

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Quarter Ended 30/09/2010 RM '000	Quarter Ended 30/09/2009 RM '000	Period Ended 30/09/2010 RM '000	Period Ended 30/09/2009 RM '000
Revenue	13,313	13,431	43,600	38,085
Cost of Sales	(12,097)	(11,770)	(39,016)	(33,774)
Gross Profit	1,216	1,661	4,584	4,312
Other Operating Expenses	(1,668)	(1,689)	(5,148)	(5,410)
Other Income	121	227	590	826
Operating Results	(331)	199	26	(273)
Interest Income	4	7	13	18
Finance Costs	(487)	(434)	(1,389)	(1,361)
(Loss)/Profit Before Taxation	(814)	(228)	(1,350)	(1,617)
Taxation	-	-	-	-
Loss after taxation before minority interests	(814)	(228)	(1,350)	(1,617)
Minority interests	-	-	-	-
(Loss)/Profit for the Period	(814)	(228)	(1,350)	(1,617)
<b>(Losses)/Earnings per Share - Basic (sen)</b>	<b>(0.74)</b>	<b>(0.21)</b>	<b>(1.22)</b>	<b>(1.46)</b>
<b>Losses per Share - Diluted (sen)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30/09/2010 RM'000	As at 31/12/2009 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	34,183	35,123
Intangible Asset	18,771	18,771
Prepaid Interest in Leased Land	1,433	1,454
Other Investments	19,458	19,458
	<u>73,845</u>	<u>74,805</u>
<b>Current Assets</b>		
Receivables, Deposits and Prepayments	14,361	12,783
Inventories	8,476	7,424
Current Tax Assets	95	242
Cash and Cash Equivalents	1,599	2,778
	<u>24,531</u>	<u>23,226</u>
<b>Total Assets</b>	<u>98,376</u>	<u>98,030</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	110,643	110,643
Capital Redemption Reserve	3,000	3,000
Accumulated Losses	(60,446)	(59,096)
<b>Total Equity</b>	<u>53,197</u>	<u>54,547</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Loan and Borrowings	6,164	6,302
Deferred Taxation	3,507	3,507
	<u>9,671</u>	<u>9,809</u>
<b>Current Liabilities</b>		
Payables and Accruals	10,960	11,226
Loan and Borrowings	24,533	22,449
Provision for Taxation	15	-
	<u>35,508</u>	<u>33,675</u>
<b>Total Liabilities</b>	45,179	43,484
<b>Total Equity and Liabilities</b>	<u>98,376</u>	<u>98,030</u>
<b>Net Assets per share (RM)</b>	<u>0.48</u>	<u>0.49</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Period Ended 30/09/2010 RM '000	Period Ended 30/09/2009 RM '000
<b>Cash Flows From Operating Activities</b>		
Net cash (used in)/generated from operating activities	(753)	3,916
<b>Cash Flows From Investing Activities</b>		
Net cash (used in)/from investing activities	(501)	199
<b>Cash Flows From Financing Activities</b>		
Net cash used in financing activities	(322)	(3,523)
Net Change in Cash & Cash Equivalents	(1,576)	592
<b>Cash &amp; Cash Equivalents at beginning of the period</b>	(2,138)	(4,813)
<b>Cash &amp; Cash Equivalents at end of the period</b>	(3,714)	(4,221)
<b>Cash and Cash Equivalents included in the Cash Flow Statement Comprises:</b>		
Cash and Bank Balances	949	623
Deposits with licensed banks	650	628
Bank Overdrafts	(4,662)	(4,844)
	(3,063)	(3,593)
Less : Deposits pledge/deposit with maturity of more than three months	(650)	(628)
	(3,714)	(4,221)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

	Share Capital RM '000	Non- Distributable Capital Redemption Reserve RM '000	Accumulated Losses RM '000	Total Equity RM '000
At 01st January 2010	110,643	3,000	(59,096)	54,547
At 30th September 2010	-	-	(1,350)	(1,350)
<b>At 30th September 2010</b>	<b>110,643</b>	<b>3,000</b>	<b>(60,446)</b>	<b>53,197</b>
At 01st January 2009	110,643	3,000	(60,716)	52,926
At 30th September 2009	-	-	(1,617)	(1,617)
<b>At 30th September 2009</b>	<b>110,643</b>	<b>3,000</b>	<b>(62,333)</b>	<b>51,310</b>



## VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

### UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

---

#### NOTES TO QUARTERLY FINANCIAL REPORT

##### 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 2009.

###### Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2009, except for Adoption of New and Revised FRSs, IC Interpretations and Amendments with the effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs, revised FRSs and amendments/ improvements to FRSs and IC Ints:-

###### New FRSs

FRS 4	Insurance Contract
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 139	Financial Instruments: Recognition and Measurement

###### Revised FRSs

FRS 101	Presentation of Financial Statements (revised 2009)
FRS 123	Borrowing costs

###### Amendments/ Improvements to FRSs

FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement, FRS 7: Financial Instrument: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives

###### IC Int

IC Int 9	Reassessment of Embedded Derivatives
IC Int 10	Interim Financial Reporting and Impairment

The application of the above FRSs, Amendments to FRSs and interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.



**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

---

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

The annual audited financial statements of the Group for the year ended 31 December 2009 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 2009.



**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

---

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2010****Segment Information**

Segmental information for the financial period ended 30 September 2010.

