.

A16. Contingent Liabilities

	As at 30 June 2011 RM'000	As at 30 June 2010 RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries	<u>24,512</u>	<u>24,512</u>
Corporate guarantees issued to third parties in respect of trade facilities granted to subsidiaries	<u>7,000</u>	<u>7,000</u>

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") *	<u>32</u>

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

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

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of performance

The Group's gross profit for the quarter ended 30 June 2011 has improved to RM0.663 million as compared to gross profit of RM0.265 million in corresponding quarter in 2010. The revenue in the manufacturing & trading sector has decreased to RM5.229 million in this period compared to RM7.337 million in corresponding period in 2010, a drop of 28.73%. However, there was a significant increase in revenue in the construction sector. The revenue from construction sector in period ended 30 June 2011 stands at RM18.578 million in comparison to RM0.393 million in corresponding period in 2010.

There was a profit before tax in this reporting period ended 30 June 2011 amounting to RM0.247 million in comparison to a loss before tax of RM2.013 million in corresponding period ended 30 June 2010. This significant improvement was mainly contributed from reversal of provision for doubtful debts for Vintage Tiles Holdings Sdn Bhd (VTH) for the amount of RM1.033 million.

B2. Variation of results against preceeding quarter

	Current Quarter Ended 30 June 2011 RM'000	Previous Quarter Ended 31 March 2011 RM'000
Revenue	<u>8,706</u>	<u>14,261</u>
Profit / (Loss) before taxation	<u>626</u>	<u>(379)</u>

For the quarter under review, the revenue of the Group had decreased by 38.95% as compared to the previous quarter.

The profit before taxation stands at RM0.626 million compared to a loss before taxation in the preceeding quarter of RM0.379 million, an improvement of approximately 265.17%. This improvement was mainly due to the reversal of provision of doubtful debts from VTH on all cash receipts.

B3. Profit forecast

On 22 April 2011, VVB announced that the Group has submitted its Regularisation Plan for Bursa Malaysia approval together with the profit forecast. However, as at the date of this announcement, no approval was obtained.

B4. Taxation

	Current Quarter 30 June 2011 RM'000	Preceeding Year Quarter 30 June 2010 RM'000	Current Year To Date 30 June 2011 RM'000	Preceeding Year Year To Date 30 June 2010 RM'000
Income tax				
Current year	-	-	-	-
Prior year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<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 because included in the profit before taxation of RM0.626 million is the reversal on provision for doubtful debts amounting to RM1.033 million.

B5. Unquoted investments and properties

A subsidiary, Vintage Tiles Industries (EM) Sdn Bhd had entered into a sale and purchase agreement to dispose its leasehold land having a net book value of RM2.603 million for a fair value consideration of RM2.150 million. However, the sale is not completed yet at the date of this report.

B6. Quoted investments

The Group did not deal in any quoted investments.

B7. Corporate Proposals

(a) Status of corporate proposals

On 22 April 2011, VVB announced that the Group has submitted its Regularisation Plan for Bursa Malaysia approval. However, as at the date of this announcement, no approval was obtained.

(b) Status of utilisation of proceeds

Not applicable.

B8. Borrowings and debt securities

The total borrowings of the Group as at 30 June 2011 comprised of the followings:

	30 June 2011 RM'000
Secured bank borrowings:	
Term loans	16,100
Bank overdrafts	8,740
Hire purchase	841
	<u>25,681</u>
Secured bank borrowings:	
Short term borrowing	11,572
Long term borrowings	14,109
	<u>25,681</u>

B9. Off balance sheet financial instruments

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

B10. 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 (1) 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 and obtained approval from its scheme creditors 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.

On 10 November 2010, VVB had announced that the application for the extension of the Restraining Order has been dismissed by the Court in the hearing held on 8 November 2010. However, the Company has instructed the solicitors to file a fresh application to the Court for the said RO.

On 9 February 2011, VVB had announced that Order has been granted by the High Court of Malaya at Kuala Lumpur on 8 February 2011 pursuant to Section 176(10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against the Company and the following subsidiaries for a period of ninety (90) days from 8 February 2011 to 7 May 2011.

- (a) Vintage Tiles Industries Sdn Bhd
- (b) Vintage Roofing & Construction Sdn Bhd
- (c) Newsteel Building Systems Sdn Bhd
- (d) Vintage Tiles Industries (EM) Sdn Bhd

Upon expiry of the extended Restraining Order obtained on 8 February 2011, VVB had further applied for an extension on the Restraining Order. On 11 May, 2011, the High Court of Malaysia at Kuala Lumpur has granted a further period of another one hundred and twenty (120) days from 11 May 2011 to 7 September 2011.

