

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Quarter Ended 30/09/2011 RM '000	Quarter Ended 30/09/2010 RM '000	Period Ended 30/09/2011 RM '000	Period Ended 30/09/2010 RM '000
Revenue	13,693	13,313	41,849	43,600
Cost of Sales	(12,438)	(12,097)	(37,112)	(39,016)
Gross Profit	<u>1,254</u>	<u>1,215</u>	<u>4,737</u>	<u>4,584</u>
Other Operating Expenses	(2,603)	(1,669)	(6,306)	(5,148)
Other Income	705	121	764	590
Operating Results	<u>(643)</u>	<u>(331)</u>	<u>(805)</u>	<u>26</u>
Interest Income	5	4	15	13
Finance Costs	(515)	(487)	(1,531)	(1,389)
Loss Before Taxation	<u>(1,153)</u>	<u>(814)</u>	<u>(2,320)</u>	<u>(1,350)</u>
Taxation	(6)	-	(6)	-
Loss After Taxation	<u>(1,159)</u>	<u>(814)</u>	<u>(2,327)</u>	<u>(1,350)</u>
Other comprehensive income:-				
Loss on fair value changes	(1,138)	-	(1,138)	-
Total comprehensive loss for the period	<u>(2,297)</u>	<u>(814)</u>	<u>(3,465)</u>	<u>(1,350)</u>
<b>Loss attributable to:</b>				
Owners of the company	(1,159)	(814)	(2,327)	(1,350)
Minority Interest	-	-	-	-
	<u>(1,159)</u>	<u>(814)</u>	<u>(2,327)</u>	<u>(1,350)</u>
<b>Total comprehensive loss attributable to:</b>				
Owners of the company	(2,297)	(814)	(3,465)	(1,350)
Minority Interest	-	-	-	-
	<u>(2,297)</u>	<u>(814)</u>	<u>(3,465)</u>	<u>(1,350)</u>
<b>(Losses)/Earnings per Share - Basic (sen)</b>	<u><b>(2.08)</b></u>	<u><b>(0.74)</b></u>	<u><b>(3.13)</b></u>	<u><b>(1.22)</b></u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30/09/2011 RM'000	As at 31/12/2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	30,484	33,518
Intangible Asset	18,771	18,771
Prepaid Interest in Leased Land	1,406	1,427
Other Investments	15,929	17,067
	<u>66,590</u>	<u>70,782</u>
<b>Current Assets</b>		
Receivables, Deposits and Prepayments	15,124	14,265
Inventories	7,241	8,990
Current Tax Assets	133	125
Asset Classified as held for Sale	1,770	1,896
Cash and Cash Equivalents	947	1,601
	<u>25,216</u>	<u>26,877</u>
<b>Total Assets</b>	<u>91,806</u>	<u>97,660</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	110,643	110,643
Capital Redemption Reserve	3,000	3,000
Accumulated Losses	(61,190)	(58,863)
Fair Value adjustment	(1,583)	(445)
<b>Total Equity</b>	<u>50,871</u>	<u>54,335</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Loan and Borrowings	4,604	5,567
Deferred Taxation	2,151	2,151
	<u>6,754</u>	<u>7,718</u>
<b>Current Liabilities</b>		
Payables and Accruals	11,366	10,821
Loan and Borrowings	22,815	24,786
	<u>34,181</u>	<u>35,607</u>
<b>Total Liabilities</b>	<u>40,935</u>	<u>43,324</u>
<b>Total Equity and Liabilities</b>	<u>91,806</u>	<u>97,660</u>
<b>Net Assets per share (RM)</b>	<u>0.46</u>	<u>0.49</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Period Ended 30/09/2011 RM '000	Period Ended 30/09/2010 RM '000
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before Taxation	(2,320)	(1,350)
Adjustments for :		
Depreciation of property, plant and equipment	3,632	3,751
Amortisation of leasehold land	20	20
Impairment loss on trade and other receivables	376	17
Recovery of doubtful debts	(23)	(160)
Net fair value loss on other investment	126	-
Gain on disposal of other investment	-	(95)
(Gain)/Loss on disposal of property, plant and equipment	(85)	(128)
Interest income	(15)	(13)
Finance costs	1,320	1,389
Operating Profit Before Working Capital Changes	3,032	3,433
Changes in working capital:		
Net change in current assets	506	(2,488)
Net change in current liabilities	575	(1,266)
Income tax credit/(paid)	(15)	161
Interest paid	(241)	(594)
Net Cash Generated From/(Used in) Operating Activities	3,857	(753)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (Continued)**

