

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
		RM '000	RM '000	RM '000	RM '000
Revenue	A10	14,346	12,230	55,203	47,481
Cost of sales		(12,899)	(10,126)	(44,890)	(39,122)
Gross profit		1,447	2,104	10,313	8,359
Other income		861	2,606	1,399	3,006
Distribution expenses		(1,226)	(596)	(3,312)	(2,126)
Administrative expenses		(6,661)	(1,805)	(13,121)	(7,482)
(Loss)/profit before interest and taxation		(5,579)	2,309	(4,721)	1,757
Interest income		32	(4)	134	25
Finance costs		(265)	(269)	(1,101)	(1,051)
(Loss)/profit before taxation		(5,812)	2,036	(5,688)	731
Taxation	B5	(914)	(660)	(914)	(660)
(Loss)/profit after taxation		(6,726)	1,376	(6,602)	71
Other comprehensive (loss)/income					
Fair value adjustment on revaluation of property, plant and equipment		-	-	-	11,751
(Loss)/gain on fair value changes of other investment		(49)	4,017	3,404	(1,004)
Total other comprehensive (loss)/income for the financial period		(49)	4,017	3,404	10,747
Total comprehensive (loss)/income for the financial period		(6,775)	5,393	(3,198)	10,818
(Loss)/earnings per share - Basic (sen)	B11	(5.73)	1.17	(5.63)	0.06

(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)



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	As at 31/03/2018 (Unaudited) RM'000	As at 31/03/2017 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		46,974	46,729
Other Investments		-	11,828
		<u>46,974</u>	<u>58,557</u>
Current Assets			
Trade and other receivables		22,933	22,328
Inventories		7,916	5,130
Current Tax Assets		91	-
Other Investment		15,851	3,235
Fixed Deposits Placed with a Licensed Bank		824	801
Cash and Bank Balances		197	734
		<u>47,812</u>	<u>32,228</u>
Total Assets		<u>94,786</u>	<u>90,785</u>

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(Continued)**

		As at 31/03/2018 (Unaudited) RM'000	As at 31/03/2017 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		63,142	63,142
Revaluation Reserve		16,099	16,449
Fair Value Reserve		3,011	(393)
Accumulated Losses		(30,122)	(23,870)
Total Equity		<u>52,130</u>	<u>55,328</u>
LIABILITIES			
Non-Current Liabilities			
Loan and Borrowings	B8	493	1,844
Deferred Tax Liabilities		7,023	6,578
		<u>7,516</u>	<u>8,422</u>
Current Liabilities			
Trade and other payables		16,716	11,098
Current Tax Liabilities		268	171
Loan and Borrowings	B8	18,156	15,766
		<u>35,140</u>	<u>27,035</u>
Total Liabilities		42,656	35,457
Total Equity and Liabilities		<u>94,786</u>	<u>90,785</u>
Net Assets per share (RM)		<u>0.44</u>	<u>0.47</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)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Attributable to equity holders of the Company						
	Non-Distributable						
	Share Capital	Share Premium	Capital Redemption Reserve	Revaluation Reserve	Fair value Reserve	Accumulated Losses	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 March 2018 (Unaudited)							
At 01 April 2017	63,142	-	-	16,449	(393)	(23,870)	55,328
Crystallisation of revaluation reserve	-	-	-	(350)	-	350	-
Loss for the year	-	-	-	-	-	(6,602)	(6,602)
Other comprehensive income for the financial year	-	-	-	-	3,404	-	3,404
Total comprehensive loss for the financial year	-	-	-	(350)	3,404	(6,252)	(3,198)
At 31 March 2018	63,142	-	-	16,099	3,011	(30,122)	52,130
Year ended 31 March 2017 (Unaudited)							
At 01 April 2016	58,669	1,473	3,000	4,860	611	(24,103)	44,510
Adjustment for effects of Companies Act 2016 (Note a)	4,473	(1,473)	(3,000)	-	-	-	-
Crystallisation of revaluation reserve	-	-	-	(162)	-	162	-
Profit for the year	-	-	-	-	-	71	71
Other comprehensive income for the financial year	-	-	-	11,751	(1,004)	-	10,747
Total comprehensive income for the financial year	-	-	-	11,589	(1,004)	233	10,818
At 31 March 2017	63,142	-	-	16,449	(393)	(23,870)	55,328

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM1.473mil and RM3.0mil respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision there on by 31 January 2019.

