



VERSATILE CREATIVE BERHAD
(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

			30th June	2014
	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Note	RM '000	RM '000	RM '000	RM '000
Revenue	13,563	15,954	13,563	N/A
Cost of sales	(11,071)	(14,142)	(11,071)	N/A
Gross profit	2,492	1,812	2,492	N/A
Other income	183	619	183	N/A
Distribution expenses	(614)	(632)	(614)	N/A
Administrative expenses	(2,080)	(1,582)	(2,080)	N/A
Operating (loss)/profit	(18)	217	(18)	N/A
Net fair value (loss)/gain on quoted investment	(1,391)	379	(1,391)	N/A
(Loss)/profit before interest and taxation	(1,409)	596	(1,409)	N/A
Interest income	26	6	26	N/A
Finance costs	(452)	(413)	(452)	N/A
(Loss)/profit before taxation	(1,836)	190	(1,836)	N/A
Taxation	-	(1)	-	N/A
Profit after taxation	(1,836)	189	(1,836)	N/A
Other comprehensive (loss)/profit				
Fair value of financial assets	-	3,413	-	N/A
Fair value of available-for-sales financial assets	(12,516)	-	(12,516)	N/A
Total other comprehensive (loss)/profit for the financial period	(12,516)	3,413	(12,516)	N/A
Total comprehensive (loss)/profit for the financial period	(14,352)	3,602	(14,352)	N/A
(Loss)/Earnings per Share - Basic (sen)	(1.66)	0.17	(1.66)	N/A

Notes:

The financial year end of the Company has been changed from 31 December to 31 March to cover the 15-months period from 1 January 2013 to 31 March 2014 and thereafter, to end on 31 March each year. Accordingly, there are no comparative figures for the cumulative period ended 30 June 2013 to be presented in this Condensed Consolidated Statement of Comprehensive Income.



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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

30th June 2014

	As at 30/6/2014 (Unaudited) RM'000	As at 31/3/2014 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	41,165	41,921
Intangible Asset	11,489	11,489
Other Investments	-	-
	<u>52,654</u>	<u>53,410</u>
Current Assets		
Receivables, Deposits and Prepayments	16,404	17,214
Amount owing by ultimate holding company	522	535
Inventories	7,449	6,901
Current Tax Assets	26	26
Other Investment held for Sale	52,466	66,373
Cash and Cash Equivalents	1,796	2,895
	<u>78,662</u>	<u>93,944</u>
Total Assets	<u>131,316</u>	<u>147,354</u>



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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(The figures have not been audited)

30th June 2014

	As at 30/6/2014 (Unaudited) RM'000	As at 31/3/2014 (Audited) RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	110,643	110,643
Capital Redemption Reserve	3,000	3,000
Revaluation reserve	8,844	8,844
Accumulated Losses	(65,338)	(63,000)
Net (Loss)/Profit for the Year	(1,836)	(2,338)
Fair Value Reserves	29,707	42,223
Total Equity	85,021	99,372
LIABILITIES		
Non-Current Liabilities		
Loan and Borrowings	5,411	5,921
Deferred Taxation	2,975	2,975
	8,385	8,896
Current Liabilities		
Payables and Accruals	14,473	14,279
Amount owing to ultimate holding company	1,000	1,000
Loan and Borrowings	21,949	23,301
Tax payable	488	505
	37,910	39,086
Total Liabilities	46,296	47,982
Total Equity and Liabilities	131,316	147,354
Net Assets per share (RM)	0.77	0.90

