



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FORTH QUARTER ENDED 31 DECEMBER 2007**

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 changes in the composition of the Group for the current quarter under review except for an acquisition of a subsidiary and a disposal of another subsidiary.

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Segmental information for the financial year ended 31 December 2007.

| | Paper products 2007 RM'000 | Plastic products 2007 RM'000 | Colour Separation & Printing 2007 RM'000 | Others 2007 RM'000 | Elimination 2007 RM'000 | Consolidated 2007 RM'000 |
|---------------------------------|---|---|---|-----------------------------------|--|---|
| Business Segments | | | | | | |
| Revenue from external customers | 22,467 | 38,927 | 11,021 | - | - | 72,415 |
| Inter-segment revenue | 429 | - | 76 | 802 | (1,307) | - |
| Total revenue | 22,896 | 38,927 | 11,097 | 802 | (1,307) | 72,415 |
| Operating results | 999 | 2,340 | (3,040) | (23,127) | - | (22,828) |
| Interest income | | | | | | 35 |
| Finance costs | | | | | | (2,605) |
| Loss before taxation | | | | | | (25,398) |
| Taxation | | | | | | 342 |
| Net loss for the year | | | | | | (25,056) |

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Segmental information for the financial year ended 31 December 2006.

| | Paper products 2006 RM'000 | Plastic products 2006 RM'000 | Colour Separation & Printing 2006 RM'000 | Others 2006 RM'000 | Elimination 2006 RM'000 | Consolidated 2006 RM'000 |
|---------------------------------|---|---|---|-----------------------------------|--|---|
| Business Segments | | | | | | |
| Revenue from external customers | 22,801 | 31,832 | 15,181 | - | - | 69,814 |
| Inter-segment revenue | 231 | - | 124 | 772 | (1,127) | - |
| Total revenue | 23,032 | 31,832 | 15,305 | 772 | (1,127) | 69,814 |
| Operating results | 180 | 1,602 | 648 | 2,342 | (17) | 4,755 |
| Interest income | | | | | | 26 |
| Finance costs | | | | | | (3,103) |
| Profit before taxation | | | | | | 1,678 |
| Taxation | | | | | | (67) |
| Net profit for the year | | | | | | 1,611 |

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 RM81,844 for the current financial year.

Provision for Warranties

There was no provision for warranties for the current financial year.



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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: -

| | 2007 |
|---|--------------|
| | RM'000 |
| Property, plant and equipment – Approved but not contracted for | 3,999 |
| | <u>=====</u> |

Related Party Transactions

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

| | Current Year |
|--|-------------------------|
| | Ended 31/12/2007 |
| | RM'000 |
| With a company in which Encik Shahabuddin bin Abdullah @ Lee Seng Pun, a Director, had interests :- | |
| DI Print Solutions Sdn Bhd | |
| Sales | 4,325 |
| Purchases | (398) |
| | <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 31 December 2007, the Group recorded a revenue of RM16.7 million compared to RM19 million in 2006 and a loss before taxation of RM26.5 million compared to a profit before taxation of RM3.0 million in 2006. The loss for current quarter was mainly due to impairment made on goodwill and diminution in value of quoted securities.

Variation of Results against Immediate Preceding Quarter

The Group's revenue for the current quarter amounted to RM16.7 million as compared to RM20.5 million in the third quarter ended 30 September 2007. A loss before taxation of RM26.5 million compared to a profit before taxation of RM0.9 million in the immediate preceding quarter. The loss for current quarter was mainly due to impairment made on goodwill and diminution in value of quoted securities.

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.

Taxation

| | Quarter ended 31/12/2007 | Quarter ended 31/12/2006 | Year ended 31/12/2007 | Year ended 31/12/2006 |
|--|---|---|----------------------------------|----------------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Taxation for the quarter/year | 355 | 17 | 603 | 67 |
| Deferred Taxation for the quarter/year | (898) | - | (945) | - |
| | (543) | 17 | (342) | 67 |



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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 year.

| | 31/12/2007 |
|---|-------------------|
| | RM'000 |
| Quoted securities | |
| At cost | 36,684 |
| Less :Allowance for diminution in value | (12,222) |
| | <u>24,462</u> |
| At market value | <u>25,712</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 year were as follows:-

| | 31/12/2007 |
|------------------|-------------------|
| | RM'000 |
| <i>Secured</i> | |
| Borrowings | 16,329 |
| Bank Overdrafts | 4,078 |
| | 20,407 |
| <i>Unsecured</i> | |
| Borrowings | 482 |
| Bank Overdrafts | 457 |
| | 939 |
| Total Borrowings | <u>21,346</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 year 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.

Losses per share - Basic

Basic losses per share is calculated by dividing the Group's net loss for the year of RM25,055,814 by the number of ordinary shares in issue during the year of 110,643,081.