



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2019**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		31/12/2019 RM '000	31/12/2018 RM '000	31/12/2019 RM '000	31/12/2018 RM '000
Revenue	B1	10,299	12,643	35,904	41,557
Cost of sales		(9,631)	(11,769)	(31,625)	(37,962)
Gross profit		668	874	4,279	3,595
Other income		258	167	602	267
Distribution expenses		(605)	(738)	(2,001)	(2,214)
Administrative expenses		(2,845)	(3,931)	(6,298)	(11,347)
Loss before interest and taxation		(2,524)	(3,628)	(3,418)	(9,699)
Interest income		-	6	-	45
Finance costs		(244)	(260)	(750)	(835)
Loss before taxation		(2,768)	(3,882)	(4,168)	(10,489)
Taxation	B5	-	(6)	-	(6)
Loss after taxation		(2,768)	(3,888)	(4,168)	(10,495)
Other comprehensive (loss)/ income					
Loss on fair value changes of other investment		-	(814)	-	(3,604)
Fair value adjustment on revaluation of property, plant and equipment		-	-	3,184	-
Total other comprehensive (loss)/income for the financial period		-	(814)	3,184	(3,604)
Total comprehensive loss for the financial period		(2,768)	(4,702)	(984)	(14,099)
Loss per share - Basic (sen)	B11	(1.95)	(3.01)	(2.96)	(8.39)

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER
2019**

	As at 31/12/2019 (Unaudited) RM'000	As at 31/03/2019 (Audited) RM'000
ASSETS		
	Note	
Non-Current Assets		
Property, Plant and Equipment	46,989	44,601
Right of use assets	823	-
	<u>47,812</u>	<u>44,601</u>
Current Assets		
Trade and other receivables	16,996	16,829
Inventories	7,454	7,255
Tax Recoverable	597	295
Other Investment	9,632	12,214
Fixed Deposits Placed with a Licensed Bank	-	848
Cash and Bank Balances	257	365
	<u>34,936</u>	<u>37,806</u>
Total Assets	<u>82,748</u>	<u>82,407</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER
2019 (Continued)**

	Note	As at 31/12/2019 (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		(47,269)	(43,101)
Total Equity		<u>42,922</u>	<u>40,034</u>
LIABILITIES			
Non-Current Liabilities			
Loan and Borrowings	B8	115	298
Lease liabilities		268	-
Deferred Tax Liabilities		7,012	6,007
		<u>7,395</u>	<u>6,305</u>
Current Liabilities			
Trade and other payables		16,353	19,642
Loan and Borrowings	B8	15,492	16,426
Lease liabilities		586	-
		<u>32,431</u>	<u>36,068</u>
Total Liabilities		39,826	42,373
Total Equity and Liabilities		<u>82,748</u>	<u>82,407</u>
Net Assets per share (RM)		<u>0.30</u>	<u>0.31</u>

(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 THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER
ENDED 31 DECEMBER 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>Period ended 31 December 2019 (Unaudited)</u>					
At 01 April 2019	67,390	15,745	-	(43,101)	40,034
Issuance of ordinary shares	3,872	-	-	-	3,872
Loss for the period	-	-	-	(4,168)	(4,168)
Fair value adjustment on revaluation reserves	-	3,184	-	-	3,184
Total comprehensive loss for the financial period	-	3,184	-	(4,168)	(984)
At 31 December 2019	71,262	18,929	-	(47,269)	42,922
<u>Period ended 31 December 2018 (Unaudited)</u>					
At 01 April 2018	63,142	16,099	3,011	(30,122)	52,130
Issuance of ordinary shares	4,248	-	-	-	4,248
Loss for the period	-	-	-	(10,495)	(10,495)
Other comprehensive loss for the financial period	-	-	(3,604)	-	(3,604)
Total comprehensive loss for the financial period	-	-	(3,604)	(10,495)	(14,099)
At 31 December 2018	67,390	16,099	(593)	(40,617)	42,279

(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 THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31
DECEMBER 2019**

	31/12/2019	31/12/2018
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(4,168)	(10,489)
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	4,065	7,349
Non-operating items	750	790
Operating profit/(loss) before working capital changes	647	(2,350)
<u>Changes in working capital:</u>		
Inventories	(198)	(136)
Trade and other receivables	(165)	1,273
Trade and other payables	(4,337)	213
Cash used in operations	(4,053)	(1,000)
Interest received	-	45
Interest paid	(253)	(215)
Net income tax paid	(302)	(311)
Net cash used in operating activities	<u>(4,608)</u>	<u>(1,481)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(350)	(955)
Fixed deposit held as security value	-	(11)
Proceeds from disposal of other investment	1,744	280
Net cash generated from/ (used in) investing activities	<u>1,394</u>	<u>(686)</u>

