

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		31/03/2016 (Unaudited) RM '000	31/03/2015 (Unaudited) RM '000	31/03/2016 (Unaudited) RM '000	31/03/2015 (Audited) RM '000
Revenue	<b>A10</b>	11,374	11,789	44,466	49,840
Cost of sales		(11,316)	(10,005)	(39,644)	(42,995)
<b>Gross profit</b>		<b>58</b>	<b>1,784</b>	<b>4,822</b>	<b>6,845</b>
Other income		2,680	2,864	6,208	3,799
Distribution expenses		(557)	(778)	(2,231)	(2,570)
Administrative expenses		(3,209)	(13,087)	(9,664)	(22,158)
Loss before interest and taxation		(1,028)	(9,217)	(865)	(14,084)
Interest income		8	5	29	45
Finance costs		(300)	(428)	(1,159)	(1,842)
<b>Loss before taxation</b>		<b>(1,320)</b>	<b>(9,640)</b>	<b>(1,995)</b>	<b>(15,881)</b>
Taxation	<b>B5</b>	(69)	(126)	(69)	(126)
Loss after taxation		(1,389)	(9,766)	(2,064)	(16,007)
<b>Other comprehensive (loss)/profit</b>					
Available-for-sale finance assets reclassified to profit or loss		(172)	(1,091)	(172)	(1,091)
(Loss)/Gain on fair value changes		(5,986)	6,145	(15,204)	(25,145)
<b>Total other comprehensive (loss)/profit for the financial period</b>		<b>(6,158)</b>	<b>5,054</b>	<b>(15,376)</b>	<b>(26,236)</b>
<b>Total comprehensive loss for the financial period</b>		<b>(7,547)</b>	<b>(4,712)</b>	<b>(17,440)</b>	<b>(42,243)</b>
<b>Loss per share - Basic (sen)</b>	<b>B11</b>	<b>(1.18)</b>	<b>(8.83)</b>	<b>(1.77)</b>	<b>(14.47)</b>

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)*

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	<b>Note</b>	<b>As at 31/03/2016 (Unaudited) RM'000</b>	<b>As at 31/03/2015 (Audited) RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		34,553	42,765
Other Investments		12,617	24,445
		<u>47,170</u>	<u>67,210</u>
<b>Current Assets</b>			
Trade and Other Receivables		17,295	14,243
Inventories		4,895	5,111
Current Tax Assets		445	374
Other Investments		3,451	7,306
Fixed Deposits Place with a Licensed Bank		762	751
Cash and Bank Balances		681	915
		<u>27,529</u>	<u>28,700</u>
<b>Total Assets</b>		<u>74,699</u>	<u>95,910</u>

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**UNAUDITED INTERIM FINANCIAL REPORT  
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(Continued)**

		As at 31/03/2016 (Unaudited) RM'000	As at 31/03/2015 (Audited) RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital		58,669	55,321
Share Premium		1,473	-
Capital Redemption Reserve		3,000	3,000
Revaluation Reserve		4,860	8,609
Fair Value Reserve		611	15,987
Accumulated Losses		(24,103)	(25,788)
<b>Total Equity</b>		<u>44,510</u>	<u>57,129</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Loans and Borrowings	<b>B8</b>	3,494	5,388
Deferred Tax Liabilities		2,954	3,357
		<u>6,448</u>	<u>8,745</u>
<b>Current Liabilities</b>			
Trade and Other Payables		9,621	9,997
Loans and Borrowings	<b>B8</b>	14,120	20,039
		<u>23,741</u>	<u>30,036</u>
<b>Total Liabilities</b>		30,189	38,781
<b>Total Equity and Liabilities</b>		<u>74,699</u>	<u>95,910</u>
<b>Net Assets per Share (RM)</b>		<u><b>0.38</b></u>	<u><b>0.52</b></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)*

