



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		30/06/2015 RM '000	30/06/2014 RM '000	30/06/2015 RM '000	30/06/2014 RM '000
Revenue	A10	11,322	13,563	11,322	13,563
Cost of sales		(9,732)	(11,071)	(9,732)	(11,071)
Gross profit		1,590	2,492	1,590	2,492
Other income		75	183	75	183
Distribution expenses		(460)	(614)	(460)	(614)
Administrative expenses		(1,758)	(2,080)	(1,758)	(2,080)
Operating (loss)/profit		(552)	(18)	(552)	(18)
Non operating Income		-	-	-	-
Non operating Expenses		-	-	-	-
Net fair value (loss)/gain on quoted investment		(1,414)	(1,391)	(1,414)	(1,391)
(Loss)/profit before interest and taxation		(1,967)	(1,409)	(1,967)	(1,409)
Interest income		1	26	1	26
Finance costs		(273)	(452)	(273)	(452)
(Loss)/profit before taxation		(2,238)	(1,836)	(2,238)	(1,836)
Taxation	B5	-	-	-	-
(Loss)/profit after taxation		(2,238)	(1,836)	(2,238)	(1,836)
Other comprehensive (loss)/profit					
(Loss)/gain on fair value changes		(4,731)	(12,516)	(4,731)	(12,516)
Total other comprehensive (loss)/profit for the financial period		(4,731)	(12,516)	(4,731)	(12,516)
Total comprehensive (loss)/profit for the financial period		(6,970)	(14,352)	(6,970)	(14,352)
(Loss)/Earnings per Share - Basic (sen)	B11	(1.91)	(1.66)	(1.91)	(1.66)

Notes:

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015)



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

(The figures have not been audited)

	Note	As at 30/06/2015 (Unaudited) RM'000	As at 31/03/2015 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		41,864	42,765
Goodwill on Consolidation		-	-
Other Investments		19,714	24,445
		<u>61,578</u>	<u>67,210</u>
Current Assets			
Receivables, Deposits and Prepayments		11,984	14,244
Inventories		5,324	5,111
Tax Recoverable		374	374
Other Investment		5,892	7,306
Fixed Deposits		751	751
Cash and Bank Balance		865	915
		<u>25,189</u>	<u>28,700</u>
Total Assets		<u>86,767</u>	<u>95,911</u>



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015
(Continued)**

(The figures have not been audited)

		As at 30/06/2015 (Unaudited) RM'000	As at 31/03/2015 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		58,669	55,322
Share Premium		1,473	-
Capital Redemption Reserve		3,000	3,000
Revaluation Reserve		8,609	8,609
Accumulated Losses		(25,788)	(9,781)
Net Loss for the Year		(2,238)	(16,007)
Fair Value Reserves		11,256	15,987
Total Equity		<u>54,980</u>	<u>57,129</u>
LIABILITIES			
Non-Current Liabilities			
Loan and Borrowings	B8	5,143	5,388
Deferred Taxation		3,357	3,357
		<u>8,499</u>	<u>8,745</u>
Current Liabilities			
Payables and Accruals		6,775	9,997
Loan and Borrowings	B8	16,512	20,039
		<u>23,287</u>	<u>30,036</u>
Total Liabilities		31,787	38,781
Total Equity and Liabilities		<u>86,767</u>	<u>95,911</u>
Net Assets per share (RM)		<u>0.47</u>	<u>0.52</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015)



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
30 JUNE 2015**

(The figures have not been audited)

