

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		30/06/2017 RM '000	30/06/2016 RM '000	30/06/2017 RM '000	30/06/2016 RM '000
Revenue	<b>A10</b>	13,432	12,438	13,432	12,438
Cost of sales		(10,557)	(11,023)	(10,557)	(11,023)
<b>Gross profit</b>		<b>2,875</b>	<b>1,415</b>	<b>2,875</b>	<b>1,415</b>
Other income		288	116	288	116
Distribution expenses		(662)	(408)	(662)	(408)
Administrative expenses		(2,227)	(1,710)	(2,227)	(1,710)
Profit/(Loss) before interest and taxation		274	(587)	274	(587)
Interest income		36	6	36	6
Finance costs		(286)	(249)	(286)	(249)
<b>Profit/(Loss) before taxation</b>		<b>24</b>	<b>(830)</b>	<b>24</b>	<b>(830)</b>
Taxation	<b>B5</b>	-	-	-	-
Profit/(Loss) after taxation		24	(830)	24	(830)
<b>Other comprehensive income/(loss)</b>					
Gain/(Loss) on fair value changes of other investment		2,461	(2,007)	2,461	(2,007)
<b>Total other comprehensive income/(loss) for the financial period</b>		<b>2,461</b>	<b>(2,007)</b>	<b>2,461</b>	<b>(2,007)</b>
<b>Total comprehensive income/(loss) for the financial period</b>		<b>2,485</b>	<b>(2,837)</b>	<b>2,485</b>	<b>(2,837)</b>
<b>Earnings/(Loss) per share - Basic (sen)</b>	<b>B11</b>	<b>0.02</b>	<b>(0.71)</b>	<b>0.02</b>	<b>(0.71)</b>

*(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 2017)*

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	<b>Note</b>	<b>As at 30/06/2017 (Unaudited) RM'000</b>	<b>As at 31/03/2017 (Audited) RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		46,019	46,729
Other Investments		13,800	11,828
		<u>59,819</u>	<u>58,557</u>
<b>Current Assets</b>			
Trade and other receivables		24,295	22,328
Inventories		5,605	5,130
Other Investment		3,424	3,235
Fixed Deposits Placed with a Licensed Bank		803	801
Cash and Bank Balances		570	734
		<u>34,697</u>	<u>32,228</u>
<b>Total Assets</b>		<u>94,516</u>	<u>90,785</u>

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(Continued)**

		<b>As at 30/06/2017 (Unaudited) RM'000</b>	<b>As at 31/03/2017 (Audited) RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital		63,142	63,142
Revaluation Reserve		16,449	16,449
Fair Value Reserve		2,076	(393)
Accumulated Losses		(23,846)	(23,870)
<b>Total Equity</b>		<u>57,821</u>	<u>55,328</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Loan and Borrowings	<b>B8</b>	1,595	1,844
Deferred Tax Liabilities		6,578	6,578
		<u>8,173</u>	<u>8,422</u>
<b>Current Liabilities</b>			
Trade and other payables		11,311	11,098
Current Tax Liabilities		140	171
Loan and Borrowings	<b>B8</b>	17,071	15,766
		<u>28,522</u>	<u>27,035</u>
<b>Total Liabilities</b>		36,695	35,457
<b>Total Equity and Liabilities</b>		<u>94,516</u>	<u>90,785</u>
<b>Net Assets per share (RM)</b>		<u><b>0.49</b></u>	<u><b>0.47</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 2017)*

**VERSATILE CREATIVE BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED  
30 JUNE 2017**

	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>Period ended 30 June 2017 (Unaudited)</b>							
At 01 April 2017	63,142	-	-	16,449	(393)	(23,870)	55,328
Profit for the period	-	-	-	-	-	24	24
Other comprehensive income for the financial period	-	-	-	-	2,469	-	2,469
Total comprehensive income for the financial period	-	-	-	-	2,469	24	2,493
<b>At 30 June 2017</b>	<b>63,142</b>	<b>-</b>	<b>-</b>	<b>16,449</b>	<b>2,076</b>	<b>(23,846)</b>	<b>57,821</b>
<b>Period ended 30 June 2016 (Unaudited)</b>							
At 01 April 2016	58,669	1,473	3,000	4,860	611	(24,103)	44,510
Loss for the period	-	-	-	-	-	(830)	(830)
Other comprehensive loss for the financial period	-	-	-	-	(611)	(1,396)	(2,007)
Total comprehensive loss for the financial period	-	-	-	-	(611)	(2,226)	(2,837)
<b>At 31 June 2016</b>	<b>58,669</b>	<b>1,473</b>	<b>3,000</b>	<b>4,860</b>	<b>-</b>	<b>(26,329)</b>	<b>41,673</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 2016)*

