

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014****(The figures have not been audited)**

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
		RM '000	RM '000	RM '000	RM '000
Revenue	A10	11,897	14,947	38,051	N/A
Cost of sales		(10,553)	(12,804)	(32,990)	N/A
Gross profit		1,344	2,143	5,061	N/A
Other income		619	113	935	N/A
Distribution expenses		(508)	(589)	(1,792)	N/A
Administrative expenses		(1,703)	(1,991)	(5,594)	N/A
Operating (loss)/profit		(248)	(324)	(1,390)	N/A
Non operating Income		-	569	-	N/A
Non operating Expenses		-	(2,147)	-	N/A
Net fair value (loss)/gain on quoted investment		(1,644)	316	(3,477)	N/A
(Loss)/profit before interest and taxation		(1,891)	(1,586)	(4,867)	N/A
Interest income		7	7	40	N/A
Finance costs		(417)	(460)	(1,414)	N/A
(Loss)/profit before taxation		(2,301)	(2,039)	(6,241)	N/A
Taxation	B5	-	4	-	N/A
(Loss)/profit after taxation		(2,301)	(2,035)	(6,241)	N/A
Other comprehensive (loss)/profit					
(Loss)/gain on fair value changes		(14,792)	2,845	(31,290)	N/A
Total other comprehensive (loss)/profit for the financial period		(14,792)	2,845	(31,290)	N/A
Total comprehensive (loss)/profit for the financial period		(17,093)	809	(37,531)	N/A
(Loss)/Earnings per Share - Basic (sen)	B11	(2.08)	(1.84)	(5.64)	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 31 December 2013 to be presented in this Condensed Consolidated Statement of Comprehensive Income.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014****(The figures have not been audited)**

	Note	As at 31/12/2014 (Unaudited) RM'000	As at 31/3/2014 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		42,103	41,921
Goodwill on Consolidation		11,489	11,489
Other Investments		28,445	-
		<u>82,038</u>	<u>53,410</u>
Current Assets			
Receivables, Deposits and Prepayments		13,981	17,214
Amount Owing by Ultimate Holding Company		-	535
Inventories		6,811	6,901
Current Tax Assets		26	26
Other Investment		3,161	66,373
Fixed Deposits		739	712
Cash and Bank Balance		875	2,182
		<u>25,591</u>	<u>93,944</u>
Total Assets		<u>107,629</u>	<u>147,354</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
(Continued)****(The figures have not been audited)**

	Note	As at 31/12/2014 (Unaudited) RM'000	As at 31/3/2014 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		55,322	110,643
Capital Redemption Reserve		3,000	3,000
Revaluation Reserve		8,844	8,844
Accumulated Losses		(10,016)	(63,000)
Net Loss for the Year		(6,241)	(2,338)
Fair Value Reserves		10,933	42,223
Total Equity		61,842	99,372
LIABILITIES			
Non-Current Liabilities			
Loan and Borrowings	B8	4,586	5,921
Deferred Taxation		2,975	2,975
		<u>7,561</u>	<u>8,896</u>
Current Liabilities			
Payables and Accruals		16,548	14,279
Amount Owing to Ultimate Holding Company		-	1,000
Loan and Borrowings	B8	21,477	23,301
Tax Payable		202	505
		<u>38,227</u>	<u>39,086</u>
Total Liabilities		45,787	47,982
Total Equity and Liabilities		107,629	147,354
Net Assets per share (RM)		0.56	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.)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
31 DECEMBER 2014****(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 Reserve RM '000	Accumulated Losses RM '000	
9 months ended 31 December 2014						
At 01 April 2014	110,643	3,000	8,844	42,223	(65,338)	99,372
Par value reduction	(55,322)	-	-	-	55,322	-
Fair value of available-for-sales financial assets	-	-	-	(31,290)	-	(31,290)
Loss for the period	-	-	-	-	(6,241)	(6,241)
Total comprehensive loss for the period	-	-	-	(31,290)	(6,241)	(37,530)
At 31 December 2014	55,322	3,000	8,844	10,933	(16,257)	61,842
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
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.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 DECEMBER 2014****(The figures have not been audited)**