	Period Ended 30/09/2011 RM '000	Period Ended 30/09/2010 RM '000
<b>Cash Flows From Investing Activities</b>		
Acquisition of other Investment	-	(948)
Proceeds from disposal of other investment	-	1,043
Proceeds from disposal of property, plant and equipment	88	149
Withdrawal/(Placement) of fixed deposits pledged to bank	(10)	(11)
Purchases of Property, Plant and Equipment	(602)	(733)
Net cash used in investing activities	(524)	(501)
<b>Cash Flows From Financing Activities</b>		
Repayment loans and borrowings	(1,294)	2,467
(Repayment)/ proceeds from hire purchase liabilities	(504)	(2,008)
Interest received	15	13
Interest paid	(1,079)	(795)
Net cash used in financing activities	(2,861)	(322)
Net Change in Cash & Cash Equivalents	472	(1,576)
<b>Cash &amp; Cash Equivalents at beginning of the period</b>	(3,993)	(2,138)
<b>Cash &amp; Cash Equivalents at end of the period</b>	(3,520)	(3,714)
<b>Cash and Cash Equivalents included in the Cash Flow Statement Comprises:</b>		
Cash and Bank Balances	280	949
Deposits with licensed banks	667	650
Bank Overdrafts	(3,801)	(4,662)
	(2,854)	(3,063)
Less : Deposits pledge/deposit with maturity of more than three months	(667)	(650)
	(3,520)	(3,714)

*( The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010.)*

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM '000	Non- Distributable Capital Redemption Reserve RM '000	Fair Value Reserves RM '000	Accumulated Losses RM '000	
At 01st January 2010	110,643	3,000	-	(59,096)	
Total Comprehensive Income for the financial year	-	-	(445)	234	
<b>At 31st December 2010</b>	<b>110,643</b>	<b>3,000</b>	<b>(445)</b>	<b>(58,863)</b>	
Total Comprehensive Income for the financial period	-	-	(1,138)	(2,327)	
<b>At 30th September 2011</b>	<b>110,643</b>	<b>3,000</b>	<b>(1,583)</b>	<b>(61,190)</b>	

*( The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010.)*



## VERSATILE CREATIVE BERHAD

(Company No. : 603770-D)

### UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

---

#### 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 2010.

###### **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 2010

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

The annual audited financial statements of the Group for the year ended 31 December 2010 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 2010.



**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

---

**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 FIRST QUARTER ENDED 30 SEPTEMBER 2011****Segment Information**

Segmental information for the financial period ended 30 September 2011

	<b>Colour</b>					
	<b>Paper products 2011 RM'000</b>	<b>Plastic products 2011 RM'000</b>	<b>Separation &amp; Printing 2011 RM'000</b>	<b>Others 2011 RM'000</b>	<b>Elimination 2011 RM'000</b>	<b>Consolidated 2011 RM'000</b>
<b>Business Segments</b>						
Revenue from external customers	18,674	17,883	5,305	-	-	41,861
Inter-segment revenue		-	10	442	(463)	-
Total revenue	<u>18,674</u>	<u>17,883</u>	<u>5,314</u>	<u>442</u>	<u>(463)</u>	<u>41,861</u>
<b>Operating results</b>	<u>173</u>	<u>(783)</u>	<u>125</u>	<u>(320)</u>	<u>-</u>	<u>(805)</u>
Interest income						15
Finance costs						(1,531)
Loss before taxation						<u>(2,320)</u>
Taxation						(6)
Net loss for the period						<u><u>(2,327)</u></u>

Segmental information for the financial period ended 30th September 2010

	<b>Colour</b>					
	<b>Paper products 2010 RM'000</b>	<b>Plastic products 2010 RM'000</b>	<b>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>18,943</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>(169)</u>	<u>-</u>	<u>26</u>
Interest income						13
Finance costs						(1,389)
Loss before taxation						<u>(1,350)</u>
Taxation						-
Net loss for the period						<u><u>(1,350)</u></u>





**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

---

**Changes in Contingent Liabilities**

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

**Inventories**

A recovery for provision of slow-moving stocks for RM14,323 was made in the current financial period.