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

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**UNAUDITED INTERIM FINANCIAL REPORT
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31 MARCH 2018**

(The figures have not been audited)

	31/03/2018	31/03/2017
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss)/profit before taxation	(5,688)	731
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	4,842	931
Non-operating items	967	1,026
Operating (loss)/profit before working capital changes	121	2,688
<u>Changes in working capital:</u>		
Inventories	(2,262)	(235)
Trade and other receivables	(3,672)	(4,839)
Trade and other payables	5,617	1,477
Cash used in from operations	(196)	(909)
Interest received	134	25
Interest paid	(258)	(263)
Net income tax paid	(462)	(131)
Net cash used in operating activities	<u>(782)</u>	<u>(1,278)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(3,499)	(506)
Fixed deposit held as security value	(23)	(38)
Proceeds from disposal of property, plant and equipment	36	2,752
Proceeds from disposal of other investment	3,535	-
Net cash generated from investing activities	<u>49</u>	<u>2,208</u>



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 MARCH 2018 (Continued)**

	31/03/2018	31/03/2017
	RM'000	RM'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(843)	(788)
Drawdown of borrowings	2,492	1,549
Repayment of finance lease liabilities	(1,717)	(1,637)
Net cash used in financing activities	<u>(68)</u>	<u>(876)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(801)	54
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(2,731)	(2,785)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>(3,532)</u>	<u>(2,731)</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	197	734
Fixed deposit placed with a licensed bank	824	801
	1,021	1,535
Less: Fixed deposit pledged to a licensed bank	(824)	(801)
Less: Bank overdraft	(3,729)	(3,465)
	<u>(3,532)</u>	<u>(2,731)</u>

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

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**UNAUDITED INTERIM FINANCIAL REPORT
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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.

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:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018/ 1 January 2020
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020
MFRS 4	Insurance Contracts	1 January 2018
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 101	Presentation of Financial Statements	1 January 2020
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ 1 January 2019/ Deferred
MFRS 134	Interim Financial Reporting	1 January 2020
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
MFRS 140	Investment Property	1 January 2018



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		Effective for financial periods beginning on or after
<u>New IC Int</u>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

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.

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

10. Operating Segments

The Group's operating segments for the financial year ended 31 March 2018 were as follows:

Segmental information for 12 months ended 31 March 2018

Business Segment	Financial year ended 31 March 2018					Consolidated RM'000
	Paper products RM'000	Plastic products RM'000	Colour Separation & Printing RM'000	Others RM'000	Elimination RM'000	
Revenue from external customers	35,895	17,870	1,339	99	-	55,203
Inter-segment revenue	611	-	66	3,061	(3,738)	-
Total revenue	<u>36,506</u>	<u>17,870</u>	<u>1,405</u>	<u>3,160</u>	<u>(3,738)</u>	<u>55,203</u>
Operating results	<u>2,014</u>	<u>(5,645)</u>	<u>(529)</u>	<u>(561)</u>	<u>-</u>	<u>(4,721)</u>
Interest income						134
Interest expense						(1,101)
Loss before taxation						<u>(5,688)</u>
Taxation						(914)
Loss after taxation						<u>(6,602)</u>