	<b>Paper products 2010 RM'000</b>	<b>Plastic products 2010 RM'000</b>	<b>Colour Separation &amp; Printing 2010 RM'000</b>	<b>Others 2010 RM'000</b>	<b>Elimination 2010 RM'000</b>	<b>Consolidated 2010 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	18,994	18,943	5,663	-	-	43,600
Inter-segment revenue		-	39	480	(519)	-
Total revenue	<u>18,994</u>	<u>18,944</u>	<u>5,702</u>	<u>480</u>	<u>(519)</u>	<u>43,600</u>
<b>Operating results</b>	<u>771</u>	<u>(419)</u>	<u>(156)</u>	<u>(170)</u>	<u>-</u>	26
Interest income						13
Finance costs						(1,389)
Loss before taxation						<u>(1,350)</u>
Taxation						-
Net loss for the period						<u>(1,350)</u>



**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

Segmental information for the financial period ended 30 September 2009.

	<b>Paper products 2009 RM'000</b>	<b>Plastic products 2009 RM'000</b>	<b>Colour Separation &amp; Printing 2009 RM'000</b>	<b>Others 2009 RM'000</b>	<b>Elimination 2009 RM'000</b>	<b>Consolidated 2009 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	13,685	19,086	5,314	-	-	38,085
Inter-segment revenue	18	1	48	420	(486)	-
Total revenue	<u>13,703</u>	<u>19,087</u>	<u>5,363</u>	<u>-</u>	<u>(486)</u>	<u>38,085</u>
<b>Operating results</b>	<u>142</u>	<u>282</u>	<u>(425)</u>	<u>(271)</u>	<u>-</u>	<u>(273)</u>
Interest income						19
Finance costs						(1,363)
Loss before taxation						<u>(1,617)</u>
Taxation						-
Net loss for the period						<u><u>(1,617)</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 RM59,068 for slow-moving stocks was made in the current financial period.

**Provision for Warranties**

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



**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

---

**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>30/09/2010</b>
	RM'000
Property, plant and equipment – Approved but not contracted for	<u>3,014</u>

**Related Party Transactions**

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



## VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

### UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

---

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

##### **Review of Performance**

For the quarter ended 30 September 2010, the Group recorded a revenue of RM13.3 million compared to RM13.4 million in the corresponding quarter in 2009 and a loss before taxation of RM0.8 million compared to a loss before taxation of RM0.2 million in 2009. The higher loss before taxation incurred in the current quarter can be mainly attributable to the adverse performance in the plastics segment.

##### **Variation of Results against Immediate Preceding Quarter**

The Group's revenue for the current quarter amounted to RM13.3 million as compared to RM16.1 million in the second quarter ended 30 June 2010. The loss before taxation of RM0.8 million for the current quarter was higher as compared to a loss before taxation of RM68,000 in the preceding quarter. The higher loss before taxation incurred in the current quarter was mainly due to a decrease in revenue by 17% due to the longer period of shut down for the festive holidays in the current quarter.

##### **Prospects**

While the packaging and printing business continue to experience intense competition, an upward trend in demand has been noted. On a year-to-date basis, the improvements both at the revenue level and at the profit / (loss) before taxation level, are good indicators that the performance of the Group is continuing on the road to recovery. The Directors are hopeful that the worst is behind us and expect the performance of the Group to continue to improve.

The Group continues to put effort into improving revenue opportunities and reducing costs. Despite difficult trading conditions the Group continues to selectively invest in fixed assets to improve efficiencies, minimize costs and to reduce reliance on manual labour.

##### **Profit Forecast**

This is not applicable.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****Taxation**

	<b>Quarter ended 30/09/2010</b>	<b>Quarter ended 30/09/2009</b>	<b>Period ended 30/09/2010</b>	<b>Period ended 30/09/2009</b>
	RM'000	RM'000	RM'000	RM'000
Taxation for the quarter/period	-	-	-	-
Under/ (over) provision in prior year	-	-	-	-
Deferred Taxation for the quarter/period	-	-	-	-
	-	-	-	-

**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**

The group did not make any disposals of quoted securities for the current quarter.

		<b>30/09/2010</b>
		RM'000
Quoted shares		
Valuation as at	1 January 2010	19,458
Add : Acquisitions		948
Less :Disposal		<u>(948)</u>
Valuation as at	30th September 2010	<u>19,458</u>
Market value as at	@30th September2010	19,458

**Status of Corporate Proposals Announced**

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



# VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

## UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

### Borrowing and Debt Securities

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

	<b>30/09/2010</b>
	RM'000
<i>Secured</i>	
Borrowings	17,133
Term Loan	5,318
Hire Purchases Creditors	3,584
Bank Overdrafts	4,662
	<u>30,697</u>
<i>Unsecured</i>	
Borrowings	-
Bank Overdrafts	-
	-
Total Borrowings	<u><u>30,697</u></u>

(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 period to date.

### Changes in Material Litigation

As at the date of the report, the Company was involved in the following litigation:-

Johor Bharu High Court (Civil Division) Writ Of Summons No: MT1 – 22 – 775 – 2008

Plaintiff: Versatile Paper Boxes Sdn Bhd (A subsidiary of Versatile Creative Berhad)

Defendant: PBI Paper Sdn Bhd (Company No.: 600856-M)

There were no changes in the abovementioned case since announcement made on 09 Feb 2010.

### Dividends

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

### Earnings / (loss) per share - Basic

Basic earnings / (loss) per share is calculated by dividing the Group's net losses for the period of RM813,945 by the number of ordinary shares in issue during the period of 110,643,081.