



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		30/06/2019	30/06/2018	30/06/2019	30/06/2018
		RM '000	RM '000	RM '000	RM '000
Revenue	A10	13,782	15,147	13,782	15,147
Cost of sales		(11,660)	(13,270)	(11,660)	(13,270)
Gross profit		2,122	1,877	2,122	1,877
Other income		292	26	292	26
Distribution expenses		(821)	(839)	(821)	(839)
Administrative expenses		(1,380)	(4,843)	(1,380)	(4,843)
Loss before interest and taxation		213	(3,779)	213	(3,779)
Interest income		-	33	-	33
Finance costs		(207)	(281)	(207)	(281)
Profit/(Loss) before taxation		6	(4,027)	6	(4,027)
Taxation	B5	-	-	-	-
Profit/(Loss) after taxation		6	(4,027)	6	(4,027)
Other comprehensive income/(loss)					
Loss on fair value changes of other investment		-	(3,604)	-	(3,604)
Fair value adjustment on revaluation of property, plant and equipment		3,184	-	3,184	-
Total other comprehensive income/ (loss) for the financial period		3,184	(3,604)	3,184	(3,604)
Total comprehensive income/ (loss) for the financial period		3,190	(7,631)	3,190	(7,631)
Earning/(Loss) per share - Basic (sen)	B11	0.00	(3.43)	0.00	(3.43)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	As at 30/06/2019 (Unaudited) RM'000	As at 31/03/2019 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	48,073	44,601
Current Assets		
Trade and other receivables	15,217	16,829
Inventories	7,589	7,255
Tax Recoverable	296	295
Other Investment	10,702	12,214
Fixed Deposits Placed with a Licensed Bank	848	848
Cash and Bank Balances	314	365
	<u>34,966</u>	<u>37,806</u>
Total Assets	<u>83,039</u>	<u>82,407</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019
(Continued)**

	Note	As at 30/06/2019 (Unaudited) RM'000	As at 31/03/2019 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		71,262	67,390
Revaluation Reserve		18,929	15,745
Accumulated Losses		(43,095)	(43,101)
Total Equity		47,096	40,034
LIABILITIES			
Non-Current Liabilities			
Loan and Borrowings	B8	328	298
Deferred Tax Liabilities		7,012	6,007
		<u>7,340</u>	<u>6,305</u>
Current Liabilities			
Trade and other payables		14,021	19,642
Loan and Borrowings	B8	14,582	16,426
		<u>28,603</u>	<u>36,068</u>
Total Liabilities		35,943	42,373
Total Equity and Liabilities		83,039	82,407
Net Assets per share (RM)		0.33	0.31

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2019**

	Attributable to equity holders of the Company				
	Non-Distributable				
	Share Capital	Revaluation Reserve	Fair value Reserve	Accumulated Losses	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000
Period ended 30 June 2019 (Unaudited)					
At 01 April 2019	67,390	15,745	-	(43,101)	40,034
Issuance of ordinary shares	3,872	-	-	-	3,872
Profit for the period	-	-	-	6	6
Fair value adjustment on revaluation reserves	-	3,184	-	-	3,184
Total comprehensive income for the financial period	-	3,184	-	6	3,190
At 30 June 2019	71,262	18,929	-	(43,095)	47,096
Period ended 30 June 2018 (Unaudited)					
At 01 April 2018	63,142	16,099	3,011	(30,122)	52,130
Loss for the period	-	-	-	(4,027)	(4,027)
Other comprehensive loss for the financial period	-	-	(3,604)	-	(3,604)
Total comprehensive loss for the financial period	-	-	(3,604)	(4,027)	(7,631)
At 30 June 2018	63,142	16,099	(593)	(34,149)	44,499

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30
JUNE 2019**

(The figures have not been audited)