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED  
31 MARCH 2016**

	Attributable to equity holders of the Company						Total Equity RM '000
	Non-distributable						
	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	
<b><u>Year ended 31 March 2016 (Unaudited)</u></b>							
At 1 April 2015	55,321	-	3,000	8,609	15,987	(25,788)	57,129
Fair value of available-for-sale financial assets	-	-	-	-	(15,204)	-	(15,204)
Fair value recycled to profit or loss	-	-	-	-	(172)	-	(172)
Issuance of ordinary shares	3,348	1,473	-	-	-	-	4,821
Crystallisation of revaluation reserve	-	-	-	(3,749)	-	3,749	-
Loss for the year	-	-	-	-	-	(2,064)	(2,064)
Total comprehensive loss for the period	3,348	1,473	-	(3,749)	(15,376)	1,685	(12,619)
<b>At 31 March 2016</b>	<b>58,669</b>	<b>1,473</b>	<b>3,000</b>	<b>4,860</b>	<b>611</b>	<b>(24,103)</b>	<b>44,510</b>
<b><u>Year ended 31 March 2015 (Audited)</u></b>							
At 1 April 2014	110,643	-	3,000	8,844	42,223	(65,338)	99,372
Capital reduction exercise	(55,322)	-	-	-	-	55,322	-
Fair value of available-for-sale financial assets	-	-	-	-	(25,145)	-	(25,145)
Fair value recycled to profit or loss	-	-	-	-	(1,091)	-	(1,091)
Crystallisation of revaluation reserve	-	-	-	(235)	-	235	-
Loss for the year	-	-	-	-	-	(16,007)	(16,007)
Total comprehensive loss for the financial period	-	-	-	(235)	(26,236)	(15,772)	(42,243)
<b>At 31 March 2015</b>	<b>55,321</b>	<b>-</b>	<b>3,000</b>	<b>8,609</b>	<b>15,987</b>	<b>(25,788)</b>	<b>57,129</b>

*(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)*

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 MARCH 2016**

	<b>31/03/2016</b>	<b>31/03/2015</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Loss before taxation</b>	<b>(1,995)</b>	<b>(15,881)</b>
<b><u>Adjustments for non-cash flow items:</u></b>		
Non-cash items	(1,043)	16,122
Non-operating items	1,129	1,797
Operating (loss)/profit before working capital changes	(1,909)	2,038
<b><u>Changes in working capital:</u></b>		
Inventories	216	1,790
Trade and other receivables	(2,506)	3,332
Trade and other payables	(376)	(5,283)
Cash (used in)/generated from operations	(4,575)	1,877
Interest received	29	45
Interest paid	(253)	(483)
Net income tax paid	(544)	(596)
<b>Net cash (used in)/generated from operating activities</b>	<b><u>(5,343)</u></b>	<b><u>843</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Acquisition of property, plant and equipment	(2,127)	(3,072)
Fixed deposit held as security value	(11)	(38)
Proceeds from disposal of property, plant and equipment	12,093	329
Proceeds from disposal of other investment	440	7,452
<b>Net cash from investing activities</b>	<b><u>10,395</u></b>	<b><u>4,671</u></b>

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 MARCH 2016**

	<b>31/03/2016</b>	<b>31/03/2015</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Issuance of ordinary shares	4,821	-
Interest paid	(905)	(1,359)
Repayment of borrowings	(6,076)	(4,580)
Repayment of finance lease liabilities	(2,484)	(1,280)
<b>Net cash used in financing activities</b>	<b>(4,644)</b>	<b>(7,219)</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>408</b>	<b>(1,705)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>(3,193)</b>	<b>(1,488)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>(2,785)</b>	<b>(3,193)</b>
Analysis of Cash & Cash Equivalents:		
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	681	915
Fixed deposit placed with a licensed bank	762	751
	1,443	1,666
Less: Fixed deposit pledged to a licensed bank	(762)	(751)
Less: Bank overdraft	(3,466)	(4,108)
	<b>(2,785)</b>	<b>(3,193)</b>

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



**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

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**NOTES TO INTERIM FINANCIAL REPORT**

**A. DISCLOSURE REQUIREMENTS AS PER MFRS 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim 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 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above amendments/improvements to MFRSs 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.



**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

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**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 financial year-to-date, 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.

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 was no dividend paid during the current financial quarter under review and financial year-to-date.

