

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		31/03/2019 RM '000	31/03/2018 RM '000	31/03/2019 RM '000	31/03/2018 RM '000
Revenue	A10	14,110	14,346	55,667	55,203
Cost of sales		(13,446)	(12,899)	(51,408)	(44,890)
Gross profit		664	1,447	4,259	10,313
Other income		235	861	502	1,399
Distribution expenses		(813)	(1,226)	(3,027)	(3,312)
Administrative expenses		(2,098)	(3,553)	(9,167)	(10,008)
Loss on fair value changes of other investment		(3,011) N1	-	(3,011) N1	-
Impairment loss on trade and other receivables		(2,297)	(3,108)	(6,575)	(3,113)
Loss before interest and taxation		(7,320)	(5,579)	(17,019)	(4,721)
Interest income		6	32	25	134
Finance costs		(300)	(265)	(1,109)	(1,101)
Loss before taxation		(7,614)	(5,812)	(18,103)	(5,688)
Taxation	B5	1,183	(914)	1,177	(914)
Loss after taxation		(6,431)	(6,726)	(16,926)	(6,602)
Other comprehensive (loss)/income					
(Loss)/gain on fair value changes of other investment		-	(49) N1	-	3,404 N1
Total other comprehensive loss for the financial period		-	(49)	-	3,404
Total comprehensive loss for the financial period		(6,431)	(6,775)	(16,926)	(3,198)
Loss per share - Basic (sen)	B11	(4.98)	(5.73)	(13.11)	(5.63)

(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 2018)

N1:As a result of adoption MFRS 9, hence gain/(loss) on fair value changes of other investment is therefore recognised in profit or loss as opposed to recognising in Other Comprehensive Income in previous financial periods.

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**UNAUDITED INTERIM FINANCIAL REPORT
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	Note	As at 31/03/2019 (Unaudited) RM'000	As at 31/03/2018 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		44,601	46,974
Other Investments		11,828	14,983
		<u>56,429</u>	<u>61,957</u>
Current Assets			
Trade and other receivables		16,914	22,933
Inventories		7,256	7,916
Current Tax Assets		295	91
Other Investment		385	868
Fixed Deposits Placed with a Licensed Bank		848	824
Cash and Bank Balances		331	197
		<u>26,029</u>	<u>32,829</u>
Total Assets		<u>82,458</u>	<u>94,786</u>

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(Continued)**

		As at 31/03/2019 (Unaudited) RM'000	As at 31/03/2018 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		67,390	63,142
Revaluation Reserve		15,745	16,099
Accumulated Losses		(43,683)	(27,111)
Total Equity		<u>39,452</u>	<u>52,130</u>
LIABILITIES			
Non-Current Liabilities			
Loan and Borrowings	B8	279	493
Deferred Tax Liabilities		6,006	7,023
		<u>6,285</u>	<u>7,516</u>
Current Liabilities			
Trade and other payables		20,268	16,716
Current Tax Liabilities		-	268
Loan and Borrowings	B8	16,453	18,156
		<u>36,721</u>	<u>35,140</u>
Total Liabilities		43,006	42,656
Total Equity and Liabilities		<u>82,458</u>	<u>94,786</u>
Net Assets per share (RM)		<u>0.31</u>	<u>0.44</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018)

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 MARCH 2019**

	Attributable to equity holders of the Company				
	Non-Distributable				
	Share Capital RM'000	Revaluation Reserve RM'000	Fair value Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
<u>Year ended 31 March 2019 (Unaudited)</u>					
At 01 April 2018					
- As previously reported	63,142	16,099	3,011	(30,122)	52,130
- Effect of adoption of MFRS 9	-	-	(3,011)	3,011	-
Restated balance at 1 April 2018	63,142	16,099	-	(27,111)	52,130
Total comprehensive income for the financial year					
Issuance of ordinary shares	4,248	-	-	-	4,248
Loss for the year	-	-	-	(16,926)	(16,926)
Crystallisation of revaluation reserve	-	(354)	-	354	-
Total comprehensive loss for the financial year	4,248	(354)	-	(16,572)	(12,678)
At 31 March 2019	67,390	15,745	-	(43,683)	39,452
<u>Year ended 31 March 2018 (Audited)</u>					
At 01 April 2017	63,142	16,449	(393)	(23,870)	55,328
Crystallisation of revaluation reserve	-	(350)	-	350	-
Other comprehensive income for the financial year			3,404		3,404
Loss for the year	-	-	-	(6,602)	(6,602)
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018)