**VERSATILE CREATIVE BERHAD**

(Company No. : 603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2019 (Continued)**

	31/12/2019	31/12/2018
	<u>RM'000</u>	<u>RM'000</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(497)	(620)
Repayment of borrowings	(1,197)	(212)
Repayment of finance lease liabilities	(235)	(944)
Proceed from issuance of ordinary shares	3,872	4,248
Proceed from withdrawal of fixed deposit	848	-
Net cash generated from financing activities	<u>2,791</u>	<u>2,472</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(423)	305
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(2,885)	(3,532)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>(3,308)</u></u>	<u><u>(3,227)</u></u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	257	243
Fixed deposit placed with a licensed bank	-	835
	<u>257</u>	<u>1,078</u>
Less: Fixed deposit pledged to a licensed bank	-	(835)
Less: Bank overdraft	<u>(3,565)</u>	<u>(3,470)</u>
	<u><u>(3,308)</u></u>	<u><u>(3,227)</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 THIRD QUARTER ENDED 31 DECEMBER 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.



**UNAUDITED INTERIM FINANCIAL REPORT
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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
<u>New MFRSs</u>	
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 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 [#]
<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 Contract



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 Company is still waiting for detailed investigation report from police.
- 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 31 December 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

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 that have not been reflected in the quarterly financial report except for the disposal of 3,980,000 quoted shares in Iris Corporation Berhad by Versatile Paper Boxes Sdn. Bhd. in February 2020.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

10. Operating Segments

The Group's operating segments for the financial year ended 31 December 2019 were as follows:
Segmental information for 9 months ended 31 December 2019

Business Segment	Paper	Plastic	Colour	Others	Elimination	Consolidated
	products	products	Separation			
	RM'000	RM'000	& Printing	RM'000	RM'000	RM'000
			RM'000			
Revenue from external customers	26,989	8,564	351	-	-	35,904
Inter-segment revenue	1	-	-	1,437	(1,438)	-
Total revenue	26,990	8,564	351	1,437	(1,438)	35,904
Operating results	(343)	(1,783)	(57)	(1,235)		(3,418)
Interest expense						(750)
Loss before taxation						(4,168)
Taxation						-
Loss after taxation						(4,168)

Segmental information for 9 months ended 31 December 2018

Business Segment	Paper	Plastic	Colour	Others	Elimination	Consolidated
	products	products	Separation			
	RM'000	RM'000	& Printing	RM'000	RM'000	RM'000
			RM'000			
Revenue from external customers	28,736	12,356	465	-	-	41,557
Inter-segment revenue	164	1	47	2,360	(2,572)	-
Total revenue	28,900	12,357	512	2,360	(2,572)	41,557
Operating results	(6,512)	(2,488)	(777)	78	-	(9,699)
Interest income						45
Interest expense						(835)
Loss before taxation						(10,489)
Taxation						-
Loss after taxation						(10,489)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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. 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	<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	872	864	2,606	2,622
Leases amortisation	209	-	606	-
(Gain)/Loss on disposal of other investments	-	-	(232)	160
Loss on fair value changes of other investment	713	-	1,070	-
Impairment loss on receivables	-	1,999	-	2,244
Interest expense	221	260	667	835
Lease interest	23	-	83	-
Interest income	-	(6)	-	(45)
Net foreign exchange loss/(gain)	10	(34)	13	6

13. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 31 December 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 December 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 THIRD QUARTER ENDED 31 DECEMBER 2019****B. Additional information required by the Bursa Malaysia's Listing Requirements****1. Review of Current Quarter Performance****Revenue**

	Individual Quarter		Variance
	Q3 - FY'20 (Unaudited)	Q3 - FY'19	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	7,463	9,164	(1,701)
Plastic Products	2,764	3,327	(563)
Colour Separation & Printing	72	152	(80)
Group Revenue	10,299	12,643	(2,344)

Total revenue of the Group reduced by RM2.34 million to RM10.30 million as compared to RM12.64 million recorded in the previous corresponding quarter as explained below:

1. Drop in revenue from Paper Products Division is approximately 19% mainly due to significant drop in sales of a major customer. Due to the financial constraint faced by the said customer, the management took initiative to reduce exposure on this customer.
2. Plastic Products Division's sales reduce by 17% due to delay in production caused by machine breakdown.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****Profit/(Loss) Before Taxation**

	Individual Quarter		Variance
	Q3 - FY'20	Q3 - FY'19	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(808)	(2,448)	1,640
Plastic Products	(778)	(822)	44
Colour Separation & Printing	38	(631)	669
Others	(976)	273	(1,249)
Operating Loss	(2,524)	(3,628)	1,104
Finance:			
Total Finance Cost	(244)	(254)	10
<u>Segmental Loss Before Taxation</u>			
Group Loss Before Taxation	(2,768)	(3,882)	1,114