	Non-Distributable						Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Capital Redemption Reserve RM '000	Revaluation Reserve RM '000	Fair value Reserve RM '000	Accumulated Losses RM '000	
3 months ended 30 June 2015							
At 01 April 2015	55,322	-	3,000	8,609	15,987	(25,788)	57,129
Fair value of available-for-sales financial assets	-	-	-	-	(4,731)	-	(4,731)
Issuance of ordinary shares	3,348	1,473	-	-	-	-	4,821
Crystallisation of revaluation reserve	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(2,238)	(2,238)
Total comprehensive loss for the period	3,348	1,473	-	-	(4,731)	(2,238)	(2,149)
At 30 June 2015	58,669	1,473	3,000	8,609	11,256	(28,027)	54,980
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)
Crystallisation of revaluation reserve	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(1,836)	(1,836)
Total comprehensive loss for the financial period	-	-	-	-	(12,516)	(1,836)	(14,352)
At 30 June 2014	110,643	-	3,000	8,844	29,707	(67,173)	85,021

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015)



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 JUNE 2015**

(The figures have not been audited)

	3 Months Period Ended	
	30/06/2015	30/06/2014
	RM'000	RM'000
CASHFLOW FROM OPERATING ACTIVITIES:		
(Loss)/Profit before taxation	(2,238)	(1,836)
<u>Adjustment for:</u>		
Depreciation of property, plant and equipment	915	966
Gain on disposal of property, plant and equipment	-	(30)
Allowance for slow moving inventories	-	93
Recovery of bad debts	-	(13)
Net fair value loss on quoted investment	1,414	1,391
Interest income	(1)	(26)
Interest expense	273	452
Operating profit before working capital changes	362	998
<u>Changes in working capital:</u>		
Inventories	(212)	(640)
Receivables, deposits and prepayments	2,260	837
Payables and accruals	(3,222)	194
Cash generated used in operations	(812)	1,388
Interest received	1	26
Interest paid	(183)	(231)
Income tax paid	-	(17)
Net cash (used in)/generated from operating activities	(994)	1,166



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 JUNE 2015 (Continued)**
(The figures have not been audited)

	3 Months Period Ended	
	30/06/2015	30/06/2014
	<u>RM'000</u>	<u>RM'000</u>
<u>CASHFLOW FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(14)	(210)
Fixed deposit held as security value	-	(18)
Proceeds from disposal of property, plant and equipment	-	30
Issuance of ordinary shares	4,821	-
Net cash generated from/(used in) investing activities	<u>4,807</u>	<u>(198)</u>
<u>CASHFLOW FROM FINANCING ACTIVITIES:</u>		
Interest paid	(90)	(222)
Proceed from/(Repayment) of borrowings	(3,621)	(1,751)
Payment of finance lease liabilities	(199)	(387)
Net cash used in financing activities	<u>(3,910)</u>	<u>(2,360)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(97)	(1,392)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	(3,194)	(1,488)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	<u>(3,291)</u>	<u>(2,880)</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	865	1,066
Fixed Deposit	<u>751</u>	<u>730</u>
	1,615	1,796
Less: Fixed deposit pledged to a licensed bank	(751)	(730)
Less: Bank overdraft	<u>(4,155)</u>	<u>(3,946)</u>
	<u>(3,291)</u>	<u>(2,880)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015)



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

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 accordance 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 2015.

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

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

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Interpretation (“Int”)

Int 21	Levies
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The adoption of the Standards, Amendments and Interpretations above did not have any material financial impact to the Group.

2. Audit Report Qualification and Status of Matters Raised

The annual audited financial statements of the Group for the year ended 31 March 2015 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 under review.



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

5. Changes in Estimates

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

6. Valuation of property, plant and equipment

Land and buildings have been brought forward, without amendment from the annual audited financial statements for the financial year ended 31 March 2015.

7. Changes in Debt and Equity Securities

During the period, the Company has issued the following ordinary shares:

<u>Date of issue</u>	<u>No. of shares issued</u>	<u>Issue price</u>	<u>Consideration</u>	<u>Purpose</u>
13 May 2015	5,035,900	RM0.72	Cash	Working capital
22 May 2015	1,659,700	RM0.72	Cash	Working capital

The new shares issued rank pari passu in respect of distribution of dividend and repayment of capital with the existing shares.

Save for the above, 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 quarter under review.

8. Dividend Paid

There were no dividends paid during the current financial quarter under review and financial year-to-date.