**9. Material Events Subsequent to the End of the Reporting Period**

There are no material events subsequent to the end of the reporting period that have not been reflected in the quarterly financial report.



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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****10. Operating Segments**

The Group's operating segments for the financial year ended 31 March 2016 were as follows:

**Segmental information for 12 months ended 31 March 2016**

<b>Business Segment</b>	<b>Paper products RM'000</b>	<b>Plastic products RM'000</b>	<b>Colour Separation &amp; Printing RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
Revenue from external customers	25,036	17,437	1,993	-	-	44,466
Inter-segment revenue	302	2	1	994	(1,299)	-
<b>Total revenue</b>	<b>25,338</b>	<b>17,439</b>	<b>1,994</b>	<b>994</b>	<b>(1,299)</b>	<b>44,466</b>
<b>Operating results</b>	<b>(327)</b>	<b>1,224</b>	<b>(603)</b>	<b>(1,184)</b>	<b>25</b>	<b>(865)</b>
Interest income						29
Interest expense						(1,159)
Loss before taxation						<b>(1,995)</b>
Taxation						(69)
<b>Loss after taxation</b>						<b>(2,064)</b>

**Segmental information for 12 months ended 31 March 2015**

<b>Business Segment</b>	<b>Paper products RM'000</b>	<b>Plastic products RM'000</b>	<b>Colour Separation &amp; Printing RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
Revenue from external customers	26,993	18,748	4,099	-	-	49,840
Inter-segment revenue	239	2	5	1,103	(1,349)	-
<b>Total revenue</b>	<b>27,232</b>	<b>18,750</b>	<b>4,104</b>	<b>1,103</b>	<b>(1,349)</b>	<b>49,840</b>
<b>Operating results</b>	<b>4,445</b>	<b>(2,316)</b>	<b>(464)</b>	<b>(786)</b>	<b>3</b>	<b>882</b>
Impairment loss on goodwill						(11,489)
Net fair value loss on other investments						(3,477)
<b>Loss before interest and taxation</b>						<b>(14,084)</b>
Interest income						45
Interest expense						(1,842)
Loss before taxation						<b>(15,881)</b>
Taxation						(126)
<b>Loss after taxation</b>						<b>(16,007)</b>

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****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 Before Taxation**

The following items have been charged/(credited) in arriving loss before taxation:

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Depreciation of property, plant and equipment	929	1,052	3,474	3,743
Gain on disposal of other investments	(132)	(2,543)	(132)	(2,543)
Gain on disposal of property, plant and equipment	(499)	(19)	(3,840)	(217)
Impairment loss on goodwill	-	11,489	-	11,489
Impairment loss on receivables	359	351	359	351
Impairment loss on receivables no longer required	(904)	(15)	(904)	(177)
Interest expense	300	428	1,159	1,842
Interest income	(8)	(5)	(29)	(45)
Net fair value (gain)/loss on other investments	-	-	-	3,477
Net foreign exchange gain	(25)	(56)	(25)	(56)

**13. Changes in Contingent Liabilities**

There were no contingent liabilities incurred or known to be incurred by the Group as at 31 March 2016.

**14. Provision for Warranties**

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

**15. Capital Commitments**

The capital commitments of the Group are as follows:

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Authorised capital expenditure not provided for:

- Property, plant and equipment

**31/03/2016**  
RM'000

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****16. 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 Current Quarter Performance**

	Individual Financial Quarter Ended			Cumulative Financial Quarter Ended		
	31/03/2016 (Unaudited)	31/03/2015 (Unaudited)	Variances	31/03/2016 (Unaudited)	31/03/2015 (Audited)	Variances
	<b>RM'000</b>					
<b><u>Segmental Revenue</u></b>						
Paper Products	6,285	6,684	(399)	25,338	27,232	(1,894)
Plastic Products	4,895	4,407	487	17,439	18,750	(1,312)
Colour Separation & Printing	296	707	(411)	1,994	4,104	(2,110)
Others	256	282	(25)	994	1,103	(108)
Elimination	(358)	(291)	(67)	(1,299)	(1,349)	51
<b>Group Revenue</b>	<b>11,374</b>	<b>11,789</b>	<b>(415)</b>	<b>44,466</b>	<b>49,840</b>	<b>(5,374)</b>