The Group registered a loss before taxation of RM2.77 million in Q3-FY20, compared against the Q3-FY19 loss before taxation of RM3.88 million. This was mainly due to the following:

- a) Operating loss in Paper Product Division was higher in Q3-FY19 when compared to Q3-FY20 due to provision of doubtful debt of RM1.34 million in Q3-FY19.
- b) Reduction in operating loss in Plastic Product Division was due to cost rationalisation exercise undertaken by the Plastic Products Division.
- c) Colour Separation & Printing Division recorded operating profit of RM0.04 million, an increase of RM0.67 million when compared to last year corresponding period due to provision of doubtful debt of RM0.66 million in Q3-FY19.
- d) Other Division comprises of investment activities and management service. The higher loss was contributed by the loss of fair value for the quoted shares of RM0.71 million.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**

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

	Individual Quarter		Variance
	Q3 - FY'20	Q2 - FY'20	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	7,463	9,101	(1,638)
Plastic Products	2,764	2,585	179
Colour Separation & Printing	72	137	(65)
Group Revenue	10,299	11,823	(1,524)

Total revenue for the group reduced by RM1.52 million to RM10.30 million as compared to RM11.82 million in the last quarter as explained below: -

- a) Paper Product Division recorded 18% decrease in revenue as compared to previous quarter due to softening demand from the key customers in December 2019 and cessation of business relationship with one of our major customers.
- b) Plastic Product Division recorded slightly higher revenue due to increase in overseas sales.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****Profit/(Loss) Before Taxation**

	Individual Quarter		Variance
	Q3 - FY'20	Q2 - FY'20	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(808)	(175)	(633)
Plastic Products	(778)	(555)	(223)
Colour Separation & Printing	38	(51)	89
Others	(976)	(327)	(649)
Operating Loss	(2,524)	(1,108)	(1,416)
Finance :			
Total Finance Cost	(244)	(299)	55
<u>Segmental (Loss)/Profit Before Taxation</u>			
Group (Loss)/Profit Before Taxation	(2,768)	(1,407)	(1,361)

The Group registered a loss before taxation of RM2.77 million in Q3-FY20. This was mainly due to the followings:

- a) The increase in operating loss in Paper Products Division was mainly contributed by the drop of the gross profit margin as compared to previous quarter as a result of lower sales secured during the quarter.
- b) Plastic Products Division incurred higher operating loss of RM0.22 million in Q3-FY20 due to professional fees incurred to claim the long outstanding amount due from customers.
- c) Colour Separation Division registered an operating profit of RM0.04 million in Q3-FY20 due to unrecoverable deposit written off and decrease in administrative expenses during the quarter.
- d) Other Division's loss is pertained to loss on fair value of RM0.71 million and cost incurred for printing of annual report 2019 and convening of Annual General Meeting.

**UNAUDITED INTERIM FINANCIAL REPORT
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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 Division and Plastic Products Division 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.

5. Taxation

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	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>

**UNAUDITED INTERIM FINANCIAL REPORT
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During the quarter under review, there is no disposal of quoted or unquoted investments or properties by the Group.

7. Status of Corporate ExerciseRight Issue

On 27 November 2019, the Company announced that it proposes to undertake a renounceable right issue of up to 141,979,681 new ordinary shares in the Company at an issue price of RM0.23 per Right Shares on the basis of one (1) Right share for every existing Ordinary Shares held on an entitlement date to be determined later (“Proposed Right Issue of Shares”).

The Proposed Right Issue of Shares was approved by the Shareholders in an Extraordinary General Meeting held on 17 February 2020.

8. Borrowings and Debts Securities

a) The Group’s borrowing as at the reporting quarter were as follows:

	As at 31/12/2019 (Unaudited) RM'000	As at 31/03/2019 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	11,607	12,804
Finance Lease Liabilities	320	372
Bank Overdraft	3,565	3,250
	15,492	16,426
<u>Long term borrowings</u>		
<i>Secured</i>		
Finance Lease Liabilities	115	298
Total Group's Borrowings	15,606	16,724

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

**UNAUDITED INTERIM FINANCIAL REPORT
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9. Dividend

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

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Group's (loss)/Profit attributable to owners of the parent company (RM'000)	(2,768)	(3,888)	(4,168)	(10,495)
Weighted average number of ordinary shares in issue ('000)	141,980	129,072	140,759	125,161
Basic earning/(loss) per share (sen)	(1.95)	(3.01)	(2.96)	(8.39)

(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.