



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 30 JUNE 2005**

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**A. DISCLOSURE REQUIREMENTS AS PER MASB 26**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The quarterly financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2004.

The accounting policies and methods of computation adopted by the Group in this quarterly financial report are consistent with those adopted in the financial statements for the year ended 31 December 2004.

**2. Audit Report Qualification and Status of Matters Raised**

The annual audited financial statements of the Group for the year ended 31 December 2004 were not subject to any qualifications.

**3. Seasonal or Cyclical Nature of Operations**

The current quarterly financial results were not affected by seasonal or cyclical factors of operations.

**4. Items of Unusual Nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

**5. Changes in Estimates**

There were no changes in the estimates which give a material effect for the current quarter.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

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**6. Other Investments**

	<b>30/6/2005</b>
	RM'000
<i>Non Current</i>	
Quoted shares in Malaysia at carrying value	31,993
Unquoted shares in Malaysia - at cost	2,000
	<u>33,993</u>
Quoted shares in Malaysia at market value	<u>9,886</u>

**7. Valuation of property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the audited financial statements for the financial year ended 31 December 2004.

**8. Changes in Debt and Equity Securities**

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares for the current interim financial period under review.

**9. Dividends Paid**

There were no dividends paid in the current interim period under review.

**10. Material Events Subsequent to the Balance Sheet Date**

There were no material events subsequent to the end of the current interim period that have not been reflected in the financial statements for the said period as at the date of this report.

**11. Changes in the Composition of the Group**

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

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
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Segmental information for the financial period ended 30 June 2005.

	<b>Paper products 2005 RM'000</b>	<b>Plastic products 2005 RM'000</b>	<b>Colour Separation &amp; Printing 2005 RM'000</b>	<b>Others 2005 RM'000</b>	<b>Elimination 2005 RM'000</b>	<b>Consolidated 2005 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	10,494	14,795	7,509	90	-	32,888
Inter-segment revenue	142	-	30	-	(172)	-
<b>Total revenue</b>	<b>10,636</b>	<b>14,795</b>	<b>7,539</b>	<b>90</b>	<b>(172)</b>	<b>32,888</b>
<b>Operating Results</b>						
	489	1,389	248	(380)	(679)	1,067
Interest income						27
Finance cost						(1,319)
Loss before taxation and minority interests						(225)
Taxation						(203)
Loss after taxation and minority interests						(428)
Minority interests						-
Net loss for the Period						(428)

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Segmental information for the financial period ended 30 June 2004.

	<b>Paper products 2004 RM'000</b>	<b>Plastic products 2004 RM'000</b>	<b>Colour Separation &amp; Printing 2004 RM'000</b>	<b>Others 2004 RM'000</b>	<b>Elimination 2004 RM'000</b>	<b>Consolidated 2004 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	10,308	11,649	6,371	116	-	28,444
Inter-segment revenue	(56)	-	32	-	24	-
<b>Total revenue</b>	<b>10,252</b>	<b>11,649</b>	<b>6,403</b>	<b>116</b>	<b>24</b>	<b>28,444</b>
<b>Operating Results</b>	<b>713</b>	<b>637</b>	<b>700</b>	<b>(375)</b>	<b>(679)</b>	<b>996</b>
Interest income						18
Finance cost						(1,230)
Loss before taxation and minority interests						(216)
Taxation						(85)
Loss after taxation and minority interests						(301)
Minority interests						14
Net loss for the Period						(287)

**13. Changes in Contingent Liabilities**

At the date of this report, there were no contingent liabilities in respect of the Group.

**14. Inventories**

There was no write down of inventory value for the current financial period to date.

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**15. Provision for Warranties**

There was no provision for warranties for the current financial period to date.

**16. Changes in Tax Rate (Estimates)**

This note is not applicable.

**17. Capital Commitments**

At the date of this report, the capital commitments of the Group are as follow: -

	<b>2005</b>
	RM'000
Property, plant and equipment – Approved but not contract for	<u>402</u>

**18. Related Party Transactions**

Significant transactions with related parties in the financial statements are as follow: -

	<b>Current Quarter ended 30/6/2005 RM'000</b>
Company in which Encik Shahabuddin bin Abdullah @ Lee Seng Pun , a Director, has interests :-	
DI Print Solutions Sdn Bhd	
Sales	1,559
Purchases	<u>(13)</u>

These transactions have been entered into in the normal course of business and have been established on terms, which are not more favorable than to third parties.

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**B. Additional information required by the Bursa Malaysia's Listing Requirements****1. Review of Performance**

For the quarter under review, the Group recorded a turnover of RM16.851 million compared to RM15.805 million in 2004 and a profit before taxation and minority interests of RM0.05 million compared to RM0.23 million in 2004.

**2. Variation of Results against Immediate Preceding Quarter**

The Group's revenue for the current quarter increased by RM0.814 million from RM16.851 million compared to RM16.037 million, in the first quarter ended 31 March 2005. A profit before taxation and minority interests of RM0.05 million was achieved compared to a loss before taxation and minority interests of RM0.275 million in the immediate preceding quarter. This was mainly due to higher revenue achieved from the plastic products segment.

**3. Prospects**

The packaging and printing businesses are currently experiencing intense competition, as such, the Directors expect the coming quarters to remain challenging. Nevertheless, the Directors are exploring various options to minimise overall costs.

**4. Profit Forecast**

This is not applicable.

**5. Taxation**

	<b>Quarter ended 30/6/2005 RM'000</b>	<b>Quarter ended 30/6/2004 RM'000</b>	<b>Period ended 30/6/2005 RM'000</b>	<b>Period ended 30/6/2004 RM'000</b>
Taxation for the quarter/period	57	77	94	85
Deferred Taxation for the quarter/period	-	-	109	-
	<u>57</u>	<u>77</u>	<u>203</u>	<u>85</u>

The effective tax rate is higher mainly because certain expenses were not allowable for tax deduction.

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**6. Disposal of Unquoted Investments or Properties**

There were no disposals of unquoted investments or properties included in the results of the Group for the current quarter.

**7. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter.

**8. Status of Corporate Proposals Announced**

There were no corporate proposals announced during the quarter under review.

**9. Borrowing and Debt Securities**

(a) Group borrowings as at the end of the reporting period were as follows: -

	<b>30/6/2005</b> RM'000
Current	
Borrowings (secured)	17,994
Borrowings (unsecured)	2,478
	20,472
Bank Overdrafts (secured)	5,003
Bank Overdrafts (unsecured)	355
	5,358
Non Current Borrowings (secured)	13,157
Total Borrowings	<u>38,987</u>

(b) The above borrowings are denominated in Ringgit Malaysia. There are no foreign currencies borrowings.



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**10. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments for the current quarter and financial period to date.

**11. Changes in Material Litigation**

As at the date of the report, the Company was not involved in any material litigation.

**12. Dividends**

The Board of Directors does not recommend any dividends for the current financial quarter.

**13. (Losses)/Earnings per share**

**Basic (Losses)/Earnings per share**

Basic losses per share is calculated by dividing the Group's net loss for the period of RM7,442 by the number of ordinary shares in issue during the period of 110,643,081.