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the period ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Non-Distributable					Total Equity RM '000
	Share Capital RM '000	Capital Redemption Reserve RM '000	Revaluation Reserve RM '000	Fair value Adjustment Reserve RM '000	Accumulated Losses RM '000	
3 months ended 30 June 2014						
At 01 April 2014	110,643	3,000	8,844	42,223	(65,338)	99,372
Fair value of available-for-sales financial assets	-	-	-	(12,516)	-	(12,516)
Total other comprehensive loss for the financial period	-	-	-	(12,516)	-	(12,516)
Loss for the period	-	-	-	-	(1,836)	(1,836)
Total comprehensive loss for the period	-	-	-	(12,516)	(1,836)	(14,352)
At 30 June 2014	110,643	3,000	8,844	29,707	(67,173)	85,021
15 months ended 31 March 2014						
At 01 January 2013	110,643	3,000	9,079	1,831	(63,000)	61,552
Fair value of available-for-sales financial assets	-	-	-	40,392	-	40,392
Total other comprehensive loss for the financial period	-	-	-	40,392	-	40,392
Crystallisation of revaluation reserve	-	-	(235)	-	235	-
Loss for the period	-	-	-	-	(2,573)	(2,573)
Total comprehensive loss for the financial period	-	-	(235)	40,392	(2,338)	37,820
At 31 March 2014	110,643	3,000	8,844	42,223	(65,338)	99,372

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the period ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.



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(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	30/6/2014	30/6/2013
	<u>RM'000</u>	<u>RM'000</u>
CASHFLOW FROM OPERATING ACTIVITIES:		
(Loss)/Profit before taxation	(1,836)	N/A
<u>Adjustment for:</u>		
Depreciation of property, plant and equipment	966	N/A
Gain on disposal of property, plant and equipment	(30)	N/A
Allowance for slow moving inventories	93	N/A
Recovery of bad debts	(13)	N/A
Net fair value loss on quoted investment	1,391	N/A
Interest income	(26)	N/A
Interest expense	452	N/A
Operating profit before working capital changes	998	N/A
<u>Changes in working capital:</u>		
Inventories	(640)	N/A
Receivables, deposits and prepayments	837	N/A
Payables and accruals	194	N/A
Cash generated from operations	1,388	N/A
Interest received	26	N/A
Interest paid	(231)	N/A
Income tax paid	(17)	N/A
Net cash generated from operating activities	<u>1,166</u>	<u>N/A</u>

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

(The figures have not been audited)

	3 Months Period Ended	
	30/6/2014	30/6/2013
	<u>RM'000</u>	<u>RM'000</u>
<u>CASHFLOW FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(210)	N/A
Fixed deposit held as security value	(18)	N/A
Proceeds from disposal of property, plant and equipment	30	N/A
Net cash used in investing activities	<u>(198)</u>	<u>N/A</u>
<u>CASHFLOW FROM FINANCING ACTIVITIES:</u>		
Interest paid	(222)	N/A
Proceed from/(Repayment) of borrowings	(1,751)	N/A
Payment of finance lease liabilities	(387)	N/A
Net cash used in financing activities	<u>(2,360)</u>	<u>N/A</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(1,392)	N/A
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	(1,488)	N/A
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	<u>(2,880)</u>	<u>N/A</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	1,066	N/A
Fixed Deposit	730	N/A
	<u>1,796</u>	<u>N/A</u>
Less: Fixed deposit pledged to a licensed bank	(730)	N/A
Less: Bank overdraft	(3,946)	N/A
	<u>(2,880)</u>	<u>N/A</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the period ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.



VERSATILE CREATIVE BERHAD

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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2014

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 MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). This condensed report also compliance with IAS 34 : Interim Financial Reporting issued by the International Accounting Standard Board.

The quarterly financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 March 2014.

Adoption of Standards, Amendments and Issue Committee (IC) Interpretations

The Group adopted the following Standards, Amendments and IC Interpretations:-

New MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement

Revised MFRSs

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

The adoption of the Standards, Amendments and Interpretations above did not have any material financial impact to the Group.



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

Audit Report Qualification and Status of Matters Raised

The annual audited financial statements of the Group for the year ended 31 March 2014 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 March 2014.

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.

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014****Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

Segmental information for the current financial quarter ended						30th June	2014
Business Segments	Paper	Plastic	Colour	Others	Elimination	Consolidated	
	products	products	Separation				
	3	3	& Printing	3	3	3	
	months	months	months	months	months	months	
	ended	ended	ended	ended	ended	ended	
	30.6.2014	30.6.2014	30.6.2014	30.6.2014	30.6.2014	30.6.2014	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue from external customers	7,175	4,988	1,400			13,563	
Inter-segment revenue	89	-	3	300	(392)	-	
Total revenue	<u>7,264</u>	<u>4,988</u>	<u>1,403</u>	<u>300</u>	<u>(392)</u>	<u>13,563</u>	
Operating results	<u>828</u>	<u>(478)</u>	<u>66</u>	<u>(434)</u>	<u>-</u>	<u>(18)</u>	
Net fair value loss on quoted investment						(1,391)	
(Loss)/profit before interest and taxation						(1,409)	
Interest income						26	
Finance costs						(452)	
Loss before taxation						(1,836)	
Taxation						-	
Loss after taxation						(1,836)	