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 MARCH 2019**

(The figures have not been audited)

	31/03/2019	31/03/2018
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(18,103)	(5,688)
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	13,493	4,842
Non-operating items	1,084	967
Operating (loss)/profit before working capital changes	<u>(3,526)</u>	<u>121</u>
<u>Changes in working capital:</u>		
Inventories	123	(2,262)
Trade and other receivables	(93)	(3,672)
Trade and other payables	3,553	5,617
Cash generated from/(used in) from operations	<u>57</u>	<u>(196)</u>
Interest received	25	134
Interest paid	(284)	(258)
Net income tax paid	(311)	(462)
Net cash used in operating activities	<u>(513)</u>	<u>(782)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(1,114)	(3,499)
Fixed deposit held as security value	(24)	(23)
Proceeds from disposal of property, plant and equipment	-	36
Proceeds from disposal of other investment	280	3,535
Net cash (used in)/ generated from investing activities	<u>(858)</u>	<u>49</u>

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31 MARCH 2019 (Continued)**

	31/03/2019	31/03/2018
	<u>RM'000</u>	<u>RM'000</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(825)	(843)
Drawdown of borrowings	4,247	2,492
Repayment of finance lease liabilities	(1,438)	(1,717)
Net cash generated from/(used in) financing activities	<u>1,984</u>	<u>(68)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	613	(801)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(3,532)	(2,731)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>(2,919)</u>	<u>(3,532)</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	331	197
Fixed deposit placed with a licensed bank	848	824
	<u>1,179</u>	<u>1,021</u>
Less: Fixed deposit pledged to a licensed bank	(848)	(824)
Less: Bank overdraft	(3,250)	(3,729)
	<u>(2,919)</u>	<u>(3,532)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018)



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019**

NOTES TO INTERIM FINANCIAL REPORT

A. DISCLOSURE REQUIREMENTS AS PER MFRS 134

1. Basis of Preparation

MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
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 Malaysian Financial Reporting Standards	1 January 2021 [#]
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 [#]
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021 [#]
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021 [#]
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 107	Statements of Cash Flows	1 January 2021 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021 [#]
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019



**UNAUDITED INTERIM FINANCIAL REPORT
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1. Basis of Preparation (Continued)

New MFRSs, amendments/improvements to MFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective (continued)

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

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
<u>(continued)</u>		
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 132	Financial instruments: Presentation	1 January 2021 [#]
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138	Intangible Assets	1 January 2020*
MFRS 140	Investment Property	1 January 2021 [#]
<u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
<u>Amendments to IC</u>		
<u>Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

* Amendments to References to the Conceptual Framework in MFRS Standards

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts



**UNAUDITED INTERIM FINANCIAL REPORT
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2. Qualification of prior year financial statement (FS 2018)

The Board of Directors of Versatile Creative Group Berhad (“VCB” or “the Company”) wishes to announce that its external auditors, Messrs. Baker Tilly Monteiro Heng PLT have expressed a Qualified Opinion in respect of VCB’s Financial Statements for 31 March 2018 (“FS 2018”).

Basis for Qualified Opinion

As disclosed in Note 9(a) to the financial statements, included in prepayments of the Group are purported professional fees paid of RM1,900,000 for land conversion services. On 3 July 2018, the Board of Directors of the Company had appointed Forensic Accountants to conduct an investigative review on the payment transactions.

They were unable to obtain sufficient appropriate audit evidence and satisfactory explanations on the aforesaid payments. Consequently, they were unable to determine whether any adjustments to these payments on the financial statements of the Group were necessary.

They conducted their audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Their responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of their report. They are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and they have fulfilled their other ethical responsibilities in accordance with the By Laws and the IESBA Code. They believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for their qualified opinion.

In relation to the above, the Board wishes to advise:-

(a) The Group and the Company have taken certain actions which are currently in progress, ie

- On July 2, 2018, our former Executive Chairman of the Company, Mr Lee Kwee Hiang had lodged a police report on behalf of the Company. As at to date, the investigation is still on going.
- Issued demand letter to the Managing Director and the former Chief Financial Officer and pending for further legal action.

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.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019**

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 2018.