B10. Changes in material litigation (cont'd)

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.

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 (1) 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 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 10 November 2010, VVB had announced that the application for the extension of the Restraining Order has been dismissed by the Court in the hearing held on 8 November 2010. However, the Company has instructed the solicitors to file a fresh application to the Court for the said RO.

On 9 February 2011, VVB had announced that Order has been granted by the High Court of Malaya at Kuala Lumpur on 8 February 2011 pursuant to Section 176(10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against the Company and the following subsidiaries for a period of ninety (90) days from 8 February 2011 to 7 May 2011.

- (a) Vintage Tiles Industries Sdn Bhd
- (b) Vintage Roofing & Construction Sdn Bhd
- (c) Newsteel Building Systems Sdn Bhd
- (d) Vintage Tiles Industries (EM) Sdn Bhd

Upon expiry of the extended Restraining Order obtained on 8 February 2011, VVB had further applied for an extension on the Restraining Order. On 11 May, 2011, the High Court of Malaysia at Kuala Lumpur has granted a further period of another one hundred and twenty (120) days from 11 May 2011 to 7 September 2011.

B10. Changes in material litigation (cont'd)

MOX-Linde Gases Sdn Bhd (formerly known as Mox Gases Sdn Bhd)

On 21 March 2011, VVB announced that the Company received the Judgment and sealed Order both dated 6 October 2010 from Messrs Raja, Darryl & Loh. A judgment was entered against Vintage Tiles Industries Sdn Bhd ("VTISB") for the following :

1. Amount of RM2,386.40 (Ringgit Malaysia : Two Thousand Three Hundred Eighty Six and Cents Forty) only
2. Interest thereon at 8% per annum of RM2,386.40 from 14 August 2009 till date of full settlement;
3. Amount of RM10,000 (Ringgit Malaysia : Ten Thousand) only in relation to replacement of 10 units of gas cylinder;
4. Interest thereon at 8% per annum from 14 August 2009 til date of full settlement; and
5. Cost of RM500 (Ringgit Malaysia Five Hundred) only

However, the Company informed that a Restraining Order has been granted by the High Court of Malaya at Kuala Lumpur on 8 February 2011, to restrain all further proceedings, and any and all actions or proceedings against the Company and its subsidiary companies, for a period of ninety (90) days from 8 February 2011 to 7 May 2011.

On 24 March 2011, the Company announced that the Group has adequate resources to meet the commitment of the claims and therefore, the Judgment and sealed Order has no financial and operational impact to the Group. The Group was not expected to incur any further loss arising from the Judgment and Sealed Order. VVB is seeking the necessary legal advice to resolve and/or defend against this matter.

Reference to the previous announcement made, the Company had on 25 March 2011 further announced that the reason for VTISB defaulted to settle the sum claimed by MOX-Linde Gases Sdn Bhd was due to dispute on the amount claimed by MOX for the gas cylinder provided to VTISB.

Upon expiry of the extended Restraining Order obtained on 8 February 2011, VVB had further applied for an extension on the Restraining Order. On 11 May, 2011, the High Court of Malaya at Kuala Lumpur has granted a further period of another one hundred and twenty (120) days from 11 May 2011 to 7 September 2011.

Cheong Construction & Company

On 11 April 2011, VVB announced that Vintage Tiles Industries Sdn Bhd ("VTI") a wholly-owned subsidiary of the Company have received a Sealed copy of the Judgment from Messrs Thevin Chandran & Assocs, the solicitors for Cheong Construction & Company ("Cheong Construction"), demanding the total sum of RM83,181.92 which is made up as following, being the sum due and owing to Cheong Construction for the labour services rendered to VTI :

	RM
(a) Judgment Sum	50,271.50
(b) Cost	2,136.00
(c) Interest at 8% p.a. on RM50,271.50 from 08/08/2003 till 31/03/2011	30,752.38
	<u>83,159.88</u>

The circumstances leading to filing of the Judgment against VTI ws due to the fact the Company has failed and/or default to settle the sum claimed by Cheong Construction as the Company has a dispute on the amount claimed by Cheong Construction for the labour services rendered by Cheong Construction.

B10. Changes in material litigation (cont'd)

Cheong Construction & Company (cont'd)

The Group also announced that the Group has adequate resources to meet the commitment of the claims and therefore, the Sealed copy of Judgment has no financial and operational impact to the Group. The Group was not expected to incur any further loss arising from the sealed judgment. VVB is seeking the necessary legal advice to resolve and/or defend against this matter.

