



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2008**

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 2007.

Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007.

Audit Report Qualification and Status of Matters Raised

The annual audited financial statements of the Group for the year ended 31 December 2007 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 2007.



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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.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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Segmental information for the financial year ended 31 December 2008.

	Paper products 2008 RM'000	Plastic products 2008 RM'000	Colour Separation & Printing 2008 RM'000	Others 2008 RM'000	Elimination 2008 RM'000	Consolidated 2008 RM'000
Business Segments						
Revenue from external customers	21,199	32,505	12,121	-	-	65,825
Inter-segment revenue	131	(2)	40	729	(898)	-
Total revenue	<u>21,330</u>	<u>32,503</u>	<u>12,161</u>	<u>729</u>	<u>(898)</u>	<u>65,825</u>
Operating results	<u>(11,830)</u>	<u>906</u>	<u>1,208</u>	<u>(9,598)</u>	<u>7,797</u>	<u>(11,517)</u>
Interest income						26
Finance costs						(2,259)
Loss before taxation						<u>(13,750)</u>
Taxation						<u>915</u>
Net loss for the year						<u><u>(12,835)</u></u>

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(Company No. : 603770-D)

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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	22,406	38,927	11,021	-	-	72,338
Inter-segment revenue	490	-	92	802	(1,384)	-
Total revenue	<u>22,896</u>	<u>38,927</u>	<u>11,097</u>	<u>802</u>	<u>(1,384)</u>	<u>72,338</u>
Operating results	<u>(367)</u>	<u>2,304</u>	<u>(3,063)</u>	<u>(38,708)</u>	<u>16,965</u>	<u>(22,869)</u>
Interest income						17
Finance costs						(2,547)
Profit before taxation						<u>(25,399)</u>
Taxation						<u>343</u>
Net loss for the year						<u><u>(25,056)</u></u>

Changes in Contingent Liabilities

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

Inventories

A provision of RM130, 823 was made for slow-moving stocks in 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: -

Property, plant and equipment – Approved but not contracted for

2008
RM'000
4,827
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Related Party Transactions

There were no significant related party transactions in the current financial year.



VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

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B. Additional information required by the Bursa Malaysia's Listing Requirements

Review of Performance

For the quarter ended 31 December 2008, the Group recorded a revenue of RM15.1 million compared to RM16.7 million in 2007 and a loss before taxation of RM13.3 million compared to a loss before taxation of RM26.5 million in 2007. A loss was recorded for the current quarter, mainly due to diminution in investment of quoted shares.

Variation of Results against Immediate Preceding Quarter

The Group's revenue for the current quarter amounted to RM15.1 million as compared to RM16.5 million in the third quarter ended 30 September 2008. A loss before taxation of RM13.3 million compared to a loss before taxation of RM0.3 million in the immediate preceding quarter. Lower losses incurred in the third quarter compared to the current quarter was mainly due to diminution in investment of quoted shares.

Prospects

In view of the prevailing economic environment, the Directors expect trading conditions in the coming year to be difficult and do not expect the Group to improve its trading results in the near term.

Nevertheless, further efforts will be made to improve revenue and minimise overall costs.

Profit Forecast

This is not applicable.

Taxation

	Quarter ended 31/12/2008	Quarter ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
	RM'000	RM'000	RM'000	RM'000
Taxation for the quarter/year	147	355	245	602
Under provision in prior year	-	-	11	-
Deferred Taxation for the quarter/year	(1,155)	(898)	(1,171)	(945)
	<u>(1,008)</u>	<u>(543)</u>	<u>(915)</u>	<u>(343)</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 year.

	31/12/2008
	RM'000
Quoted shares	
Valuation at beginning of the year	24,461
Less : Diminution in value	(13,063)
	<u>11,398</u>
At market value	<u>11,398</u>

Status of Corporate Proposals Announced

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

Borrowing and Debt Securities

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

	31/12/2008
	RM'000
<i>Secured</i>	
Borrowings	16,310
Term Loan	7,919
Hire Purchases Creditors	2,537
Bank Overdrafts	4,792
	31,558
<i>Unsecured</i>	
Borrowings	247
Bank Overdrafts	436
	683
Total Borrowings	<u>32,241</u>



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

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:-

Kuala Lumpur High Court (Commercial Division) Write of Summons No : S7-22-320-2008
Plaintiff : A Harvest Century Marketing (M) Sdn Bhd Plaintiff
Defendant : Imagescan Creative Sdn Bhd (A Sub-Subsidiary of Versatile Creative Berhad)

As announced on 11 September 2008, the Plaintiff and Defendant have reached an amicable settlement via entering into a consent judgment in respect of the Plaintiff's claim and the Defendant has withdrawn its counter claim from the court.

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 RM12,834,886 by the number of ordinary shares in issue during the year of 110,643,081.