9. Material Events Subsequent to the Balance Sheet Date

There is no material event subsequent to the balance sheet date other than those disclosed in Note B6 and B7 to the interim financial statement.

10. Operating Segments

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



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

Segmental information for current financial quarter ended 30 June 2015

Business Segments	Paper products Qtr 1 RM'000	Plastic products Qtr 1 RM'000	Colour Separation & Printing Qtr 1 RM'000	Others Qtr 1 RM'000	Elimination Qtr 1 RM'000	Consolidated Qtr 1 RM'000
Revenue from external customers	6,624	4,125	573			11,322
Inter-segment revenue	94	-		248	(342)	-
Total revenue	6,718	4,125	573	248	(342)	11,322
Operating results	396	(649)	(14)	(286)	-	(552)
Non operating Income						-
Non operating Expenses						-
Net fair value loss on quoted investment						(1,414)
(Loss)/profit before interest and taxation						(1,967)
Interest income						1
Finance costs						(273)
(Loss)/profit before taxation						(2,238)
Taxation						-
(Loss)/profit after taxation						(2,238)

Segmental information for current financial quarter ended 30 June 2014

Business Segments	Paper products Qtr 1 RM'000	Plastic products Qtr 1 RM'000	Colour Separation & Printing Qtr 1 RM'000	Others Qtr 1 RM'000	Elimination Qtr 1 RM'000	Consolidated Qtr 1 RM'000
Revenue from external customers	7,175	4,988	1,400			13,563
Inter-segment revenue	89	-	3	300	(392)	-
Total revenue	27,232	18,750	4,104	1,103	(392)	13,563
Operating results	828	(478)	66	(434)	-	(18)
Non operating Income						-
Non operating Expenses						-
Net fair value loss on quoted investment						(1,391)
(Loss)/profit before interest and taxation						(1,409)
Interest income						26
Finance costs						(452)
(Loss)/profit before taxation						(1,836)
Taxation						-
(Loss)/profit after taxation						(1,836)



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during 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	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(1)	(26)	(1)	(26)
Gain on disposal of property, plant and equipment	-	(30)	-	(30)
Depreciation of property, plant and equipment	915	966	915	966
Interest expense	273	452	273	452
Allowance for slow moving inventories	-	93	-	93
Recovery of bad debts	-	(13)	-	(13)
Net fair value loss/(gain) on other investment	1,414	1,391	1,414	1,391

13. Changes in Contingent Liabilities

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

14. Inventories

There were no provision for slow-moving stocks for the current financial quarter under review and financial year-to-date.

15. Provision for Warranties

There were no provision for warranties for the current financial quarter under review and 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: -



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

	30/06/2015
	RM'000
Capital expenditure commitment	
Approved but not contracted for:-	
- plant and machinery	1,150
Approved and contracted for:-	
- purchase of machineries	-
	<u>1,150</u>

18. Related Party Transactions

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

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 RM11.32 million and a loss before taxation of RM2.24 million as compared to RM13.56 million and loss before taxation of RM1.84 million respectively for the preceding year corresponding quarter. The decrease in revenue was mainly due to lower sales contributed from all segments. The increase in loss before taxation was mainly due to decrease in sales coupled with increase in cost of key raw materials imported from overseas for Paper Products segment resulting from the weakening in Ringgit Malaysia.

2. Variation of Results against Immediate Preceding Quarter

The Group recorded a revenue of RM11.32 million and a loss before taxation of RM2.24 million for the current financial quarter under review as compared to RM11.79 million and a loss before taxation of RM9.60 million respectively for the immediate preceding quarter. The significant decrease in loss before taxation was mainly due to one off impairment on goodwill of RM11.49 million was recorded in immediate preceding quarter.

3. Prospects

In view of the gradual increasing global demand for packaging products, the Group continues to step-up efforts in seeking opportunities for machine and product innovations, sourcing for new customers and implementing new strategies to achieve higher sales. However, uncertainties in global economic situation arising from volatile crude oil price and weakening Ringgit Malaysia will have an impact on the cost of key raw materials imported from overseas and ultimately on the performance of the Group in the current financial year.



