

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31/12/2010 RM '000	Quarter Ended 31/12/2009 RM '000	Period Ended 31/12/2010 RM '000	Period Ended 31/12/2009 RM '000
Revenue	13,918	14,488	57,518	52,574
Cost of Sales	(12,318)	(12,551)	(51,334)	(46,324)
Gross Profit	1,600	1,938	6,184	6,249
Other Operating Expenses	(1,809)	(7,485)	(6,957)	(12,895)
Other Income	957	9,059	1,547	9,884
Operating Results	748	3,512	775	3,239
Interest Income	5	5	18	24
Finance Costs	(553)	(344)	(1,942)	(1,707)
(Loss)/Profit Before Taxation	200	3,173	(1,150)	1,556
Taxation	1,383	64	1,383	64
Loss after taxation before minority interests	1,583	3,237	234	1,620
Minority interests	-	-	-	-
Profit for the Period	1,583	3,237	234	1,620
Earnings per Share - Basic (sen)	1.43	2.93	0.21	1.46
Losses per Share - Diluted (sen)	NA	NA	NA	NA

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/12/2010 RM'000	As at 31/12/2009 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	33,518	35,123
Intangible Asset	18,771	18,771
Prepaid Interest in Leased Land	1,427	1,454
Other Investments	17,067	17,512
	<u>70,782</u>	<u>72,859</u>
Current Assets		
Receivables, Deposits and Prepayments	14,235	12,783
Inventories	8,990	7,424
Current Tax Assets	125	242
Other Investment Held for Trading	1,896	1,946
Cash and Cash Equivalents	1,601	2,778
	<u>26,847</u>	<u>25,171</u>
Total Assets	<u>97,630</u>	<u>98,030</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	110,643	110,643
Capital Redemption Reserve	3,000	3,000
Fair Value Adjustment Reserve	(445)	
Accumulated Losses	(58,863)	(59,096)
Total Equity	<u>54,335</u>	<u>54,547</u>
LIABILITIES		
Non-Current Liabilities		
Loan and Borrowings	5,567	6,302
Deferred Taxation	2,151	3,507
	<u>7,718</u>	<u>9,809</u>
Current Liabilities		
Payables and Accruals	10,791	11,226
Liability Classified as Held for Sale	-	-
Loan and Borrowings	24,786	22,449
Provision for Taxation	-	-
	<u>35,577</u>	<u>33,675</u>
Total Liabilities	43,294	43,484
Total Equity and Liabilities	<u>97,630</u>	<u>98,030</u>
Net Assets per share (RM)	<u>0.49</u>	<u>0.49</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Period Ended 31/12/2010 RM '000	Period Ended 31/12/2009 RM '000
Cash Flows From Operating Activities		
Net cash generated from operating activities	1,460	7,222
Cash Flows From Investing Activities		
Net cash used in investing activities	(1,088)	(82)
Cash Flows From Financing Activities		
Net cash used in financing activities	(2,227)	(4,466)
Net Change in Cash & Cash Equivalents	(1,855)	2,674
Cash & Cash Equivalents at beginning of the period	(2,138)	(4,812)
Cash & Cash Equivalents at end of the period	(3,993)	(2,138)

Cash and Cash Equivalents included in the Cash Flow Statement Comprises:

Cash and Bank Balances	944	2,138
Deposits with licensed banks	657	639
Bank Overdrafts	(4,937)	(4,276)
	(3,336)	(1,499)
Less : Deposits pledge/deposit with maturity of more than three months	(657)	(639)
	(3,993)	(2,138)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM '000	Non-Distributable Capital Redemption Reserve RM '000	Fair value Adjustment Reserve RM '000	Accumulated Losses RM '000	Total Equity RM '000
At 01st January 2010	110,643	3,000	-	(59,096)	54,547
Transfer					
At 31st December 2010	-	-	(445)	234	(211)
At 31st December 2010	110,643	3,000	(445)	(58,863)	54,335
At 01st January 2009	110,643	3,000	-	(60,716)	52,926
At 31st December 2009	-	-	-	1,620	1,620
At 31st December 2009	110,643	3,000	-	(59,096)	54,546



VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

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



VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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.

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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2010****Segment Information**

Segmental information for the financial period ended 31 DECEMBER 2010.

	Paper products 2010 RM'000	Plastic products 2010 RM'000	Colour Separation & Printing 2010 RM'000	Others 2010 RM'000	Elimination 2010 RM'000	Consolidated 2010 RM'000
Business Segments						
Revenue from external customers	25,618	24,490	7,411	-	-	57,518
Inter-segment revenue		-	46	633	(679)	
Total revenue	<u>25,618</u>	<u>24,490</u>	<u>7,457</u>	<u>633</u>	<u>(679)</u>	<u>57,518</u>
Operating results	<u>1,768</u>	<u>(597)</u>	<u>13</u>	<u>87</u>	<u>(496)</u>	775
Interest income						18
Finance costs						(1,942)
Loss before taxation						<u>(1,150)</u>
Taxation						1,383
Net Profit for the period						<u>234</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**

Segmental information for the financial period ended 30 December 2009.