	<u>30/06/2019</u> <u>RM'000</u>	<u>30/06/2018</u> <u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	6	(4,027)
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	867	3,281
Non-operating items	19	248
Operating profit/(loss) before working capital changes	892	(498)
<u>Changes in working capital:</u>		
Inventories	(333)	825
Trade and other receivables	1,614	643
Trade and other payables	(5,772)	37
Cash (used in)/generated from operations	(3,599)	1,007
Interest received	-	32
Interest paid	(45)	(75)
Net income tax paid	(1)	(217)
Net cash (used in)/generated from operating activities	<u>(3,645)</u>	<u>747</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	-	(289)
Fixed deposit held as security value	-	(2)
Proceeds from disposal of other investment	1,744	280
Net cash generated from/ (used in) investing activities	<u>1,744</u>	<u>(11)</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2019 (Continued)**

	30/06/2019	30/06/2018
	<u>RM'000</u>	<u>RM'000</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(207)	(206)
Repayment of borrowings	(553)	(61)
Repayment of finance lease liabilities	(671)	(762)
Proceed from issuance of ordinary shares	3,872	-
Net cash generated from/ (used in) financing activities	<u>2,441</u>	<u>(1,029)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	540	(293)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(2,885)	(3,532)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>(2,345)</u></u>	<u><u>(3,825)</u></u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	314	915
Fixed deposit placed with a licensed bank	848	826
	1,162	1,741
Less: Fixed deposit pledged to a licensed bank	(848)	(826)
Less: Bank overdraft	(2,659)	(4,740)
	<u><u>(2,345)</u></u>	<u><u>(3,825)</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019)



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

NOTES TO INTERIM FINANCIAL REPORT

A. DISCLOSURE REQUIREMENTS AS PER MFRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The Group and the Company have adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRSs

MFRS 16 Leases

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Interpretations did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group and the Company.

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:

**Effective for
financial periods
beginning on or
after**

New MFRSs

MFRS 17	Insurance Contracts	1 January 2021
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Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021 [#]
MFRS 2	Share-based Payment	1 January 2020*

**UNAUDITED INTERIM FINANCIAL REPORT
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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 10	Consolidated Financial Statements	Deferred
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 116	Property, Plant and Equipment	1 January 2021 [#]
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 [*] / 1 January 2021 [#]
MFRS 138	Intangible Assets	1 January 2020 [*] / 1 January 2021 [#]
MFRS 140	Investment Property	1 January 2021 [#]

Amendments to ICInt

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
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

2. Audit Report Qualification and Status of Matters Raised

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 2019 (“FS 2019”).

Basis for Qualified Opinion

As disclosed in Note 20(a) to the financial statements, a professional fee of RM2,300,000 was recognised in profit or loss during the financial year including RM1,900,000 recognised as prepayments as at 31 March 2018. On 3 July 2018, the Board of Directors of the Company had appointed a Forensic Accountant to conduct an investigation on the payment transaction.

The Auditors were unable to obtain sufficient appropriate audit evidence and satisfactory explanation on the aforesaid payment. Their audit opinion on the financial statements for the financial year ended 31 March 2018 was modified accordingly. Consequently, they were unable to determine the possible effects of the matter on the comparability of the current financial year’s figures and the corresponding figures.

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.
- We have hired a lawyer to issue demand letter to the former 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.

5. Changes in Estimates

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



**UNAUDITED INTERIM FINANCIAL REPORT
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6. Valuation of Property, Plant and Equipment

Land and building were revalued at the end of the financial period ended 30 June 2019 based on a valuation report prepared by an independent third party valuer. The revaluation gave rise to a net revaluation surplus of RM3,184,016.

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>
26 April 2019	12,907,200	RM0.30	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.