Segmental information for 12 months ended 31 March 2017

Business Segment	Financial year ended 31 March 2017					Consolidated RM'000
	Paper products RM'000	Plastic products RM'000	Colour Separation & Printing RM'000	Others RM'000	Elimination RM'000	
Revenue from external customers	28,528	16,937	2,016	-	-	47,481
Inter-segment revenue	330	3	3	1,054	(1,390)	-
Total revenue	<u>28,858</u>	<u>16,940</u>	<u>2,019</u>	<u>1,054</u>	<u>(1,390)</u>	<u>47,481</u>
Operating results	<u>4,546</u>	<u>(940)</u>	<u>(301)</u>	<u>(1,505)</u>	<u>(43)</u>	<u>1,757</u>
Interest income						25
Interest expense						(1,051)
Profit before taxation						<u>731</u>
Taxation						(660)
Profit after taxation						<u>71</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
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There were no changes in the composition of the Group during the current financial quarter under review.

12. (Loss)/profit Before Taxation

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	<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 (loss)/profit before taxation:				
Depreciation of property, plant and equipment	1,047	905	3,255	3,337
Gain on disposal of other investments	(826)	-	(919)	-
Gain on disposal of property, plant and equipment	-	(2,121)	(36)	(2,213)
Impairment loss on goodwill	-	2	-	2
Impairment loss on receivables	3,108	23	3,108	23
Impairment loss on receivables no longer required	(30)	(217)	(41)	(217)
Interest expense	265	269	1,101	1,051
Interest income	(32)	4	(134)	(25)
Net foreign exchange loss/(gain)	151	(274)	492	(292)
Reversal of provision of slow moving stock	-	-	(524)	-

13. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 31 March 2018.

14. Provision for Warranties

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

15. Capital Commitments

	31/03/2018 RM'000
Authorised and contracted for:-	
- purchase of plant and equipment	7,420
	<u>7,420</u>



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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

Revenue

	Individual Quarter		Variances
	Q4-FY'18 (Unaudited)	Q4-FY'17	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	10,003	7,129	2,874
Plastic Products	4,268	4,338	(70)
Colour Separation & Printing	210	768	(558)
Others	2,139	270	1,869
Elimination	(2,274)	(275)	(1,999)
Group Revenue	14,346	12,230	2,116

The Group revenue for the current quarter ("Q4 FY18") increased by RM2.12 million or 17.3% to RM14.35 million, as compared with RM12.23 million recorded in last year's corresponding quarter ("Q4 FY17"). The increase in revenue emanated mainly from the Group Paper Products division and was 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 paper products division.



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(Loss)/Profit Before Taxation

	Individual Quarter		Variances
	Q4-FY'18 (Unaudited)	Q4-FY'17	
	RM'000		
(Loss)/Profit Before Taxation			
Paper Products	(1,908)	1,763	(3,671)
Plastic Products	(4,471)	615	(5,086)
Colour Separation & Printing	(156)	285	(441)
Others	723	(627)	1,350
Group (Loss)/Profit Before Taxation	(5,812)	2,036	(7,848)

The Group registered a loss before taxation of RM5.81 million in Q4 FY18, compared against the Q4 FY17 profit before taxation of RM2.04 million. This was mainly due to:

- The paper products division registered a loss before taxation of RM1.91 million was mainly due to the reduction in profits by RM3.67 million resulted by outsourced printing jobs to outsourced printers to cope with increased sales orders. Another main reason resulting the additional loss before taxation was due to the increase in administrative expenses arising from additional of unrealised foreign exchange loss, depreciation, staff bonuses, electricity & water expenses, contract wages and management fee.
- The plastic products division registered a loss before taxation of RM4.47 million due the major repair works required for the machines and moulds which subsequently affecting the gross margin of the division. Another main reason resulting the additional loss before taxation of RM5.09 million was due to increase in administrative expenses by RM3.51 million which mainly resulted by the impairment of receivables of RM3.11 million, provision for machine repair, additional unrealised foreign exchange loss.
- The colour separation division registered a loss before taxation of RM156k due to losing major customers in annual report business to our competitors.
- Additional profit before taxation of RM1.35 million from other divisions.