	9 Months Period Ended	
	31/12/2014	31/12/2013
	<u>RM'000</u>	<u>RM'000</u>
CASHFLOW FROM OPERATING ACTIVITIES:		
(Loss)/Profit before taxation	(6,241)	N/A
<u>Adjustment for:</u>		
Depreciation of property, plant and equipment	2,691	N/A
Gain on disposal of property, plant and equipment	(198)	N/A
Allowance for slow moving inventories	178	N/A
Recovery of bad debts	(162)	N/A
Net fair value loss on other investments	3,477	N/A
Interest income	(40)	N/A
Interest expense	1,414	N/A
Operating profit before working capital changes	1,119	N/A
<u>Changes in working capital:</u>		
Inventories	(88)	N/A
Receivables, deposits and prepayments	3,931	N/A
Payables and accruals	1,269	N/A
Cash generated from operations	6,231	N/A
Interest received	40	N/A
Interest paid	(586)	N/A
Income tax paid	(303)	N/A
Net cash generated from operating activities	<u>5,382</u>	<u>N/A</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 DECEMBER 2014 (Continued)****(The figures have not been audited)**

	9 Months Period Ended	
	31/12/2014	31/12/2013
	RM'000	RM'000
<u>CASHFLOW FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(2,891)	N/A
Fixed deposit held as security value	(26)	N/A
Proceeds from disposal of property, plant and equipment	215	N/A
Net cash used in investing activities	<u>(2,702)</u>	<u>N/A</u>
<u>CASHFLOW FROM FINANCING ACTIVITIES:</u>		
Interest paid	(828)	N/A
Proceed from/(Repayment) of borrowings	(3,569)	N/A
Payment of finance lease liabilities	(1,145)	N/A
Net cash used in financing activities	<u>(5,542)</u>	<u>N/A</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(2,861)	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>(4,350)</u>	<u>N/A</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	875	N/A
Fixed Deposit	739	N/A
	1,613	N/A
Less: Fixed deposit pledged to a licensed bank	(739)	N/A
Less: Bank overdraft	(5,224)	N/A
	<u>(4,350)</u>	<u>N/A</u>

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 31 December 2013 to be presented in this Condensed Consolidated Cash Flow Statements.



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

NOTES TO QUARTERLY FINANCIAL REPORT

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. 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 THIRD QUARTER ENDED 31 DECEMBER 2014**

2. 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.

3. 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.

4. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter.

5. Changes in Estimates

There were no significant changes in the estimates which give a material effect for the current financial quarter.

6. 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.

7. 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 financial year to date.

8. Dividend Paid

There were no dividend paid during the current financial quarter and financial year-to-date.

9. Material Events Subsequent to the Balance Sheet Date

The Company, had on 6 January 2015 to 9 January 2015 and 14 January 2014 disposed 20,000,000 ordinary shares of RM0.15 each in the paid up capital of Iris Corporation Bhd. ("ICB"), representing 0.98% of the equity interest of ICB to the Open Market of Bursa Securities, for a total cash consideration of RM6,240,380.56.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****10. Operating Segments**

The Group's segmental report for the financial year-to-date is as follows:

Business Segments	Paper	Plastic	Colour	Others	Elimination	Consolidated
	products	products	Separation & Printing			
	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended
	31.12.2014	31.12.2014	31.12.2014	31.12.2014	31.12.2014	31.12.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	20,317	14,341	3,392			38,051
Inter-segment revenue	230	2	5	821	(1,058)	-
Total revenue	<u>20,546</u>	<u>14,344</u>	<u>3,398</u>	<u>821</u>	<u>(1,058)</u>	<u>38,051</u>
Operating results	<u>1,514</u>	<u>(1,925)</u>	<u>(317)</u>	<u>(662)</u>	<u>-</u>	<u>(1,390)</u>
Net fair value loss on quoted investment						(3,477)
(Loss)/profit before interest and taxation						<u>(4,867)</u>
Interest income						40
Finance costs						(1,414)
(Loss)/profit before taxation						<u>(6,241)</u>
Taxation						-
(Loss)/profit after taxation						<u>(6,241)</u>

11. Changes in the Composition of the Group

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

12. (Loss)/Profit Before Taxation

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(7)	(7)	(40)	N/A
Dividend Received	-	(569)	-	N/A
Gain on disposal of property, plant and equipment	(69)	-	(198)	N/A

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

Depreciation of property, plant and equipment	991	1,080	2,691	N/A
Interest expense	417	460	1,414	N/A
Allowance for slow moving inventories	144	-	178	N/A
Recovery of bad debts	(148)	-	(162)	N/A
Plant and equipment written off	-	1	-	N/A
Impairment loss on goodwill	-	2,147	-	N/A
Net fair value loss/(gain) on other investment	1,644	(316)	3,477	N/A

13. Changes in Contingent Liabilities

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

14. Inventories

For the current financial year to date, the Group has provided RM178,333.56 as an allowance for slow-moving stocks.