However, the Company informed that a Restraining Order has been granted by the High Court of Malaya at Kuala Lumpur on 8 February 2011, to restrain all further proceedings, and any and all actions or proceedings against the Company and its subsidiary companies, for a period of ninety (90) days from 8 February 2011 to 7

Upon expiry of the extended Restraining Order obtained on 8 February 2011, VVB had further applied for an extension on the Restraining Order. On 11 May, 2011, the High Court of Malaya at Kuala Lumpur has granted a further period of another one hundred and twenty (120) days from 11 May 2011 to 7 September 2011.

Pencetak Weng Fatt Sdn Bhd

On 29 July 2011, the Board of Directors of VVB announced that the Company's solicitors, Messrs K.L. Lim & Lee had on 26 July 2011 received the sealed copy of the Judgment dated 3 November 2010 from Messrs Choo Kok Hon & Co, the solicitors for Pencetak Weng Fatt Sdn Bhd demanding the total Judgment sum of RM8,406.95 as at 21 April 2009 together with interest thereon at the rate of 8.00% per annum from 22 April 2009 till the date of full realisation and cost of RM500.00 and RM854.00 respectively being the sum due and owing to the Plaintiff for the services rendered to the Company.

However, the Company informed that an Order has been granted by the High Court of Malaya at Kuala Lumpur on 11 May 2011 pursuant to Section 176 (10) of the Act, to restrain all further proceedings and any and all actions or proceedings against the Company and four of its subsidiary companies, for a period of one hundred and twenty (120) days from 11 May 2011 to 7 September 2011 ("Restraining Order")

The Company further announced on 1 August 2011 that the circumstances leading to the filing of the Judgment against VVB was due to the fact that the Company has failed and/or default to settle the sum claimed by the Plaintiff as the Company has a dispute on the amount claimed by the Plaintiff for the services rendered by the Plaintiff.

Notice Pursuant Section 218 of the Companies Act, 1965

(i) **KTS Trading Sdn Bhd**

On 19 October 2010, VVB announced that Vintage Tiles Industries Sdn Bhd ("VTISB"), a subsidiary of the Company have received the Notice Pursuant to Section 218 (2)(a) of the Companies Act, 1965 ("Notice") from Messrs. Chan, Moosdeen & Partners, the advocates & solicitors for KTS Trading Sdn Bhd ("KTS"), demanding the total sum of RM72,897.90 being the judgment sum of RM61,152.00, interest of 8% per annum on the total judgement sum from 22 August 2008 until the date of summons on 17 October 2008 which works out to RM763.98, further interest of 8% per annum on the total judgement sum from 17 October 2008 to 15 October 2010 which works out to RM9,770.92 and costs of RM1,211.00 within three (3) weeks from the date of the Notice, failing which, the VTISB is deemed to be unable to pay its debts and a winding-up petition may be filed against VTISB. The sealed Judgment is dated 19 December 2008.

However, the Company wishes to inform that the Group had on 22 July 2009 initiated the Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 ("Proposed Scheme") which had been approved during the CCM of the Group held on 16 July 2010.

Notice Pursuant Section 218 of the Companies Act, 1965 (cont'd)

(i) **KTS Trading Sdn Bhd (cont'd)**

Based on the legal advice obtained, KTS will be included as one of the Scheme Creditors, once the Court sanctions the Scheme of Arrangement under Section 176 of the Companies Act, 1965, KTS will be bound to accept the Scheme under the approved Proposed Scheme. Therefore, pending the completion of the Proposed Scheme, no payment was made to the Scheme Creditors including KTS.

On 14 February 2011, the Board of Directors of VVB informed that a winding up petition was served to Vintage Tiles Industries Sdn Bhd. VVB has given instruction to its solicitor to reply to the Petitioner's solicitors to highlight to the Petitioner's solicitors the outcome of the CCM.

(ii) **Anshin Steel Services Centre Sdn Bhd**

On 28 September 2010, VVB announced that the Company and Newsteel Building Systems Sdn Bhd ("Newsteel"), a subsidiary of the Company have received the Notice Pursuant to Section 218 (1) (e) & (i) of the Companies Act, 1965 ("Notice") from Messrs. Shui-Tai, the solicitors for Anshin Steel Services Centre Sdn Bhd ("Anshin"), demanding the total sum of RM58,152.97 being the judgment sum of RM35,768.88, interest of RM7,110.00 as at 31 March 2008, interest at 1.3% per month on RM35,768.88 from 1 April 2008 to 27 September 2010 (and still continuing until the date of full realization) and costs of RM1,170.00 within three (3) weeks from the date of receipt of the Notice, failing which, the Company and Newsteel is deemed to be unable to pay its debts and a winding-up petition may be filed against the Company and Newsteel.