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**UNAUDITED INTERIM FINANCIAL REPORT
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Revenue**

	Individual Quarter		Variances
	Q4-FY'18 (Unaudited)	Q3-FY'18	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	10,003	10,014	(11)
Plastic Products	4,268	3,963	305
Colour Separation & Printing	210	247	(37)
Others	2,139	431	1,708
Elimination	(2,274)	(377)	(1,897)
Group Revenue	14,346	14,278	68

The Group recorded an increase in revenue of RM68k or 0.50% to RM14.35 million (Q3 FY18: RM14.28 million), mainly due to higher sales achieved in the Group Plastic Products division; the contributory factors of which are:

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

(Loss)/Profit Before Taxation

	Individual Quarter		Variances
	Q4-FY'18 (Unaudited)	Q3-FY'18	
	RM'000		
(Loss)/Profit Before Taxation			
Paper Products	(1,908)	1,152	(3,060)
Plastic Products	(4,471)	(570)	(3,901)
Colour Separation & Printing	(156)	(173)	17
Others	723	(405)	1,128
Group (Loss)/Profit Before Taxation	(5,812)	4	(5,816)



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The Group registered a loss before taxation of RM5.81 million in Q4 FY18, compared against the Q3 FY18 profit before taxation of RM4k due to the increased losses of RM5.82 million from Plastic Products Division and other factors stated below:

- a) The paper products division profit before taxation deteriorated in this quarter by RM3.06 million were mainly due to reduction in margin resulted by outsourced printing jobs to outsourced printers and the increase in administrative expenses resulted by additional of unrealised foreign, staff bonuses and depreciation.
- b) The plastic products division loss before taxation increased by RM3.90 million from RM0.57 million in Q3 FY18 to RM4.47 million in Q4 FY18 due to lower production outputs resulted by the major repair works required for the machines and moulds which subsequently affecting the gross margin of the division. Another main reason resulting the additional loss before taxation of RM3.90 million was due to increase in administrative expenses by RM3.51 million which mainly resulted by the impairment of receivables of RM3.11 million, provision for machine repair and additional of unrealised foreign exchange loss.
- c) The colour separation division loss before taxation reduced by RM0.017 million from RM0.173 million in Q3 FY18 to RM0.156 in Q4 FY18 due to cost saving measures implemented by the management.
- d) Additional profit before taxation of RM1.13 million from other divisions

3. Prospects

The Group is optimistic that FY 19 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. 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 and Plastic Products Divisions 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.

The Paper Products and 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.



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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 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.

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	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Taxation				
- in current quarter	(231)	(733)	(231)	(733)
- under provision in prior year	(238)	(14)	(238)	(14)
Deferred taxation				
- in current quarter	(193)	(112)	(193)	(112)
- under provision in prior year	(252)	199	(252)	199
	<u>(914)</u>	<u>(660)</u>	<u>(914)</u>	<u>(660)</u>

6. Disposal of Quoted or Unquoted Investments or Properties

There was disposal of 15 million ordinary shares of Iris Corporation Berhad included in the results of the Group for the current financial quarter.

7. Status of Corporate Exercise

Service and Technical Assistant Agreement (“SATAA”) between Versatile Smart Resources Sdn. Bhd. (“VSR SB”) and Iris World Marketing Sdn Bhd (“IWMSB”)

Further to the announcement on 3 August 2017 on the MOA entered between VSR SB and IWMSB, on 11 September 2017, VSR SB entered in to a SATAA with 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”), the due diligence of the project had been partially completed and the report and/or the due diligence was satisfactorily to the IWMSB.

As at 24 May 2018, VSR SB had completed the renovation of 1 IRISPAY station E-Concept Stores of a total value of RM111,952 with a discount of RM12,283.