15. Provision for Warranties

There was no provision for warranties for the current financial year-to-date.

16. Changes in Tax Rate (Estimates)

This note is not applicable.

17. Capital Commitments

The capital commitments of the Group not provided for in the financial statements are as follow: -

	31/12/2014
	RM'000
Property, plant and equipment - Approved and contracted for	<u>865</u>

18. Related Party Transactions

There were no significant related party transactions in the current financial quarter under review.



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

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

1. Review of Performance

For the current financial quarter under review, the Group recorded a revenue of RM11.90 million and a loss before taxation of RM2.30 million as compared to RM14.95 million and RM2.04 million respectively for the preceding year corresponding quarter. The decrease in revenue and increase in loss before taxation was mainly due to lower sales contributed from the Colour Separation & Printing segment coupled with decline in gross profit margin resulting from increase in production cost.

For the current financial year-to-date, the Group recorded a revenue and a loss before taxation of RM38.05 million and RM6.24 million respectively. The loss before taxation was mainly attributable to lower sales contributed from the Colour Separation & Printing and Plastic Products segment coupled with decline in gross profit margin resulting from increase in production cost, impairment loss for fair valuation in quoted investment amounting RM3.48 million and expenses of RM0.72 million incurred for the corporate exercise being undertaken by the Company.

2. Variation of Results against Immediate Preceding Quarter

The Group recorded a revenue of RM11.90 million and a loss before taxation of RM2.30 million for the current financial quarter under review as compared to RM12.59 million and RM2.10 million respectively for the immediate preceding quarter. The increase in loss before taxation in the current financial quarter under review was mainly due to lower sales contributed from the Colour Separation & Printing segment and an increase in impairment loss for fair valuation in quoted investment by RM1.2 million.

3. Prospects

Despite the uncertain economy in Malaysia due to the plunging global crude oil prices and strengthening of the US dollar of which may dampen the Group's result, the Group continues its efforts to explore new business opportunities beyond the traditional markets both within Malaysia and overseas. The Group will participate in the international packaging trade fair exhibition to expand its market share in new geographical area.

Under the current circumstances, the Group expects the performance for the current financial year to be challenging.

4. Profit Forecast

This is not applicable.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014****5. Taxation**

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Taxation				
- in current quarter/period	-	-	-	N/A
- over/(under)accrual in prior year	-	4	-	N/A
Deferred taxation				
- in current quarter/period	-	-	-	N/A
- over/(under)accrual in prior year	-	-	-	N/A
	-	-	-	N/A
	-	4	-	N/A

6. 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 financial quarter.

7. Status of Corporate Exercise

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

8. Borrowings and Debts Securities

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

	As at 31/12/2014 (Unaudited) RM'000	As at 31/3/2014 (Audited) RM'000
<i>Secured</i>		
Borrowings	14,465	17,799
Term Loan	1,563	1,798
Finance Lease Liabilities	4,810	5,955
Bank Overdrafts	5,224	3,671
Total Group's Borrowings	26,063	29,222

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014**

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

9. Realised and Unrealised Profit or Losses

The accumulated losses as at 31 December 2014 and 31 March 2014 are analyzed as follows:-

	As At 31/12/2014 (Unaudited) RM'000	As At 31/3/2014 (Audited) RM'000
Total accumulated losses of the Company & subsidiaries :-		
-Realised	(25,637)	(74,718)
-Unrealised	(2,975)	(2,975)
	<u>(28,612)</u>	<u>(77,693)</u>
Less: Consolidation adjustments	12,355	12,355
Total accumulated losses as per consolidated account	<u>(16,257)</u>	<u>(65,338)</u>

10. Dividend

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

11. (Loss)/ Earnings per share**(a) Basic (loss)/ earnings per share**

The calculation of basic earnings per share for the financial period is based on the net profit/ (loss) attributable to equity holders of the parent company and divided by the number of ordinary shares outstanding during the financial period.

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
(Loss)/profit attributable to owners of the parent company (RM'000)	(2,301)	(2,035)	(6,241)	N/A
Number of ordinary shares ('000)	110,643	110,643	110,643	N/A
Basic (loss)/ earnings per share (sen)	(2.08)	(1.84)	(5.64)	N/A

(b) Diluted earnings per share

The fully diluted earnings per ordinary share is the same as the basic earnings per share as the effect of anti-dilutive potential ordinary shares is ignored in accordance with MFRS 133 on Earning Per Share.