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 MARCH 2017**

(The figures have not been audited)

	<b>30/06/2017</b>	<b>30/06/2016</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(Loss) before taxation</b>	<b>24</b>	<b>(830)</b>
<b><u>Adjustments for non-cash flow items:</u></b>		
Non-cash items	640	773
Non-operating items	250	243
Operating profit/(loss) before working capital changes	914	186
<b><u>Changes in working capital:</u></b>		
Inventories	(475)	302
Trade and other receivables	(1,967)	(3,348)
Trade and other payables	212	3,787
Cash used in operations	(1,316)	927
Interest received	36	6
Interest paid	(60)	(64)
Net income tax paid	(30)	(36)
<b>Net cash generated from/(used in) operating activities</b>	<b><u>(1,370)</u></b>	<b><u>833</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Acquisition of property, plant and equipment	(30)	(318)
Fixed deposit held as security value	(2)	(15)
Proceeds from disposal of property, plant and equipment	8	40
Proceeds from disposal of other investment	400	-
<b>Net cash used in/(from) investing activities</b>	<b><u>376</u></b>	<b><u>(293)</u></b>

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 MARCH 2017 (Continued)**

	<b>30/06/2017</b>	<b>30/06/2016</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Interest paid	(226)	(184)
Drawdown of borrowings	1,513	168
Repayment of finance lease liabilities	(360)	(315)
<b>Net cash from/(used in) financing activities</b>	<b><u>927</u></b>	<b><u>(331)</u></b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(67)</b>	<b>209</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>(2,731)</b>	<b>(2,785)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b><u><u>(2,798)</u></u></b>	<b><u><u>(2,576)</u></u></b>
Analysis of Cash & Cash Equivalents:		
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	570	531
Fixed deposit placed with a licensed bank	803	778
	<u>1,373</u>	<u>1,309</u>
Less: Fixed deposit pledged to a licensed bank	(803)	(778)
Less: Bank overdraft	(3,368)	(3,107)
	<b><u><u>(2,798)</u></u></b>	<b><u><u>(2,576)</u></u></b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2017)*



**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

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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 the requirements of 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 2017.

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

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

Amendments/Improvements to MFRSs

MFRS 12	Disclosure of Interests in Other Entities
MFRS 107	Statement of Cash Flows
MFRS 112	Income Taxes

The adoption of the above amendments/improvements to MFRSs did not have any material financial impact to the Group.

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued, but yet to be effective:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of MFRSs
MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 10	Consolidated Financial Statements
MFRS 128	Investment in Associates and Joint Ventures
MFRS 140	Investment Property
	Foreign Currency Transactions and Advance Consideration

New IC Int

IC Int 22	Foreign currency transactions and Advance Consideration
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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

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**2. Audit Report Qualification and Status of Matters Raised**

The annual audited financial statements of the Group for the year ended 31 March 2017 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. Unusual Items**

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

**5. Changes in Estimates**

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

**6. Valuation of Property, Plant and Equipment**

Land and building have been brought forward, without amendment from annual audited statements for the financial year ended 31 March 2017.

**7. Changes in Debt and Equity Securities**

There were no issuances or repayments of debt and equity 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.

**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 except as disclosed in Part B Note 6 in respect of disposal of 2,000,000 ordinary shares of Iris Corporation Bhd (“ICB”) and Note 7 Versatile Smart Resources Sdn. Bhd. (“VSRSB”), a whole-owned subsidiary of VCB entered into a MOA with Iris World Marketing Sdn. Bhd.