**Provision for Warranties**

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

**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>30/09/2011</b>
	RM'000
Property, plant and equipment – Approved but not contracted for	<u>10,217</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 FIRST QUARTER ENDED 30 SEPTEMBER 2011

---

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

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

For the quarter ended 30 September 2011, the Group recorded revenue of RM13.7 million compared with RM13.3 million in the corresponding quarter in 2010 and an operating loss before taxation of RM1.2 million compared with a loss before taxation of RM0.8 million in 2010. The higher loss before taxation incurred in the current quarter was mainly attributable to higher than anticipated operational costs.

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

The Group's revenue for the current quarter amounted to RM13.7 million as compared with RM14.6 million in the preceding quarter ended 30 June 2011. The operating loss before taxation of RM1.2 million for the current quarter was higher as compared with a loss before taxation of RM0.5 million in the preceding quarter. The higher loss reported in the current quarter compared to the preceding quarter was mainly due to increased operational cost as mentioned above.

##### **Prospects**

The packaging and printing business continued to remain challenging and competitive with increasing input costs and continuing uncertainty in the global economic outlook which has affected demands of our customers' products. The Group continues to identify areas to reduce costs and improve margins and to explore non-traditional new markets to widen its revenue base.

The Group anticipates to improve its performance in the coming financial year but is fully cognizant that its results will be largely dependent on the global environment.

##### **Profit Forecast**

This is not applicable.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011****Taxation**

	<b>Quarter ended 30/09/2011</b>	<b>Quarter ended 30/09/2010</b>	<b>Period ended 30/09/2011</b>	<b>Period ended 30/09/2010</b>
	RM'000	RM'000	RM'000	RM'000
Taxation for the quarter/period	-	-	-	-
Under/ (over) provision in prior year	6	-	6	-
Deferred Taxation for the quarter/period	-	-	-	-
	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</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.

		<b>Non Current Asset</b>	<b>Current Asset</b>	<b>Total</b>
		RM'000	RM'000	RM'000
Quoted shares				
Valuation as at	01st January 2011	17,068	1,896	18,964
Changes in fair value		(1,138)	(126)	(1,264)
Valuation as at	30th September 2011	<u>15,930</u>	<u>1,770</u>	<u>17,700</u>
Market value as at	30th September 2011	<u>15,930</u>	<u>1,770</u>	<u>17,700</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 FIRST QUARTER ENDED 30 SEPTEMBER 2011****Borrowing and Debt Securities**

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

	<b>30/09/2011</b>
	RM'000
<i>Secured</i>	
Borrowings	16,443
Term Loan	4,426
Hire Purchases Creditors	2,749
Bank Overdrafts	3,792
	27,409
<i>Unsecured</i>	
Borrowings	-
Bank Overdrafts	9
	9
Total Borrowings	<u>27,418</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.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

---

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

Basic earnings / (loss) per share is calculated by dividing the Group's net losses for the period of RM2,297,047 by the number of ordinary shares in issue during the period of 110,643,081.

**Supplementary information on the breakdown of realized and unrealized profits of losses**

The breakdown of accumulated losses of the Group as at 30 September 2011 , into realised and unrealised losses, pursuant to the directive, is as follows:

	As at end of current financial period 30/9/2011 RM'000	As at end of preceding financial year end period 31/12/2010 RM'000
Total accumulated losses of the Company and its subsidiaries :		
-realised	(78,843)	(76,474)
-unrealised	<u>(2,154)</u>	<u>(2,195)</u>
	(80,997)	(78,669)
Less : Consolidation adjustments	<u>19,807</u>	<u>19,807</u>
Total accumulated losses	<u>(61,190)</u>	<u>(58,862)</u>