**Revenue**

The Group revenue for the current quarter ("Q4 FY16") declined by RM0.42 million or 3.6% to RM11.37 million, as compared to RM11.79 million recorded in last year's corresponding quarter ("Q4 FY15"). This marginal decline was mainly due to the reduction in sales registered in both the Group Paper Products and Colour Separation & Printing divisions. By contrast, the Group's Plastic Products division recorded an increase in sales, the effect of which served to mitigate the overall revenue decline.

**Profit/(Loss) Before Taxation**

The lower sales resulted in under-utilisation of production capacity, thus increasing the unit cost of production. Further, the adverse impact arising from the depreciation of the Malaysian Ringgit caused an increase in the material costs of the Group's products, thereby eroding the gross margin. As a consequence, the Group registered a loss before taxation of RM1.32 million in Q4 FY16, compared against the Q4 FY15 loss before taxation of RM9.64 million. The significant reduction in loss before taxation of RM8.32 million achieved in the current quarter is attributable to the impairment write-down in goodwill of RM11.49 million effected in the previous year's corresponding quarter ("Q4 FY15")

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016****2. Variation of Results against Immediate Preceding Quarter**

	<b>Individual Quarter</b>		<b>Variances</b>
	<b>Q4-FY 2016</b>	<b>Q3-FY 2016</b>	
	<b>(Unaudited)</b>		
	<b>RM'000</b>		
<b><u>Segmental Revenue</u></b>			
Paper Products	6,285	6,197	88
Plastic Products	4,895	3,916	979
Colour Separation & Printing	296	674	(378)
Others	256	249	7
Elimination	(358)	(296)	(62)
<b>Group Revenue</b>	<b>11,374</b>	<b>10,740</b>	<b>634</b>

**Revenue**

The Group achieved an increase in revenue of RM0.63 million or 5.9% to RM11.37 million (Q3 FY16: RM10.74 million) is mainly due to improved sales performance by the Group Paper Products and Plastic Products divisions.

**Profit/(Loss) Before Taxation**

The current quarter's loss before taxation of RM1.32 million as compared with the Q3 FY16 profit before taxation of RM1.15 million represents a decline of RM2.47 million. This negative movement was mainly due to the reversal of net fair value loss on other investment to fair value reserves RM2.71 million in previous quarter ("Q3 FY16.")

**3. Prospects**

The Group continues to face a number of challenges, including measures taken by the Government to restrict recruitment of foreign workers; the implementation of a minimum wage of RM1,000; the weakening of the Ringgit Malaysia, as well as the uncertain global economic outlook. These adverse factors have already come into play in terms of affecting the Group's performance for the first half of the financial year 2017.

However, the Group's aggressive efforts in seeking to leverage on machine and product innovations as well as acquiring new customers and implementing new strategies are beginning to gain traction, with higher reported sales in the current quarter as compared to the previous quarter.

**4. Profit Forecast**

This is not applicable.



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**5. Taxation**

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31.03.2016 (Unaudited) RM'000	31.03.2015 (Unaudited) RM'000	31.03.2016 (Unaudited) RM'000	31.03.2015 (Audited) RM'000
<b>Taxation</b>				
- in current quarter/period	(360)	(48)	(360)	(48)
- (under)/over provision in prior year	(112)	304	(112)	304
<b>Deferred taxation</b>				
- in current quarter/period	416	(176)	416	(176)
- under provision in prior year	(13)	(206)	(13)	(206)
	-	-	-	-
	<u>(69)</u>	<u>(126)</u>	<u>(69)</u>	<u>(126)</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.

**7. Status of Corporate Exercise**

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

Bursa had, via its letter dated 11 January 2016, granted company further extension of time of 4.5 months to 18 April 2016 to comply with the public shareholding spread requirement (“PSS”).