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

There are no material events subsequent to the end of the reporting period.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

10. Operating Segments

The Group's operating segments for the financial year ended 30 June 2019 were as follows:

Financial period ended 30 June 2019

Business Segment	Paper products RM'000	Plastic products RM'000	Colour		Elimination RM'000	Consolidated RM'000
			Separation & Printing RM'000	Others RM'000		
Revenue from external customers	10,426	3,215	141	-	-	13,782
Inter-segment revenue	-	-	-	550	(550)	-
Total revenue	10,426	3,215	141	550	(550)	13,782
Operating results	408	(451)	(46)	302	-	213
Interest expense						(207)
Loss before taxation						6
Taxation						-
Profit after taxation						6

Segmental information for 3 months ended 30 June 2018

Financial period ended 30 June 2018

Business Segment	Paper products RM'000	Plastic products RM'000	Colour		Elimination RM'000	Consolidated RM'000
			Separation & Printing RM'000	Others RM'000		
Revenue from external customers	10,535	4,441	171	-	-	15,147
Inter-segment revenue	108	-	7	864	(979)	-
Total revenue	10,643	4,441	178	864	(979)	15,147
Operating results	(3,034)	(597)	(3)	(145)	-	(3,779)
Interest income						33
Interest expense						(281)
Loss before taxation						(4,027)
Taxation						-
Loss after taxation						(4,027)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

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:

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	<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 (profit)/loss before taxation:				
Depreciation of property, plant and equipment	852	577	852	577
(Gain)/Loss on disposal of other investments	(232)	160	(232)	160
Interest expense	252	281	252	281
Interest income	-	(33)	-	(33)
Net foreign exchange loss	18	60	18	60

13. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 30 June 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 30 June 2019.

16. Related Party Transactions

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

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

	Individual Quarter		Variance
	Q1 - FY'20 (Unaudited)	Q1 - FY'19	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	10,426	10,534	(108)
Plastic Products	3,215	4,441	(1,226)
Colour Separation & Printing	141	172	(31)
Group Revenue	13,782	15,147	(1,365)

Total revenue of the Group reduced by RM1.37 million to RM13.78 million as compared to RM15.15 million recorded in the previous corresponding quarter as explained below:

1. Drop in revenue from Paper Products division is approximately 1% without any particular reason.
2. Plastic Products division's sales reduce by 27% due to decrease in order from oversea customers.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019****Profit/(Loss) Before Taxation**

	Individual Quarter		Variance
	Q1 - FY'20 (Unaudited)	Q1 - FY'19	
	RM'000		
<u>Operating Results:</u>			
Paper Products	408	(3,194)	3,602
Plastic Products	(451)	(597)	146
Colour Separation & Printing	(46)	(3)	(43)
Others	302	15	287
Operating Profit/(Loss)	213	(3,779)	3,992
Finance:			
Total Finance Cost	(207)	(250)	43
<u>Segmental Loss Before Taxation</u>			
Group Profit/(Loss) Before Taxation	6	(4,029)	4,035

The Group registered a profit before taxation of RM6K in Q1 FY20, compared against the Q1 FY19 loss before taxation of RM4.04 million. This was mainly due to the following:

- The paper products division's operating profit of RM0.41 million was mainly contributed by the improvement of the gross profit margin by 4%.
- The plastic products division registered an operating loss of RM0.45 million in Q1 FY20 as compared to Q1 FY19 of RM0.60 million. The slight reduction in operating loss was mainly due to cost rationalisation exercise undertaken by the Plastic Products division.
- The colour separation division registered an operating loss of RM46K in Q1 FY20 as compared to Q1 FY19 of RM3K.
- Other division comprises of investment activities and management service. The significant increase was contributed by the gain on disposal of the IRIS shares of RM0.23 million.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

2. Variation of Results against Immediate Preceding Quarter**Revenue**

	Individual Quarter		Variance
	Q1 - FY'20	Q4 - FY'19	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	10,426	9,687	739
Plastic Products	3,215	4,289	(1,074)
Colour Separation & Printing	141	134	7
Group Revenue	13,782	14,110	(328)

Total revenue for the group reduced by RM0.33 million to RM13.78 million as compared to RM14.11 million in the last quarter as explained below: -

- a) The paper division recorded 7% increase in revenue as compared to previous quarter due to increase in order from existing customers.
- b) Plastic division recorded 25% decrease in revenue due to reduction in orders from overseas customers.