Notes:

The financial year end of the Company has been changed from 31 December to 31 March to cover the 15-months period from 1 January 2013 to 31 March 2014 and thereafter, to end on 31 March each year. Accordingly, there are no comparative figures for the cumulative period ended 30 June 2013 to be presented in this Condensed Consolidated Statement of Comprehensive Income.



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(Loss)/Profit Before Taxation

Included in the (loss)/profit before taxation are the following items:

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Depreciation of property, plant and equipment	966	1,008	966	N/A
Gain on disposal of property, plant and equipment	(30)	(543)	(30)	N/A
Allowance for slow moving inventories	93	-	93	N/A
Recovery of bad debts	(13)	-	(13)	N/A
Interest income	(26)	(5)	(26)	N/A
Interest expense	452	460	452	N/A
Net fair value loss/(gain) on other investment	1,391	(379)	1,391	N/A

Notes:

The financial year end of the Company has been changed from 31 December to 31 March to cover the 15-months period from 1 January 2013 to 31 March 2014 and thereafter, to end on 31 March each year. Accordingly, there are no comparative figures for the cumulative period ended 30 June 2013 to be presented in this Condensed Consolidated Statement of Comprehensive Income.

Changes in Contingent Liabilities

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

Inventories

An allowance for slow-moving stocks of RM93, 021 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: -

	30/6/2014
	RM'000
Property, plant and equipment – Approved but not contracted for	<u>(1,570)</u>



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Recurring Related Party Transactions

The recurring related party transactions for the current quarter ended 30 June 2014 are as follows:

	Individual Financial Quarter Ended	Cumulative Financial Quarter Ended
Ultimate holding company	30/6/2014	30/6/2014
Iris Corporation Berhad	RM	RM
-Provision of colour separation and lithography services and commercial printing	630	630

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

Review of Performance

In the current quarter under review, the Group registered a revenue of RM13.56 million representing a decrease of 14.99% over the corresponding quarter of the preceding year, mainly due to lower sales contributed from the Plastic and Colour Separation segments.

The Group recorded a loss before taxation of RM1.84 million in the current quarter as compared to a profit before taxation of RM0.19 million mainly attributable to an impairment loss for fair valuation in quoted investment amounting to RM1.39 million and expenses incurred for corporate exercise during the current quarter ended 30 June 2014.

Variation of Results against Immediate Preceding Quarter

The Group recorded a revenue of RM13.56 million in the current quarter, a marginal increase of RM0.53 million from RM13.03 million in the immediate preceding quarter. However the Group registered a loss before taxation of RM1.84 million in the current quarter as compared to a profit before taxation of RM0.92 million in the immediate preceding quarter mainly due to an impairment loss for fair valuation in quoted investment amounting to RM1.39 million as compared to a revaluation gain in quoted investment of RM3.3 million in the immediate preceding quarter and expenses incurred for corporate exercise.



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Prospects

The Malaysian economy grew at 6.4% in Q2 2014 versus a 6.2% growth in Q1 2014, driven by strong growth in the services and manufacturing sectors. The economic growth was underpinned by higher exports and continued strength in private domestic demand. Externally, economies in the USA and other Asian countries grew moderately, while Euro Zone economy was flat in the second quarter 2014. In view of the steady economy outlook, the Group expects to deliver satisfactory operating results for the current financial year.

The plastic packaging and printing business continues to remain competitive and challenging. The Group continues its effort to aggressively seek new business opportunities outside its traditional base. .

Profit Forecast

This is not applicable.