On 23 December 2010, VVB announced that VVB and Newsteel have received the Notice Pursuant to Section 218 (1) (e) & (i) of the Companies Act, 1965 ("Notice") from Messrs. Shui-Tai, the solicitors for Anshin , demanding the total sum of RMRM59,470.38 being the judgment sum of RM35,768.88, interest of RM7,110.00 as at 31 March 2008, interest at 1.3% per month on RM35,768.88 from 1 April 2008 to 21 December 2010 (and still continuing until the date of full realization) and costs of RM1,170.00 within three (3) weeks from the date of receipt of the Notice, failing which, VVB and Newsteel is deemed to be unable to pay its debts and a winding-up petition may be filed against VVB and Newsteel.

However, the Company wishes to inform that the Group had on 22 July 2009 initiated the Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 ("Proposed Scheme") and has included Anshin as one of the Scheme Creditors under the Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 ("Proposed Scheme") which had been approved during the CCM of the Group held on 16 July 2010.

(iii) **Messrs Megat & Seow**

On 18 March 2011, the Board of Directors of VVB announced that Vintage Roofing & Construction Sdn Bhd ("VRC"), a wholly-owned subsidiary of the Company have received the Notice Pursuant to Section 218 (1) (e) of the Companies Act, 1965 ("Notice") from Messrs Megat & Seow ("S&M"), demanding the total sum of RM4,660.63 being the judgment sum of RM3,350.00, interest of RM879.63 at the rate of 8% per annum on judgment sum of the RM3,350.00 and costs of RM431.00 within Twenty One (21) days from the date of receipt the Notice, failing which, a winding-up petition may be filed against VRC.

The circumstances leading to the filing of the Notice against VRC was due to the fact that the Company has failed and/or default to settle the sum claimed by S&M. However, the Company wishes to inform that an Order has been granted by the High Court of Malaya at Kuala Lumpur on 8 February 2011 pursuant to Section 176 (10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against the Company and its subsidiary companies, for a period of ninety (90) days from 8 February 2011 to 7 May 2011 ("Restraining Order")

Further to the announcement made on 18 March 2011, the Board of Directors of the Company on 22 March 2011 announced that the reason of the Company defaulted to settle the sum claimed by S&M was because the Company has a dispute on the amount claimed by S&M for the legal services rendered by S&M.

Notice Pursuant Section 218 of the Companies Act, 1965 (cont'd)

(iii) **Messrs Megat & Seow (cont'd)**

Upon expiry of the extended Restraining Order obtained on 8 February 2011, VVB had further applied for an extension on the Restraining Order. On 11 May, 2011, the High Court of Malaya at Kuala Lumpur has granted a further period of another one hundred and twenty (120) days from 11 May 2011 to 7 September 2011.

(iv) **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 the 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.

On 5 January 2011, Vintage announced that VVB and Newsteel have received the Notice Pursuant to Section 218 (1) (e) of the Companies Act, 1965 (“Notice”) from Messrs. J.M. Chong, Vincent Chee & Co., the solicitors for Star Shine, demanding the total sum of RM1,675,824.45 together with further interest to be charged on the principal sum of RM1,492,675.95 at the rate of 1.5% per month from 27 July 2010 until full settlement within Twenty One (21) days from the service of this Notice being the sum due and owing to Star Shine and in the event VVB and Newsteel fail to pay the same, VVB and Newsteel will be deemed to be unable to pay the aforesaid debt and appropriate action will be taken for winding up VVB and Newsteel.

The Group has adequate resources to meet the commitment of the claims and therefore, the petition has no financial and operational impact to the Group. VVB is seeking the necessary legal advice to resolve and/or defend against this matter.

(v) **Affin Bank Berhad (“The Petitioner”) v. Vintage Roofing & Construction Sdn Bhd, VTI Vintage Berhad and Ong Thuan Ming (collectively “Defendants”) (Kuala Lumpur High Court Civil Suit No.: D-22-NCC-75-2009)**

The Group has made an announcement on 14 September 2010 that the Company and Vintage Roofing & Construction Sdn Bhd, a wholly-owned subsidiary of the Company have received the letter from Messrs. Manjit Singh Sachdev, Mohammad Radzi & Partners dated 8 September 2010 (“Letter”), the solicitors for Affin Bank Berhad (“Affin”), demanding the Judgment sum of RM3,000,000.00 as at 31 March 2009 together with interest at the rate of 1.75% above the Base Lending Rate calculated from 1 April 2009 until the date of realisation and cost of RM225.00 within fourteen (14) days from the date of the Letter.