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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****10. Operating Segments**

The Group's operating segments for the financial year ended 30 June 2017 were as follows:

**Segmental information for 3 months ended 30 June 2017**

<b>Business Segment</b>	<b>Financial period ended 30 June 2017</b>					<b>Consolidated RM'000</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>	
Revenue from external customers	7,815	4,933	684	-	-	13,432
Inter-segment revenue	239	-	1	301	(541)	-
<b>Total revenue</b>	<b>8,054</b>	<b>4,933</b>	<b>685</b>	<b>301</b>	<b>(541)</b>	<b>13,432</b>
<b>Operating results</b>	<b>849</b>	<b>(183)</b>	<b>(14)</b>	<b>(378)</b>	<b>-</b>	<b>274</b>
Interest income						36
Interest expense						(286)
Profit before taxation						<b>24</b>
Taxation						-
<b>Profit after taxation</b>						<b>24</b>

**Segmental information for 3 months ended 30 June 2016**

<b>Business Segment</b>	<b>Financial period ended 30 June 2016</b>					<b>Consolidated RM'000</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>	
Revenue from external customers	6,867	5,218	352	-	-	12,437
Inter-segment revenue	122	1	2	277	(402)	-
<b>Total revenue</b>	<b>6,989</b>	<b>5,219</b>	<b>354</b>	<b>277</b>	<b>(402)</b>	<b>12,437</b>
<b>Operating results</b>	<b>384</b>	<b>(562)</b>	<b>(177)</b>	<b>(232)</b>	<b>-</b>	<b>(587)</b>
Interest income						6
Interest expense						(249)
Loss before taxation						<b>(830)</b>
Taxation						-
<b>Loss after taxation</b>						<b>(830)</b>

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

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**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. Profit/(Loss) Before Taxation**

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

	<b>Individual Financial</b>		<b>Cumulative Financial</b>	
	<b>Quarter Ended</b>		<b>Quarter Ended</b>	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
The following items have been charged/(credited) in arriving (profit)/loss before taxation:				
Depreciation of property, plant and equipment	740	813	740	813
Gain on disposal of other investments	(92)	-	(92)	-
Gain on disposal of property, plant and equipment	(8)	(40)	(8)	(40)
Interest expense	286	249	286	249
Interest income	(36)	(6)	(36)	(6)
Net foreign exchange loss	242	46	242	46

**13. Changes in Contingent Liabilities**

There were no contingent liabilities incurred or known to be incurred by the Group as at 30 June 2017.

**14. Provision for Warranties**

There was no provision for warranties for the current financial quarter under review.

**15. Capital Commitments**

There were no capital commitments as at 30 June 2017.

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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**  
**Revenue**

	<b>Individual Quarter</b>		<b>Variances</b>
	<b>Q1-FY'18</b>	<b>Q1-FY'17</b>	
	<b>(Unaudited)</b>		
	<b>RM'000</b>		
<b><u>Segmental Revenue</u></b>			
Paper Products	8,054	6,989	1,065
Plastic Products	4,933	5,219	(286)
Colour Separation & Printing	685	354	331
Others	301	277	24
Elimination	(541)	(402)	(139)
<b>Group Revenue</b>	<b>13,432</b>	<b>12,437</b>	<b>995</b>

The Group revenue for the current quarter ("Q1 FY18") increased by RM0.96 million or 8% to RM13.43 million, as compared with RM12.44 million recorded in last year's corresponding quarter ("Q1 FY17"). The increase in revenue emanated mainly from the Group Paper Products division and Colour Separation & Printing division and were attributable to the following factors:

- Additional orders from the existing customers due to competitive pricing and quality offered by the Group.
- New customers secured by the Paper Products Divisions & Colour Separation & Printing divisions
- New services offered by Colour Separation & Printing division

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****Profit/(Loss) Before Taxation**

	Individual Quarter		Variances
	Q1-FY'18	Q1-FY'17	
	(Unaudited)		
	RM'000		
<b>Operating Profit /(Loss):</b>			
Paper Products	849	384	465
Plastic Products	(183)	(562)	379
Colour Separation & Printing	(14)	(177)	163
Others	(378)	(232)	(146)
<b>Operating Profit/(Loss)</b>	<b>274</b>	<b>(587)</b>	<b>861</b>
<b>Finance:</b>			
<b>Total Finance Cost</b>	<b>(250)</b>	<b>(243)</b>	<b>(7)</b>
<b><u>Segmental Profit / (Loss ) Before Taxation</u></b>			
<b>Group Profit/(Loss) Before Taxation</b>	<b>24</b>	<b>(830)</b>	<b>854</b>

The Group registered a profit before taxation of RM24k in Q1 FY18, compared against the Q1 FY17 loss before taxation of RM0.83 million. The favorable turnaround of RM0.85 million in profit before taxation were mainly due to:

- Productivity and efficiencies gains in Paper Products division and Plastic Products divisions which successfully mitigated the increased raw material impact of these divisions;
- Changes to higher margin products sales mix in colour separation & printing;
- Other income increased by RM0.17million from RM0.12 million to RM0.29 million due to Paper Products and Plastic Products division changed the waste disposal buyers and revised the pricing upward.