On 1 April 2016, MIDF Amanah Investment Berhad (“MIDF”) on behalf of the company submitted an application to Bursa for an extension of time of 6 months from 18 April 2016 to 17 October 2016 for the placement of the remaining 4,368,708 shares arising from a private placement exercise.

The Company has on 14 April 2016 submitted an application letter to Bursa Securities requesting an extension of time and is awaiting approval of the same by Bursa Securities.

On 26 May 2016, Versatile Creative Berhad (“VCB” or “Company”) announced that the Company had received a letter of offer from Oriental Mace Sdn Bhd (“Oriental”) (“LOA”) as the main contractor for the construction of a Halal Vaccine Plant and a Pharmaceutical Plant & Research Centre located at Bandar Enstek, Negeri Sembilan (“Construction Project”).



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The principal terms and conditions of the LOA are as follows:

- a) The contract sum of the Construction Project is amounting to US\$69,300,000 (US Dollar sixty nine million three hundred thousand) only, equivalent to approximately RM283,125,150 (based on the exchange rate of US\$1.0000:RM4.0855);
- b) The scope of work of the Construction Project will include civil engineering, infrastructure, M & E works and process equipment supply, installation and commissioning works ;and
- c) A formal main contractor agreement shall be entered into between the Company and Oriental comprising of the terms and conditions herein and such other terms and conditions in relation to, amongst others, the detailed scope of work, completion period, payment terms and others (“**Agreement**”) as the respective solicitors shall advise and agreed upon by both parties, after the acceptance of the LOA by the Company.

On 27 May 2016, the Board of Directors of the Company (“**Board**”) has, via the Board meeting on even date, given their consent to pursue further to evaluate the viability and feasibility of the Construction Project.

The acceptance of the LOA is subject to further evaluation of the viability and feasibility of the Construction Project and the due diligence exercise to be conducted by the Company.

Furthermore, the Company will seek the approval from the shareholders of the Company for its intention to diversify the business of VCB and its subsidiaries into property development, construction, project management and property investment (“**Proposed Diversification**”).

The carry out of the Construction Project will be subject to the approval to be obtained from the shareholders of the Company in relation to the Proposed Diversification.

Announcements in relation to the further details of the Construction Project and the Proposed Diversification will be made upon the signing of the Agreement in due course.

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a) Total Group's borrowings as at the end of the fourth quarter are as follows:

	<b>As at 31/03/2016 (Unaudited) RM'000</b>	<b>As at 31/03/2015 (Audited) RM'000</b>
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	8,941	13,534
Term Loan	-	336
Finance Lease Liabilities	1,713	2,061
Bank Overdrafts	3,466	4,108
	<u>14,120</u>	<u>20,039</u>
<u>Long term borrowings</u>		
<i>Secured</i>		
Borrowings	-	1,147
Finance Lease Liabilities	3,494	4,241
	<u>3,494</u>	<u>5,388</u>
Total Group's Borrowings	<u>3,494</u>	<u>5,388</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 31 March 2016 and 31 March 2015 were analysed as follows:

	<b>As At 31/03/2016 (Unaudited) RM'000</b>	<b>As At 31/03/2015 (Audited) RM'000</b>
Total accumulated losses of the Company and its subsidiaries		
- Realised	(22,043)	(23,300)
- Unrealised	(2,954)	(3,357)
	<u>(24,997)</u>	<u>(26,657)</u>
Consolidation adjustments	894	869
Total Group accumulated losses	<u>(24,103)</u>	<u>(25,788)</u>

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**10. Dividend**

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

**11. Loss per share****(a) Basic loss per share**

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

	<b>Individual Financial Quarter Ended</b>		<b>Cumulative Financial Quarter Ended</b>	
	<b>31/03/2016</b>	<b>31/03/2015</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
Group's loss attributable to owners of the parent company (RM'000)	(1,389)	(9,766)	(2,064)	(16,007)
Weighted average number of ordinary shares in issue ('000)	117,339	110,643	116,527	110,643
Basic loss per share (sen)	(1.18)	(8.83)	(1.77)	(14.47)

**(b) Diluted loss 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 MFRS133 Earnings Per Share.