The Board of Directors of VVB wishes to inform that the Company has no knowledge on the said Judgement until the Company received the said Letter.

However, the Company wishes to inform that the scheme creditors of VVB and its subsidiary companies (“Scheme Creditors”) had at the CCM of the Company held on 16 July 2010 approved the Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 (“Proposed Scheme”). Based on the legal advice obtained, Affin will be bound under the approved Proposed Scheme as Affin is one of the Scheme Creditors.

Notice Pursuant Section 218 of the Companies Act, 1965 (cont'd)

- (v) **Affin Bank Berhad ("The Petitioner") v. Vintage Roofing & Construction Sdn Bhd, VTI Vintage Berhad and Ong Thuan Ming (collectively "Defendants") (Kuala Lumpur High Court Civil Suit No.: D-22-NCC-75-2009) (cont'd)**

On 30 May 2011, the Board of Directors of VVB announced that VRC, a wholly-owned subsidiary of the Company have received the Notice Pursuant to Section 218 (1) (e) of the Companies Act, 1965 ("Notice") from Messrs Manjit Singh Sachdev, Mohammad Radzi & Partners, the solicitors for Affin Bank Berhad ("Plaintiff"), demanding the outstanding judgment sum of RM3,656,879.32 as at 26 May 2011 together with interest thereon at the rate of 1.75% above Base Lending Rate per annum from 27 May 2011 until the date of full payment to be paid within twenty one (21) days from the date of the Notice, failing which, a winding-up petition may be filed against VRC.

On the same date 30 May 2011, the Board of Directors of VVB also announced that the Company have received the Notice Pursuant to Section 218 (1) (e) of the Companies Act, 1965 ("Notice") from Messrs Manjit Singh Sachdev, Mohammad Radzi & partners, the solicitors for the plaintiff demanding the outstanding judgement sum of RM3,493,844.18 as at 26 May 2011 together with interest thereon at the rate of 1.75% above base lending rate per annum from 27 May 2011 until date of full payment to be paid within twenty one (21) days from the date of the Notice, failing which, a winding-up petition may be filed against VVB. The circumstances leading to the filing of the Notice against VVB was due to the fact that VVB had provided a corporate guarantee for the overdraft facility granted by the Plaintiff to Vintage Roofing & Construction Sdn Bhd ("VRC"), a wholly-owned subsidiary of the Company and VRC has failed and/or default to settle the said facilities.

Once again the Company informed that the Group had on 22 July 2009 initiated the Proposed Scheme of Arrangement under Section 176 of the Companies Act, 1965 ("Proposed Scheme") and has included the Plaintiff as one of the Scheme Creditors under the said Proposed Scheme which had been approved during the Court Convened Meeting ("CCM") of the Group held on 16 July 2010.

Based on the legal advice obtained, the Plaintiff as one of the Scheme Creditors, once the Court sanctions the Scheme of Agreement under Section 176 of the Companies Act, 1965, the Plaintiff will be bound to accept the Scheme under the approved Proposed Scheme. Therefore, pending the completion of the Proposed Scheme, no payment shall be made to the Scheme Creditors including the Plaintiff.

Furthermore, the Company informed that an Order has been granted by the High Court of Malaya at Kuala Lumpur on 11 May 2011 pursuant to Section 176 (10) of the Act, to restrain all further proceedings, and any and all actions or proceedings against the Company and four of its subsidiary companies, for a period of one hundred and twenty (120) days from 11 May 2011 to 7 September 2011 ("Restraining Order")

B11. Realised and Unrealised Profits

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised in quarterly reports and annual audited financial statements.

	Current Quarter Ended 30 June 2011 RM'000	Previous Quarter Ended 31 March 2011 RM'000
Total accumulated losses of the Group		
- Realised	(107,991)	(108,617)
- Unrealised	-	-
	<u>(107,991)</u>	<u>(108,617)</u>

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B12. Dividends

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

B13. Basic earnings per share

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

	Current Quarter 30 June 2011	Preceding Quarter 30 June 2010	Current Period To Date 30 June 2011	Preceding Period To Date 30 June 2010
Net profit / (loss) for the period	<u>626</u>	<u>(964)</u>	<u>247</u>	<u>(2,013)</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 profit / (loss) per share (sen)	<u>0.64</u>	<u>(0.99)</u>	<u>0.25</u>	<u>(2.06)</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 on 24 August 2011.