



VERSATILE CREATIVE BERHAD
(Company No. : 603770-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2005
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30/9/2005	30/9/2004	30/9/2005	30/9/2004
	RM '000	RM '000	RM '000	RM '000
Revenue	17,048	16,304	49,936	44,748
Cost of Sales	(13,979)	(13,050)	(40,798)	(35,677)
Gross Profit	3,069	3,254	9,138	9,071
Other Operating Expenses	(2,499)	(2,536)	(7,593)	(7,444)
Other Income	39	255	131	343
Profit before finance costs, taxation and minority interests	609	973	1,676	1,970
Interest income	21	8	48	26
Finance Costs	(651)	(631)	(1,970)	(1,861)
(Loss)/Profit before taxation and minority interests	(21)	350	(246)	135
Taxation	(59)	(220)	(262)	(305)
(Loss)/Profit after taxation before minority interests	(80)	130	(508)	(170)
Minority interests	-	9	-	23
Net (loss)/profit for the period	(80)	139	(508)	(147)
(Loss)/Earnings per share - Basic (sen)	(0.072)	0.126	(0.459)	(0.133)
(Loss)/Earnings per share - Diluted (sen)	NA	NA	NA	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial period ended 31 December 2004)



VERSATILE CREATIVE BERHAD
(Company No. : 603770-D)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2005
(The figures have not been audited)

	As at 30/9/2005 RM '000	As at 31/12/2004 RM '000
Property, Plant and Equipment	48,620	51,447
Goodwill on Consolidation	30,110	31,128
Other Investments	33,993	33,993
	<u>112,723</u>	<u>116,568</u>
Current Assets		
Inventories	6,376	7,798
Trade Receivables	20,537	19,861
Other Receivables, deposits and prepayments	2,406	1,549
Tax Recoverable	467	220
Fixed deposits with licensed banks and a financial institution	544	936
Cash and Bank Balances	2,421	1,438
	<u>32,751</u>	<u>31,802</u>
Current Liabilities		
Trade Payables	5,852	6,569
Other Payables and accruals	1,392	3,371
Borrowings	21,520	23,050
Hire Purchase Creditors	1,878	1,638
Bank overdrafts	4,009	2,372
Provision for taxation	48	-
	<u>34,699</u>	<u>37,000</u>
Net Current Liabilities	(1,948)	(5,198)
Non Current Liabilities		
Borrowings	(14,470)	(14,249)
Hire Purchase Creditors	(1,914)	(2,331)
Deferred Taxation	(5,657)	(5,548)
	<u>(22,041)</u>	<u>(22,128)</u>
	<u>88,734</u>	<u>89,242</u>
Financed by:		
Share Capital	110,643	110,643
Reserves	(21,909)	(21,401)
	<u>88,734</u>	<u>89,242</u>
Net Tangible Assets per share (RM)	<u>0.5298</u>	<u>0.5252</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial period ended 31 December 2004)



VERSATILE CREATIVE BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2005
(The figures have not been audited)

	Period Ended 30/9/2005 RM '000	Period Ended 30/9/2004 RM '000
Cash Flows From Operating Activities		
Net cash generated from operating activities	3,814	779
Cash Flows from Investing Activities		
Net cash used in investing activities	(1,036)	(8,383)
Cash Flows from Financing Activities		
Net cash (used in)/generated from financing activities	(3,432)	6,531
Net Change in Cash & Cash Equivalents	<u>(654)</u>	<u>(1,073)</u>
Cash & cash equivalents at beginning of year	(934)	(1,158)
Cash & cash equivalents at end of period	<u>(1,588)</u>	<u>(2,231)</u>
Cash and cash equivalents included in the cash flow statement comprises:		
Cash and Bank Balances	2,421	250
Bank Overdrafts	<u>(4,009)</u>	<u>(2,481)</u>
	<u>(1,588)</u>	<u>(2,231)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial period ended 31 December 2004)



VERSATILE CREATIVE BERHAD
(Company No. : 603770-D)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2005
(The figures have not been audited)

	Share Capital RM '000	Non-Distributable Capital Redemption Reserve RM '000	Distributable Accumulated losses RM '000	Total RM '000
At 1 January 2005	110,643	3,000	(24,401)	89,242
Net loss for the period	-	-	(508)	(508)
At 30 September 2005	110,643	3,000	(24,909)	88,734
At 1 January 2004	110,643	1,450	(23,246)	88,847
Net loss for the period	-	-	(147)	(147)
At 30 September 2004	110,643	1,450	(23,393)	88,700

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial period ended 31 December 2004)



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

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.

