



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 30 JUNE 2007**

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**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 134: 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 2006.

**Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006.

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

The annual audited financial statements of the Group for the year ended 31 December 2006 were not subject to any qualifications.

**Seasonal or Cyclical Nature of Operations**

The Group operates in three main business segments which can be affected by seasonal and cyclical factors of operations.

**Items of Unusual Nature**

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

**Changes in Estimates**

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

**Valuation of property, plant and equipment**

Land and buildings have been brought forward, without amendment from the audited financial statements for the financial year ended 31 December 2006.



**VERSATILE CREATIVE BERHAD**

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**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 year under review.

**Dividends Paid**

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

**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.

**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  
SECOND QUARTER ENDED 30 JUNE 2007****Segment Information**

Segmental information for the financial period ended 30 June 2007.

	<b>Paper products 2007 RM'000</b>	<b>Plastic products 2007 RM'000</b>	<b>Colour Separation &amp; Printing 2007 RM'000</b>	<b>Others 2007 RM'000</b>	<b>Elimination 2007 RM'000</b>	<b>Consolidated 2007 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	10,452	19,044	5,684	-	-	35,180
Inter-segment revenue	279	-	26	-	(305)	-
<b>Total revenue</b>	<b>10,731</b>	<b>19,044</b>	<b>5,710</b>	<b>-</b>	<b>(305)</b>	<b>35,180</b>
<b>Operating results</b>	<b>58</b>	<b>1,842</b>	<b>(3)</b>	<b>(398)</b>	<b>1</b>	<b>1,500</b>
Interest income						12
Finance costs						(1,364)
Profit before taxation						148
Tax expense						(144)
Net profit for the period						4

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Segmental information for the financial period ended 30 June 2006.

	<b>Paper products 2006 RM'000</b>	<b>Plastic products 2006 RM'000</b>	<b>Colour Separation &amp; Printing 2006 RM'000</b>	<b>Others 2006 RM'000</b>	<b>Elimination 2006 RM'000</b>	<b>Consolidated 2006 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	10,847	14,836	8,029	-	-	33,712
Inter-segment revenue	96	-	55	-	(151)	-
<b>Total revenue</b>	<b>10,943</b>	<b>14,836</b>	<b>8,084</b>	<b>-</b>	<b>(151)</b>	<b>33,712</b>
<b>Operating results</b>	<b>(828)</b>	<b>756</b>	<b>179</b>	<b>(455)</b>	<b>(18)</b>	<b>(366)</b>
Interest income						14
Finance costs						(1,411)
Loss before taxation						(1,763)
Tax expense						(31)
Net loss for the period						(1,794)

**Changes in Contingent Liabilities**

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

**Inventories**

There was an allowance made on inventories for obsolescence amounting to RM15,090 for the current financial period to date.

**Provision for Warranties**

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

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**Changes in Tax Rate (Estimates)**

This note is not applicable.

**Capital Commitments**

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

	<b>2007</b>
	RM'000
Property, plant and equipment – Approved but not contracted for	4,402
	<u>=====</u>

**Related Party Transactions**

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

	<b>Current Quarter</b>
	<b>Ended 30/6/2007</b>
	RM'000
<b>With a company in which Encik Shahabuddin bin Abdullah @ Lee Seng Pun, a Director, has interests :-</b>	
DI Print Solutions Sdn Bhd	
Sales	2,465
Purchases	(241)
	<u>=====</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****Review of Performance**

For the quarter ended 30 June 2007, the Group recorded a revenue of RM18.2 million compared to RM18.1 million in 2006 and a profit before taxation of RM0.3 million compared to a loss before tax of RM0.5 million in 2006. The profit for the second quarter ended 30 June 2007 compared to a loss in 2006 was mainly due to lower net doubtful debt allowances made in the current quarter.

**Variation of Results against Immediate Preceding Quarter**

The Group's revenue for the current quarter amounted to RM18.2 million as compared to RM16.9 million in the first quarter ended 31 March 2007. A profit before taxation of RM0.3 million was registered compared to a loss before taxation of RM0.1 million in the immediate preceding quarter. The profit in the second quarter compared to a loss in the preceding quarter was mainly due to lower net doubtful debt allowances made in the current quarter.

**Prospects**

The packaging and printing businesses continue to experience intense competition and the Directors expect the coming quarters to remain challenging. Nevertheless, further efforts will be made to improve revenue and minimise overall costs.

**Profit Forecast**

This is not applicable.

**Tax expense**

	<b>Quarter ended 30/6/2007 RM'000</b>	<b>Quarter ended 30/6/2006 RM'000</b>	<b>Period ended 30/6/2007 RM'000</b>	<b>Period ended 30/6/2006 RM'000</b>
Taxation for the quarter/period	71	16	191	31
Deferred Taxation for the quarter/period	-	-	(47)	-
	<u>71</u>	<u>16</u>	<u>144</u>	<u>31</u>

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**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.

**Quoted Securities**

There were no disposals or acquisitions of quoted securities for the current quarter.

	30/6/2007 RM'000
Quoted shares	
At cost	<u>36,684</u>
At market value	<u>40,026</u>

**Status of Corporate Proposals Announced**

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

**Borrowing and Debt Securities (Excluding Term Loans and Hire Purchase Creditors)**

(a) Group borrowings as at the reporting quarter were as follows:-

	30/6/2007 RM'000
<i>Secured</i>	
Borrowings	16,392
Bank Overdrafts	4,554
	20,946
<i>Unsecured</i>	
Borrowings	705
Bank Overdrafts	374
	1,079
Total Borrowings	<u><u>22,025</u></u>

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



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**Off Balance Sheet Financial Instruments**

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

**Changes in Material Litigation**

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

**Dividends**

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

**Earnings per share - Basic**

Basic earnings per share is calculated by dividing the Group's net profit for the period of RM4,006 by the number of ordinary shares in issue during the period of 110,643,081.