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 for the disposal of 10,077,500 quoted shares held by Versatile Paper Boxes Sdn. Bhd. in April 2019.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019****10. Operating Segments**

The Group's operating segments for the financial year ended 31 March 2019 were as follows:

Segmental information for 12 months ended 31 March 2019

Business Segment	Financial year ended 31 March 2019					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	38,425	16,646	596	-	-	55,667
Inter-segment revenue	-	-	50	2,920	(2,970)	-
Total revenue	38,425	16,646	646	2,920	(2,970)	55,667
Operating results	(21,352) *	(3,903)	(274)	(253)	8,763	(17,019)
Interest income						25
Interest expense						(1,109)
Loss before taxation						(18,103)
Taxation						1,177
Loss after taxation						(16,926)

* The operating results of the Paper Products segment consists of impairment loss on trade and other receivables of RM3.83 million, loss on fair value changes of other investment of RM3.01 million.

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	36,506	17,870	1,405	3,160	(3,738)	55,203
Operating results	2,014	(5,645)	(529)	(561)	-	(4,721)
Interest income						134
Interest expense						(1,101)
Profit before taxation						(5,688)
Taxation						(914)
Loss after taxation						(6,602)

**UNAUDITED INTERIM FINANCIAL REPORT
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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. Loss Before Taxation

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

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	<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	866	1,047	3,488	3,255
Loss/(gain) on disposal of other investments	-	(826)	160	(919)
Gain on disposal of property, plant and equipment	-	-	-	(36)
Impairment loss on receivables	2,297	3,108	6,575	3,113
Impairment loss on receivables no longer required	(432)	(30)	(462)	(41)
Interest expense	300	265	1,109	1,101
Interest income	(6)	(32)	(25)	(134)
Provision/(reversal) of slow moving stock	54	-	54	(524)

13. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 31 March 2019.

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 31 March 2019.

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**UNAUDITED INTERIM FINANCIAL REPORT
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There have been no significant related party transactions transpired within the Company and the Group during the period from 1 January 2019 to 31 March 2019.

B. Additional information required by the Bursa Malaysia's Listing Requirements**1. Review of Current Quarter Performance****Revenue**

	Individual Quarter		Variances
	Q4-FY'19 (Unaudited)	Q4-FY'18 (Unaudited)	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	9,687	9,868	(181)
Plastic Products	4,289	4,268	21
Colour Separation & Printing	134	210	(76)
Group Revenue	14,110	14,346	(236)

The Group revenue for the current quarter ("Q4 FY19") decreased by RM0.23 million or 1.6% to RM14.11 million, as compared with RM14.35 million recorded in last year's corresponding quarter ("Q4 FY18") primarily due to decrease in sales orders from the major existing customers in paper product division.

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**UNAUDITED INTERIM FINANCIAL REPORT
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	Individual Quarter		Variances
	Q4-FY'19 (Unaudited)	Q4-FY'18 (Unaudited)	
	RM'000		
Operating Profit:			
Paper Products	(5,736)	(1,908)	(3,828)
Plastic Products	(1,374)	(4,471)	3,097
Colour Separation & Printing	331	(156)	487
Others	(835)	723	(1,558)
Group Loss Before Taxation	(7,614)	(5,812)	(1,802)

The Group registered a loss before taxation of RM7.61 million in Q4 FY19, compared against the Q4 FY18 loss before taxation of RM5.81 million. This was mainly due to the following:

- a) The paper products division registered a loss before taxation of RM5.74 million was mainly due to the adjustment on the effect of MFRS 9 of RM3.01 million pertained to the decline in market price for the quoted shares held by Versatile Paper Boxes Sdn Bhd. Another main reason resulting the additional loss before taxation was due to the increase in administrative expenses arising from additional of provision for doubtful debts of RM 2.22 million.
- b) The plastic products division registered a loss before taxation of RM1.37 million in Q4 FY19 as compared to Q4 FY18 of RM4.47 million. The decrease in operating loss in Plastic Products division by RM3.10 million was mainly due to impairment of receivables of RM3.11 million in Q4 FY18.
- c) The colour separation division registered a profit before taxation of RM0.33 million due to reversal of impairment of receivables.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2019****2. Variation of Results against Immediate Preceding Quarter
Revenue**

	Individual Quarter		Variances
	Q4-FY'19 (Unaudited)	Q3-FY'19 (Unaudited)	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	9,687	9,164	523
Plastic Products	4,289	3,327	962
Colour Separation & Printing	134	179	(45)
Group Revenue	14,110	12,670	1,440

The Group recorded an increase in revenue of RM1.44 million or 11.37% to RM14.11 million as compared to preceding quarter (Q3 FY19: RM12.67 million), mainly due to higher sales achieved in both Plastic Products division and Paper Products division; the contributory factors of which are:

- Increase in sales orders from the overseas customer in plastic product division
- New customers secured by plastic products and paper products division.