Taxation

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Taxation for the quarter/period	-	1	-	N/A
Under/(over) provision in prior year	-	-	-	N/A
Deferred taxation for the quarter/period	-	-	-	N/A
	<u>-</u>	<u>1</u>	<u>-</u>	<u>N/A</u>

Notes:

The financial year end of the Company has been changed from 31 December to 31 March to cover the 15-months period from 1 January 2013 to 31 March 2014 and thereafter, to end on 31 March each year. Accordingly, there are no comparative figures to be presented in this Notes to Quarterly Financial Report.

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.



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

Status of Corporate Exercise

There are 2 corporate proposals made by the Group as at the date of this announcement, detailed as follows:

- 1 Proposed voluntary withdrawal of the listing of VCB from the Official List of the Main Market of Bursa Securities pursuant to Paragraph 16.06 of the MMLR.

Pursuant to the voluntary take-over offer by the Joint Offerors vide the offer document dated 14 October 2013 (“Initial Offer Document”) to acquire all the VCB Shares not held by them, which had closed on 13 December 2013 (“Initial Offer”). Upon closing, the Joint Offerors has acquired 71,470,815 VCB Shares. Accordingly, the shareholdings of the Joint Offerors had increased to 99,011,336 VCB Shares. As at 18 April 2014, being the latest practicable date prior to the date of this announcement (“LPD”), the Joint Offerors collectively hold 99,011,336 VCB Shares, representing approximately 89.49% of the issued and paid-up share capital of VCB.

In accordance with the Offer Document, the Joint Offerors do not intend to maintain the listing status of VCB and do not intend to take any steps to address the shortfall in the public shareholding spread of VCB.

The proposed delisting is subject to and conditional upon approval being obtained from the following:

- a) approval of the shareholders of VCB at an extraordinary general meeting to be convened;
- b) approval of Bursa Securities for the withdrawal of the listing of VCB from the official list of Bursa Securities;
- c) approval / consent from Securities Commission for the Proposed Exit Offer.

At the extraordinary general meeting held on 16 July 2014, the shareholders had rejected the Proposed Delisting.

- 2 Proposed capital reduction of the issued and paid-up share capital of VCB pursuant to Section 64 of the Companies Act, 1965 involving the cancellation of RM0.50 of the par value of each ordinary share of RM1.00 each in VCB.

Upon completion of the Proposed Capital Reduction, VCB’s existing issued and paid up share capital of RM110,643,081.00 comprising 110,643,081 ordinary shares of RM1.00 each will be reduced to RM55,321,540.50 comprising 110,643,081 ordinary shares of RM0.50 each by cancellation of RM0.50 from par value of every existing share with the credit arising from such cancellation of RM55,321,540.50 of the value of the issued shares to applied towards setting off and reducing an amount of RM55,321,540.50 from accumulated losses of VCB at company level.

The proposed delisting is subject to and conditional upon approval being obtained from the following:

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- a) approval of the shareholders of VCB at an extraordinary general meeting to be convened;
- b) approval by the High Court of Malaya;
- c) any other relevant authorities, where required.

At the extraordinary general meeting held on 16 July 2014, the shareholders had approved the Proposed Capital Reduction.

Borrowing and Debt Securities

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

	As at 30/6/2014 RM'000	As at 30/6/2013 RM'000
<i>Secured</i>		
Borrowings	16,126	17,727
Term Loan	1,720	2,025
Hire Purchases Creditors	5,568	1,427
Bank Overdrafts	3,946	5,757
	27,360	26,936
Total Borrowings	<u>27,360</u>	<u>26,936</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 June 2014 and 31 March 2014 are analyzed as follows:-

	As At 30/6/2014 (Unaudited) RM'000	As At 31/3/2014 (Audited) RM'000
Total accumulated losses of the Company & subsidiaries :-		
-Realised	(76,554)	(74,718)
-Unrealised	<u>(2,975)</u>	<u>(2,975)</u>
	(79,528)	(77,693)
Less: Consolidation adjustments	<u>12,355</u>	<u>12,355</u>
Total accumulated losses as per consolidated account	<u>(67,173)</u>	<u>(65,338)</u>



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Dividends

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

Loss per share - Basic

Basic loss per share is calculated by dividing the Group's net loss for the 3-months period of RM 1,835,687 by the number of ordinary shares in issue during the period of 110,643,081.