The first and second factors mentioned above improved the performance of all three divisions which subsequently contributed to the Group's Gross Profit almost doubling to RM2.88 million or 21.4% for the current quarter. (Q1 FY17: RM1.42 million or 11.4%).

However, the positive contribution from improved gross profit was offset by the RM0.52 million increased in administrative expenses to RM2.23million (Q1-FY17: RM1.71million), which mainly resulted by reduction of unrealized gain in foreign exchange.

The increased distribution expenses by RM0.25 million from RM0.41million in Q1 FY17 to RM0.66million was to cater the increased revenue of Paper Products Division by RM1.07 million

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****2. Variation of Results against Immediate Preceding Quarter  
Revenue**

	Individual Quarter		Variances
	Q1-FY'18 (Unaudited)	Q4-FY'17	
	RM'000		
<b><u>Segmental Revenue</u></b>			
Paper Products	8,054	7,129	925
Plastic Products	4,933	4,338	595
Colour Separation & Printing	685	768	(83)
Others	301	270	31
Elimination	(541)	(275)	(266)
<b>Group Revenue</b>	<b>13,432</b>	<b>12,230</b>	<b>1,202</b>

The Group recorded an increase in revenue of RM1.20 million or 9.82% to RM13.43 million (Q4 FY17: RM12.23 million) and the increase was mainly due to higher sales achieved in the paper products and plastic products divisions; the contributory factors of which are:

- New customers secured by the paper products division
- Additional orders from the existing customers due to competitive pricing and improved product quality offered by the paper products division and plastic products division.

**Profit/(Loss) Before Taxation**

	Individual Quarter		Variances
	Q1-FY'18 (Unaudited)	Q4-FY'17	
	RM'000		
<b><u>Operating Profit/(Loss):</u></b>			
Paper Products	849	2,014	(1,165)
Plastic Products	(183)	625	(808)
Colour Separation & Printing	(14)	287	(301)
Others	(378)	(617)	239
<b>Operating Profit/(Loss)</b>	<b>274</b>	<b>2,309</b>	<b>(2,035)</b>
<b>Finance:</b>			
<b>Total Finance Cost</b>	<b>(250)</b>	<b>(273)</b>	<b>23</b>
<b><u>Segmental Profit / (Loss ) Before Taxation</u></b>			
<b>Group Profit/(Loss) Before Taxation</b>	<b>24</b>	<b>2,036</b>	<b>(2,012)</b>