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**UNAUDITED INTERIM FINANCIAL REPORT
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	Individual Quarter		Variances
	Q4-FY'19	Q3-FY'19	
	(Unaudited)	(Unaudited)	
	RM'000		
Operating (loss)/profit:			
Paper Products	(5,736)	(1,106)	(4,630)
Plastic Products	(1,374)	(768)	(606)
Colour Separation & Printing	331	26	305
Others	(835)	273	(1,108)
Group Loss Before Taxation	(7,614)	(1,575)	(6,039)

The Group registered a loss before taxation of RM7.61 million in Q4 FY19, compared against the Q3 FY19 loss before taxation of RM1.58 million. The increase in loss before taxation is explained as follow:

- a) The paper products division profit before taxation deteriorated in this quarter by RM4.63 million were mainly due to adjustment on the effect of MFRS 9 of RM3.01 million pertained to the decline in market price for the quoted shares held by Versatile Paper Boxes Sdn. Bhd.. In addition, the increase in loss before taxation also due to additional of provision for doubtful debts of RM 2.22 million.
- b) The plastic products division loss before taxation increased by RM0.61 million from RM0.77 million in Q3 FY19 to RM1.38 million in Q4 FY19 due to increase in maintenance of moulds which subsequently affecting the gross margin of the division. Another main reason resulting the additional loss before taxation was additional impairment of receivables of RM0.24 million.
- c) The colour separation division registered a profit before taxation of RM0.33 million due to reversal of accrual.



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3. Prospects

The Group is optimistic about its financial performance in the foreseeable future as its strategies to leverage on machine and product innovations as well as securing new customers; increasing market share of existing customers and implementing new processes and services have gained traction. The group will also consider opportunities for future growth via business expansion.

The Paper Products and Plastic Products Divisions will focus in machine acquisitions to replace manual work, reconditioning and replacement of machine to improve efficiencies and productivity of its operations and processes, at the same time focusing on the strategies of growing sales via penetrating into new market segments; regaining orders from former 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.

4. Profit Forecast

This is not applicable.

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**UNAUDITED INTERIM FINANCIAL REPORT
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	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter	(20)	(231)	(20)	(231)
- in prior quarter	187	(238)	181	(238)
Deferred taxation				
- in current quarter	547	(193)	547	(193)
- in prior quarter	469	(252)	469	(252)
	<u>1,183</u>	<u>(914)</u>	<u>1,177</u>	<u>(914)</u>

6. Disposal of Quoted or Unquoted Investments or Properties

The Company had disposed 10,077,500 quoted shares of held by Versatile Paper Boxes Sdn. Bhd. for a total cash consideration of RM1.74 million in April 2019.

7. Status of Corporate Exercise

On 15 February 2019, the Company proposed to undertake a private placement of up to 12,907,248 new ordinary shares in the Company, representing up to 10% of the issued shares capital of the Company.

On 26 April 2019, the Company announced that the Private Placement has been completed following the listing and quotation of 12,907,200 Placement Shares on the Main Market of Bursa Securities. The Company had received the proceeds in the same month and up to reporting date, the Company has not utilised the fund yet.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

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

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

	As at 31/03/2019 (Unaudited) RM'000	As at 31/03/2018 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	12,804	12,982
Finance Lease Liabilities	399	1,445
Bank Overdraft	3,250	3,729
	<u>16,453</u>	<u>18,156</u>
 <u>Long term borrowings</u>		
<i>Secured</i>		
Finance Lease Liabilities	279	493
	<u>16,732</u>	<u>18,649</u>
Total Group's Borrowings	<u>16,732</u>	<u>18,649</u>

9. Dividend

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

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10. Loss per share

(a) Basic 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	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Group's loss attributable to owners of the parent company (RM'000)	(6,431)	(6,726)	(16,926)	(6,602)
Weighted average number of ordinary shares in issue ('000)	129,072	117,339	129,072	117,339
Basic loss per share (sen)	(4.98)	(5.73)	(13.11)	(5.63)

(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.