	Paper products 2009 RM'000	Plastic products 2009 RM'000	Colour Separation & Printing 2009 RM'000	Others 2009 RM'000	Elimination 2009 RM'000	Consolidated 2009 RM'000
Business Segments						
Revenue from external customers	19,762	25,597	7,215	-	-	52,574
Inter-segment revenue	18	1	66	579	(663)	-
Total revenue	<u>19,779</u>	<u>25,598</u>	<u>7,281</u>	<u>-</u>	<u>(663)</u>	<u>52,574</u>
Operating results	<u>3,240</u>	<u>327</u>	<u>(4,493)</u>	<u>(9,569)</u>	<u>13,734</u>	3,239
Interest income						24
Finance costs						(1,707)
Profit before taxation						<u>1,556</u>
Taxation						64
Net Profit for the period						<u>1,620</u>

Changes in Contingent Liabilities

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

Inventories

Net provision of RM27, 897 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 FOURTH QUARTER ENDED 31 DECEMBER 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: -

	31/12/2010
	RM'000
Property, plant and equipment – Approved but not contracted for	<u>2,343</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 FOURTH QUARTER ENDED 31 DECEMBER 2010

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

Review of Performance

For the quarter ended 31 December 2010, the Group recorded revenue of RM13.9 million compared to RM14.5 million in the corresponding quarter in 2009 and a profit before taxation of RM0.2 million compared to a profit before taxation of RM3.1 million in 2009. The lower profit before taxation incurred in the current quarter as compared to the same quarter in 2009 was mainly due to the reversal of impairment loss on the other investment in fourth quarter in 2009.

Variation of Results against Immediate Preceding Quarter

The Group's revenue for the current quarter amounted to RM13.9 million as compared to RM13.3 million in the third quarter ended 30 September 2010. The profit before taxation of RM0.2 million for the current quarter was higher as compared to a loss before taxation of RM0.8 million in the preceding quarter. The higher profit reported in the current quarter compared to the preceding quarter was mainly due to recovery of provision of doubtful debt in the current quarter.

Prospects

The Malaysian economy grew by 7.2% in 2010. Growth is expected to slow down to 5% to 6% in the 2011. The packaging and printing business continue to be extremely competitive. The Directors expect the coming year to remain challenging and are actively exploring new revenue opportunities to mitigate the slower growth forecasted for 2011.

The Group posted a profit in the fourth quarter mainly attributable to the overprovision of taxation in the prior years. For the full year of 2010, the improvement at the revenue level is a good indicator that the performance of the Group is on the road to recovery. The Directors are optimistic that the performance of the Group will continue to improve in the coming year.

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 the development of new market opportunities..

Profit Forecast

This is not applicable.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****Taxation**

	Quarter ended 31/12/2010 RM'000	Quarter ended 31/12/2009 RM'000	Period ended 31/12/2010 RM'000	Period ended 31/12/2009 RM'000
Taxation for the quarter/period	60	73	60	73
Under/ (over) provision in prior year	(87)	198	(87)	198
Deferred Taxation for the quarter/period	(587)	(335)	(587)	(335)
Under/ (over) provision in prior year	(769)	-	(769)	-
	<u>(1,383)</u>	<u>(64)</u>	<u>(1,383)</u>	<u>(64)</u>

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.

		31/12/2010 RM'000
Quoted shares		
Valuation as at	@01st January 2009	11,398
Less : Disposal		(296)
Add : Mark to Market	@31st December 2009	<u>8,356</u>
Valuation as at	@31st December 2009	19,458
Add : Additional		948
Less : Disposal		<u>(948)</u>
Valuation as at	@31st December2010	19,458
Less : Diminution in market	@31st December2010	<u>(494)</u>
Market value as at	@31st December2010	<u>18,964</u>

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 FOURTH QUARTER ENDED 31 DECEMBER 2010****Borrowing and Debt Securities**

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

	31/12/2010
	RM'000
<i>Secured</i>	
Borrowings	17,261
Term Loan	4,902
Hire Purchases Creditors	3,253
Bank Overdrafts	4,937
	<u>30,352</u>
<i>Unsecured</i>	
Borrowings	-
Bank Overdrafts	-
	-
Total Borrowings	<u><u>30,352</u></u>

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

Realised and Unrealised Profit or Losses

The accumulated losses as at 31 December 2010 and 30 September 2010 are analysed as follows:-

	As At End of Current Quarter 31/12/2010 RM'000	As At End of Preceding Quarter 30/09/2010 RM'000
Total accumulated losses of the Company & subsidiaries :-		
-Realised	(58,769)	(60,446)
-Unrealised	(94)	-
Total Group accumulated losses as per consolidated account	<u><u>(58,863)</u></u>	<u><u>(60,446)</u></u>



VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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 the announcement made on 09 Feb 2010.

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 RM233,551 by the number of ordinary shares in issue during the period of 110,643,081.