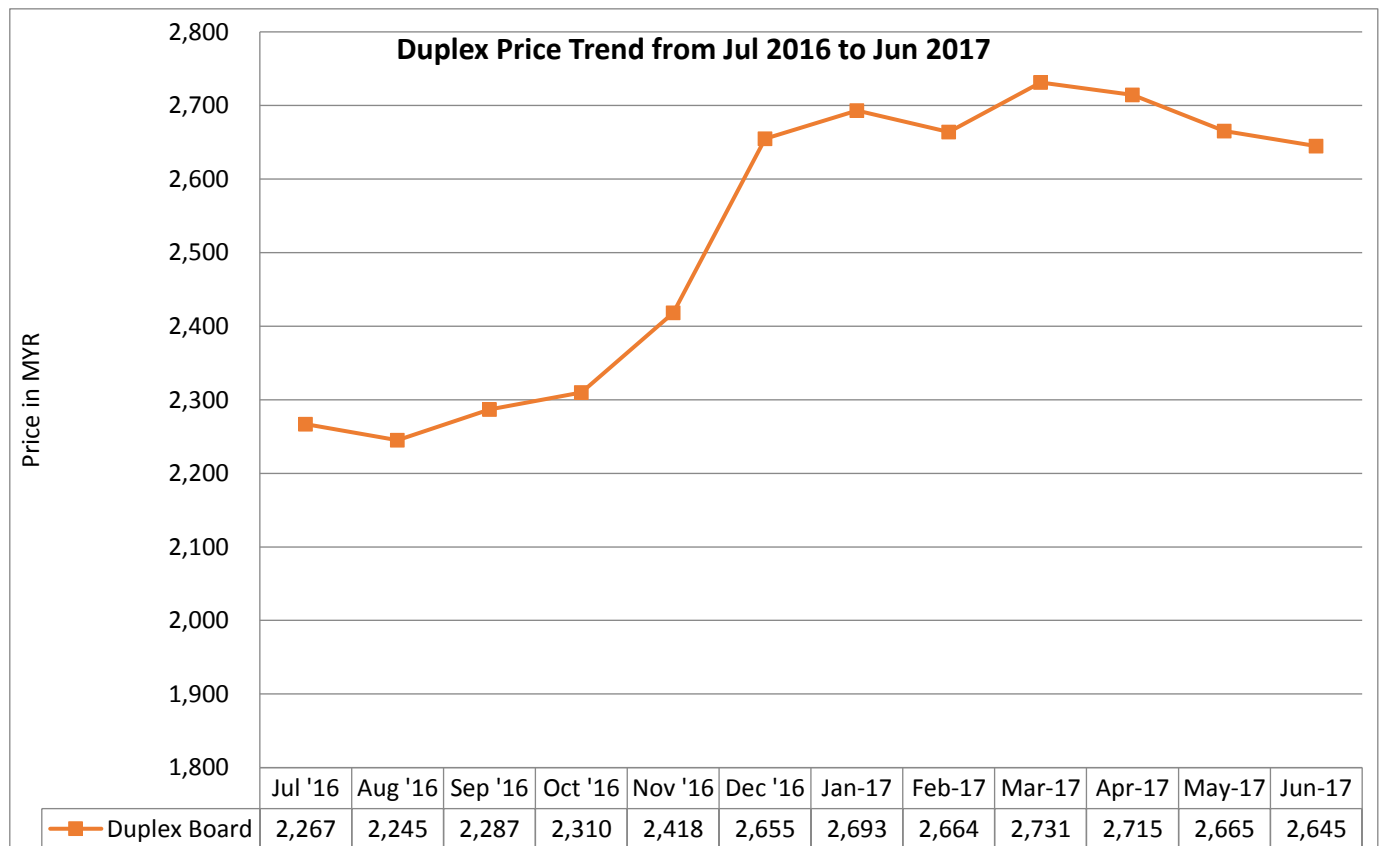
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The Group registered a profit before taxation of RM24k in Q1 FY18, which was RM2.01 million lower, compared against the Q4 FY17 profit before taxation of RM2.04 million. This was mainly due to the absence of RM2.21 million gain on disposal of the machines by paper products and plastic products division in current quarter, which was the main reason resulting a reduction in other income by 2.32million from RM2.62 million in Q4 FY17 to RM0.29 million in Q1 FY 18.

**3. Prospects**

The Group is optimistic that FY 18 will be a turnaround year as its strategies to leverage on machine and product innovations as well as securing new customers; increasing market share of existing customers available business and implementing new processes and services have gained traction, with improved performance in the current quarter as compared to Q1 FY17 and Q4 FY17. The group will put in additional efforts in identifying opportunities for future growth via business expansion and a new location for relocation of its 3 key business units to be located under one factory to further reduce its administrative expenses and supporting staff costs.

The Paper Products Division will focus in machine acquisitions and reconditioning to improve efficiencies and productivity of its operations and processes, at the same time focusing on the strategies of growing sales via penetration of new market segments; regaining back orders from old customers and improving market share of existing customers to lower down its fixed cost per unit to mitigate its increasing raw material costs and minimize the burden of this negative impact to pass on to its customers.





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**3. Prospects (cont'd)**

The Plastic Products Division will focus on the production strategies in reducing its material wastages via utilization of its waste material to produce secondary products and the marketing strategies in regaining back orders from old customers.

Resin price has been volatile due to Resin Raw Material manufacturers scheduled shut down across the region for Plant maintenance (mainly for PS/HIPS).

This indirectly caused panic buying resulting in short supply thus creating a spike in the price of resin.

1) PP Resin from USD1,220 – USD1,300 per metric ton

2) PS Resin from USD1,360 – USD1,520 per metric ton

3) HIPS from USD2,210 – USD2,360 per metric ton

Going forward for the remaining FY18, PP pricing expected to be stabilized despite uncertainty in the crude oil prices and expected to soften slightly to USD1,200 - USD1,250 per metric ton.