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Profit/(Loss) Before Taxation

	Individual Quarter		Variance
	Q1 - FY'20	Q4 - FY'19	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	408	(2,725)	3,133
Plastic Products	(451)	(1,374)	923
Colour Separation & Printing	(46)	331	(377)
Others	302	(3,846)	4,148
Operating Profit/(Loss)	213	(7,614)	7,827
Finance:			
Total Finance Cost	(207)	(233)	26
<u>Segmental (Loss)/Profit Before Taxation</u>			
Group Profit/(Loss) Before Taxation	6	(7,847)	7,853

The Group registered a profit before taxation of RM6K in Q1 FY20. This was mainly due to the followings:

- The Paper Products division generated an operating profit of RM0.41 million due to cost rationalisation exercises and improvement in gross profit margin. The operating loss in the Q4 FY19 was mainly caused by provision for doubtful debts of RM 2.22 million.
- The Plastic Products division incurred an operating loss of RM0.45 million in Q1 FY20. The decrease in operating loss in Plastic Products division was also mainly due to cost rationalisation exercises.
- The Colour Separation division registered an operating loss of RM46K in Q1 FY20.
- The Other division generated an operating profit of RM0.30 million due to gain on disposal of the IRIS shares of RM0.23 million. The operating loss in the Q4 FY19 was mainly due to adjustment impact of MFRS 9 by RM3.01 million.



**UNAUDITED INTERIM FINANCIAL REPORT
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3. Outlook And Prospects

Both paper packaging and plastics businesses are operating under economic uncertainties as well as the increasing production costs, rising materials costs and adverse fluctuation in foreign exchange rates. Besides that, implementation of minimum wages of RM1,100 effective 1 January 2019 further increased the cost of manufacturing. To mitigate these adverse factors, the Group will continue to improve production processes, product quality and develop new innovative product in order to stay competitive in both local and overseas market.

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 to gain traction. The Group will also consider opportunities for future growth via business expansion.

The Paper Products and Plastic Products Divisions will focus on machine acquisitions to replace manual work, reconditioning and replacement of machines to improve efficiencies and productivity of its operations and processes. At the same time, the Divisions will focus on the strategies of growing sales via penetration into the new market divisions; regaining orders from former customers and improving market share of existing customers to lower 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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5. Taxation

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter	-	-	-	-
- (under)/over provision in prior year	-	-	-	-
Deferred taxation				
- in current quarter	-	-	-	-
- under provision in prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. Disposal of Quoted or Unquoted Investments or Properties

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.

Details and status of utilisation of proceeds from the Private Placement

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)
Working Capital	3,722	3,778
Estimated expenses in relation to Private Placement*	150	94
Total	3,872	3,872

* Expenses related to the Private Placement amounting to RM94,611 were lower than estimation. The balance portion was used for working capital purposes.

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
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a) Total Group's borrowings as at the reporting quarter were as follows:

	As at 30/06/2019 (Unaudited) RM'000	As at 31/03/2019 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	11,693	12,804
Finance Lease Liabilities	230	372
Bank Overdraft	2,659	3,250
	<u>14,582</u>	<u>16,426</u>
 <u>Long term borrowings</u>		
<i>Secured</i>		
Finance Lease Liabilities	328	298
	<u>328</u>	<u>298</u>
Total Group's Borrowings	<u>14,910</u>	<u>16,724</u>

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

9. Dividend

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

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

The calculation of basic (loss)/earnings 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.

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Group's (loss)/Profit attributable to owners of the parent company (RM'000)	6	(4,027)	6	(4,027)
Weighted average number of ordinary shares in issue ('000)	138,292	117,339	138,292	117,339
Basic earning/(loss) per share (sen)	0.00	(3.43)	0.00	(3.43)

(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.