Memorandum of Understanding (“MOU”) between Versatile Smart Properties Sdn. Bhd. (“VSPSB”) and Double Action Ventures Sdn. Bhd. (“DAVSB”)

Further to the announcement made on 10 January 2017, 10 April 2017, 10 July 2017, 10 October 2017, 12 October 2017 and 10 January 2018 in relation to the MOU of developing medium cost apartments, on 10 April 2018, the reply from DAVSB pertaining our request on the proposed repayment of land conversion cost is still pending, and VSPSB has decided not to pursue the MOU further.



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Disposal of 83,424,033 Iris Corporation Berhad (“ICB”) shares

On 13 September 2017, VCB proposes to obtain a mandate from its shareholders’ for the disposal of 98,424,033 ICB shares held by VPBSB. On 9 January 2018, VCB announced that VPB had in the period from 17 May 2017 to 9 January 2018 disposed of an aggregate of 17,000,000 ICB Shares, representing 0.69% of the share capital of ICB via Open-Market Disposal for cash consideration of RM3,535,000. As such, the Disposal Shares shall comprise of 83,424,033 ICB Shares held at this juncture.

Proposed Private Placement

On 13 April 2018, VCB proposes to undertake a private place of up to 11,733,800 new ordinary shares in VCB, representing approximately 10% of the issued shares in VCB to independent third party investor(s) to be identified. The listing application to Bursa Malaysia Securities Berhad in relation to the Proposed Private Placement has been submitted on 17 May 2018. Bursa Malaysia Securities Berhad (“Bursa Securities”) had vide its letter dated 21 May 2018, resolved to approve the listing of up to 11,733,800 new ordinary shares in VCB to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- (i) VCB and M&A Securities, the adviser for the Proposed Private Placement, must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) VCB and M&A Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;
- (iii) VCB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed;
- (iv) if applicable, VCB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming annual general meeting for the authority to issue shares pursuant to the Companies Act 2016 before the listing of the Placement Shares; and
- (iv) M&A Securities must submit to furnish Bursa Securities details of the placees in accordance with Paragraph 6.15 of the Main Market Listing Requirements as soon as practicable before the listing of the new shares to be issued pursuant to the Proposed Private Placement.



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8. Borrowings and Debts Securities

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

	As at 31/03/2018 (Unaudited) RM'000	As at 31/03/2017 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	12,982	10,490
Finance Lease Liabilities	1,445	1,811
Bank Overdraft	3,729	3,465
	<u>18,156</u>	<u>15,766</u>
 <u>Long term borrowings</u>		
<i>Secured</i>		
Finance Lease Liabilities	493	1,844
	<u>493</u>	<u>1,844</u>
Total Group's Borrowings	<u>493</u>	<u>1,844</u>

- b) The above borrowings are denominated in Ringgit Malaysia. There are no foreign currencies borrowings.
- c) The utilisation of short term borrowings, mainly from banker acceptance ("BA") facilities increased by RM2.49 million to cater the increased sales in paper products division, resulted the group incurring additional finance cost of RM150,277.
- d) The finance lease has been reduced by RM1.71 million from RM3.66 million to RM1.94 million for past 1 year this generated a saving in finance cost of RM99,022 and the positive contribution of this was offset by additional finance cost of RM150,277 arising from additional BA utilisation.

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The accumulated losses as at 31 March 2018 and 31 March 2017 were analysed as follows:

	As At 31/03/2018 (Unaudited) RM'000	As At 31/03/2017 (Audited) RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(23,993)	(18,478)
- Unrealised	<u>(7,023)</u>	<u>(6,286)</u>
	(31,016)	(24,764)
Consolidation adjustments	<u>894</u>	<u>894</u>
Total Group accumulated losses	<u>(30,122)</u>	<u>(23,870)</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 earnings/(loss) per share**

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Group's (loss)/profit attributable to owners of the parent company (RM'000)	(6,726)	1,376	(6,602)	71
Weighted average number of ordinary shares in issue ('000)	117,339	117,339	117,339	117,339
Basic (loss)/earnings per share (sen)	(5.73)	1.17	(5.63)	0.06

(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 (loss)/earnings per share.