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

6. Other Investments

	30/9/2005
	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>10,874</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
THIRD QUARTER ENDED 30 SEPTEMBER 2005****12. Segment Information**

Segmental information for the financial period ended 30 September 2005.

	Paper products 2005 RM'000	Plastic products 2005 RM'000	Colour Separation & Printing 2005 RM'000	Others 2005 RM'000	Elimination 2005 RM'000	Consolidated 2005 RM'000
Business Segments						
Revenue from external customers	16,363	22,604	10,865	104	-	49,936
Inter-segment revenue	242	-	48	-	(290)	-
Total revenue	<u>16,605</u>	<u>22,604</u>	<u>10,913</u>	<u>104</u>	<u>(290)</u>	<u>49,936</u>
Operating Results	<u>801</u>	<u>2,240</u>	<u>238</u>	<u>(585)</u>	<u>(1,018)</u>	<u>1,676</u>
Interest income						48
Finance cost						(1,970)
Loss before taxation and minority interests						<u>(246)</u>
Taxation						<u>(262)</u>
Loss after taxation and minority interests						<u>(508)</u>
Minority interests						-
Net loss for the Period						<u>(508)</u>

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

Segmental information for the financial period ended 30 September 2004.

	Paper products 2004 RM'000	Plastic products 2004 RM'000	Colour Separation & Printing 2004 RM'000	Others 2004 RM'000	Elimination 2004 RM'000	Consolidated 2004 RM'000
Business Segments						
Revenue from external customers	16,900	18,061	9,594	193	-	44,748
Inter-segment revenue	(68)	-	58	-	10	-
Total revenue	16,832	18,061	9,652	193	24	44,748
Operating Results	1,479	1,120	882	(493)	(1,018)	1,970
Interest income						26
Finance cost						(1,861)
Loss before taxation and minority interests						135
Taxation						(305)
Loss after taxation and minority interests						(170)
Minority interests						23
Net loss for the Period						(147)

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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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

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: -

	2005
	RM'000
Property, plant and equipment – Approved but not contract for	<u>365</u>

18. Related Party Transactions

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

	Current Quarter ended 30/9/2005 RM'000
With a company in which Encik Shahabuddin bin Abdullah @ Lee Seng Pun, a Director, has interests :-	
DI Print Solutions Sdn Bhd	
Sales	1,692
Purchases	<u>(25)</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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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

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

For the September quarter under review, the Group recorded a revenue of RM17.048 million compared to RM16.304 million in 2004 and a loss before taxation and minority interests of RM21,000 compared to a profit before taxation and minority interests of RM350,000 in 2004.

2. Variation of Results against Immediate Preceding Quarter

The Group's revenue for the current quarter amounted to RM17.048 million compared to RM16.851 million, in the second quarter ended 30 June 2005. A loss before taxation and minority interests of RM21,000 was incurred compared to a profit before taxation and minority interests of RM50,000 in the immediate preceding quarter. This was mainly due to lower margins experienced by the paper products, colour separation and printing businesses.

3. Prospects

The packaging and printing businesses continue to experience intense competition and the Directors expect the coming quarters to remain challenging. Nevertheless, the Directors are continuing their efforts in minimising overall costs.

4. Profit Forecast

This is not applicable.

5. Taxation

	Quarter ended 30/9/2005 RM'000	Quarter ended 30/9/2004 RM'000	Period ended 30/9/2005 RM'000	Period ended 30/9/2004 RM'000
Taxation for the quarter/period	59	70	153	155
Deferred Taxation for the quarter/period	-	150	109	150
	<u>59</u>	<u>220</u>	<u>262</u>	<u>305</u>

The effective tax rate was higher mainly because no group tax relief was available and certain expenses were not allowable for tax deduction.

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

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: -

	30/9/2005
	RM'000
Current	
Borrowings (secured)	19,020
Borrowings (unsecured)	2,500
	21,520
Bank Overdrafts (secured)	4,001
Bank Overdrafts (unsecured)	8
	4,009
Non Current Borrowings (secured)	14,470
Total Borrowings	<u>39,999</u>

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



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2005**

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. (Loss)/Earnings per share

Basic (Loss)/Earnings per share

Basic loss per share is calculated by dividing the Group's net loss for the period of RM79,754 by the number of ordinary shares in issue during the period of 110,643,081.