PS / HIPS is expected to be on uptrend (5 - 10%) for Q3 FY18 and Q4 FY18 due to shortage in styrene monomer as result of plant accident and pick up demand by China.

The impact by PS is minimal and able to cushion its impact at our current pricing.

As for HIPS, the volatile pricing is eating into our margin, supplier is finding alternative source of styrene monomer with a lower cost to remain its pricing competitiveness and the company is planning to negotiate with its customers to share the negative impact of this.

The colour separation and printing division is re-positioning its business with emphasis towards more interactivity with existing customers and new customers, as well as rationalizing its existing products range.

**4. Profit Forecast**

This is not applicable.

**VERSATILE CREATIVE BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT  
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	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM'000	RM'000	RM'000	RM'000
<b>Taxation</b>				
- in current quarter	-	-	-	-
- (under)/over provision in prior year	-	-	-	-
<b>Deferred taxation</b>				
- in current quarter	-	-	-	-
- under provision in prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**6. Disposal of Quoted or 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.

The Company, had on 31 May 2017 disposed 2,000,000 ordinary shares of RM0.20 each in the paid up capital of Iris Corporation Bhd ("ICB"), representing 0.09% of the equity interest of ICB to the Open Market of Bursa Securities.



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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****7. Status of Corporate Exercise**

On 3 August 2017, VCB announced that Versatile Smart Resources Sdn. Bhd. (“VSRSB”), a wholly-owned subsidiary of VCB has entered into a MOA with Iris World Marketing Sdn. Bhd. (“IWMSB”) to establish a basis for both parties to explore feasibilities of developing and creating a total of two hundred and fifty (250) IRISPAY station E-Concept Stores (“the Project”) throughout Malaysia to support IRISPAY with an estimated gross development value (“GDV”) of approximately Ringgit Malaysia Sixty Two Million Five Hundred Thousand (RM62,500,000) to Ringgit Malaysia Seventy Million (RM70,000,000) prior to entering into a definitive agreement by both parties.

**8. Borrowings and Debts Securities**

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

	<b>As at 30/06/2017 (Unaudited) RM'000</b>	<b>As at 31/03/2017 (Audited) RM'000</b>
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	12,002	10,490
Finance Lease Liabilities	1,701	1,811
Bank Overdraft	3,368	3,465
	<u>17,071</u>	<u>15,766</u>
<u>Long term borrowings</u>		
<i>Secured</i>		
Finance Lease Liabilities	1,595	1,844
Total Group's Borrowings	<u>1,595</u>	<u>1,844</u>

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

c) The utilization of short term borrowings, mainly from banker acceptance (“BA”) facilities increased by RM2.89 million to cater the increased sales in paper products division, resulted the group incurring additional finance cost of RM65,287.

d) The finance lease has been reduced by RM1.59 million from RM4.89 million to RM3.30 million for past 1 year this generated a saving in finance cost of RM22,894 and the positive contribution of this was offset by additional finance cost of RM65,287 arising from additional BA utilisation.

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017****9. Realised and Unrealised Profits or Losses**

The accumulated losses as at 30 June 2017 and 31 March 2017 were analysed as follows:

	<b>As At 30/06/2017 (Unaudited) RM'000</b>	<b>As At 31/03/2017 (Audited) RM'000</b>
Total accumulated losses of the Company and its subsidiaries		
- Realised	(17,938)	(18,478)
- Unrealised	(6,802)	(6,286)
	<u>(24,740)</u>	<u>(24,764)</u>
Consolidation adjustments	894	894
Total Group accumulated losses	<u>(23,846)</u>	<u>(23,870)</u>

**10. Dividend**

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

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

The calculation of basic earnings/(loss) per share for the financial period is based on the net earnings/(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>30/06/2017</b>	<b>30/06/2016</b>	<b>30/06/2017</b>	<b>30/06/2016</b>
Group's profit/(loss) attributable to owners of the parent company (RM'000)	24	(830)	24	(830)
Weighted average number of ordinary shares in issue ('000)	117,339	117,339	117,339	117,339
Basic earnings/(loss) per share (sen)	0.02	(0.71)	0.02	(0.71)

**(b) Diluted loss/(earnings) per share**

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings/(loss) per share.