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

4. Profit Forecast

This is not applicable.

5. Taxation

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter/period	-	-	-	-
- over/(under)accrual in prior year	-	-	-	-
Deferred taxation				
- in current quarter/period	-	-	-	-
- over/(under)accrual in prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. Disposal of Quoted or Unquoted Investments or Properties

There were no disposals of quoted or unquoted investments included in the results of the Group for the current financial quarter under review.

Fairpoint Plastic Industries Sdn Bhd, a wholly owned sub-subsidiary of the Company had on 10 July 2015, enter into a Sales and Purchase Agreement (“SPA”) with Era Pretij Development Sdn. Bhd. (“Purchaser”) for the disposal of a two single storey detached factory each with an annexed double storey office buildings and ancillary buildings erected on a piece of freehold land held under individual title HS(D) 140012 at Lot No. PT 71174, Pekan Kajang, District of Ulu Langat and State of Selangor (“Property”) measuring approximately 5,646 square metres for a total consideration of RM12 million only subject to 6% GST, to be paid in the manner stated in the SPA and subject to all other terms and conditions as stipulated in the SPA and/or such terms and conditions as shall be mutually agreed upon.

7. Status of Corporate Exercise

Save as disclosed below, there are no corporate proposals announced during the current financial quarter under review.

The Directors of the Company had on 24 February 2015, proposed to undertake the proposed private placement of up to 10%, 11,064,308 new ordinary shares of RM0.50 each in the Company at RM0.72 and subsequently, had on 20 April 2015 approved the listing and quotation by Bursa Malaysia Securities Bhd.



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

The Company had on 30 April 2015, the Price Fixing Date fixed the issue for 5,035,900 Placement Shares at RM0.72 per Placement share, representing approximately 4.55% of the issued and paid-up capital of VCB as at 30 April 2015 of 110,643,081 VCB shares, being the first tranche of the Private Placement, subsequently on the above, the Placement shares was quoted listing on 13 May 2015.

On 15 May 2015, the Price Fixing Date fixed the issue for 1,659,700 Placement Shares at RM0.72 per Placement share, representing approximately 1.43% of the issued and paid-up capital of VCB as at 15 May 2015 of 115,678,981 VCB shares, being the second tranche of the Private Placement, subsequently on the above, the Placement shares was quoted listing on 22 May 2015.

The utilisation from the proceeds is for the Group's working capital which comprise, amongst the payment to creditors and operating expenditure such as purchase of raw materials, distribution and administrative expenses as well as finance costs.

8. Borrowings and Debts Securities

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

	As at 30/06/2015 (Unaudited) RM'000	As at 31/03/2015 (Audited) RM'000
<i>Secured</i>		
Borrowings	9,964	13,534
Term Loan	1,431	1,482
Finance Lease Liabilities	6,104	6,303
Bank Overdrafts	4,155	4,108
Total Group's Borrowings	<u>21,655</u>	<u>25,428</u>

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 30 June 2015 and 31 March 2015 are analyzed as follows:-



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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

	As At 30/06/2015 (Unaudited) RM'000	As At 31/03/2015 (Audited) RM'000
Total accumulated losses of the Company & subsidiaries :-		
-Realised	(24,670)	(22,431)
-Unrealised	<u>(3,357)</u>	<u>(3,357)</u>
Total accumulated losses as per consolidated account	<u>(28,027)</u>	<u>(25,788)</u>

10. Dividend

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

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	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
(Loss)/profit attributable to owners of the parent company (RM'000)	(2,238)	(1,836)	(2,238)	(1,836)
Number of ordinary shares ('000)	117,339	110,643	117,339	110,643
Basic (loss)/ earnings per share (sen)	(1.91)	(1.66)	(1.91)	(1.66)

(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.