



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		30/09/2020 RM '000	30/09/2019 RM '000	30/09/2020 RM '000	30/09/2019 RM '000
Revenue	B1	10,739	11,823	20,580	25,604
Cost of sales		(9,843)	(10,334)	(18,708)	(21,993)
Gross profit		896	1,489	1,872	3,611
Other income		2,946	51	9,188	343
Distribution expenses		(724)	(575)	(1,238)	(1,396)
Administrative expenses		(1,821)	(2,073)	(3,777)	(3,453)
Profit/(loss) before interest and taxation	B1	1,297	(1,108)	6,045	(895)
Finance costs		(65)	(299)	(154)	(506)
Profit/(loss) before taxation		1,232	(1,407)	5,891	(1,401)
Taxation	B5	(8)	-	(8)	-
Profit/(loss) after taxation		1,224	(1,407)	5,883	(1,401)
Other comprehensive income					
Fair value adjustment on revaluation of property, plant and equipment		-	-	-	3,184
Total other comprehensive income for the financial period		-	-	-	3,184
Total comprehensive income/(loss) for the financial period		1,224	(1,407)	5,883	1,783
Earning per share - Basic (sen)	B11	0.48	(0.99)	2.47	(1.00)

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER
2020**

	Note	As at 30/09/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		21,174	20,409
Right-of-use assets		25,957	26,527
		<u>47,131</u>	<u>46,936</u>
Current Assets			
Trade and other receivables		9,997	10,555
Inventories		11,110	9,179
Prepayment		316	277
Tax Recoverable		253	254
Other Investment		-	5,389
Fixed Deposit Place with a Licensed Bank		15,000	-
Cash and Bank Balances		1,760	370
		<u>38,436</u>	<u>26,024</u>
Total Assets		<u>85,567</u>	<u>72,960</u>

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER
2020 (Continued)**

	Note	As at 30/09/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		94,173	68,262
Reserve		21,522	21,522
Accumulated Losses		(50,618)	(56,501)
Total Equity		<u>65,077</u>	<u>33,283</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		357	336
Deferred Tax Liabilities		6,928	6,928
		<u>7,285</u>	<u>7,264</u>
Current Liabilities			
Trade and other payables		11,432	15,750
Lease liabilities	B8	370	700
Loan and Borrowings	B8	1,403	15,963
		<u>13,205</u>	<u>32,413</u>
Total Liabilities		20,490	39,677
Total Equity and Liabilities		<u>85,567</u>	<u>72,960</u>
Net Assets per share (RM)		<u>0.26</u>	<u>0.23</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 SEPTEMBER 2020**

	Attributable to equity holders of the Company			
	Non-Distributable			
	Share Capital RM '000	Reserve RM '000	Accumulated Losses RM '000	Total Equity RM '000
<u>Period ended 30 Sept 2020 (Unaudited)</u>				
At 01 April 2020	68,262	21,522	(56,501)	33,283
Issuance of ordinary shares	25,911	-	-	25,911
Profit for the period	-	-	5,883	5,883
Total comprehensive income for the financial period	-	-	5,883	5,883
At 30 September 2020	94,173	21,522	(50,618)	65,077
<u>Period ended 30 Sept 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	-	-	(1,401)	(1,401)
Fair value adjustment on revaluation reserves	-	3,184	-	3,184
Total comprehensive loss for the financial period	-	3,184	(1,401)	1,783
At 30 September 2019	71,262	18,929	(44,502)	45,689

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30
SEPTEMBER 2020**

(The figures have not been audited)

	30/09/2020	30/09/2019
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	5,891	(1,401)
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	(1,982)	1,426
Non-operating items	154	506
Operating profit before working capital changes	4,063	531
<u>Changes in working capital:</u>		
Inventories	(1,930)	(267)
Trade and other receivables	598	3,738
Trade and other payables	(6,068)	(8,532)
Cash used in operations	(3,337)	(4,530)
Interest paid	(24)	(116)
Net income tax paid	(8)	(181)
Net cash used in operating activities	<u>(3,369)</u>	<u>(4,827)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(357)	-
Proceeds from disposal of other investment	9,417	1,744
Net cash generated from investing activities	<u>9,060</u>	<u>1,744</u>

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 SEPTEMBER 2020 (Continued)**

	<u>RM'000</u>	<u>RM'000</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(130)	(390)
Repayment of borrowings	(11,204)	(644)
Repayment of finance lease liabilities	(523)	(215)
Proceed from issuance of ordinary shares	25,911	3,872
Proceed from withdrawal of fixed deposit	-	848
Net cash generated from financing activities	<u>14,054</u>	<u>3,471</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	19,745	388
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(2,985)	(2,885)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>16,760</u>	<u>(2,497)</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	1,760	263
Fixed deposit placed with a licensed bank	15,000	-
	<u>16,760</u>	<u>263</u>
Less: Bank overdraft	-	(2,760)
	<u>16,760</u>	<u>(2,497)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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:

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

		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 Contracts



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

- 2. Audit Report Qualification and Status of Matters Raised**
The annual audited financial statements of the Group for the year ended 31 March 2020 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 buildings have been brought forward, without amendment from the annual audited financial statements for the financial year ended 31 March 2020.

- 7. Changes in Debt and Equity Securities**
There were no issuance and repayment 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 that have not been reflected in the quarterly financial report.

- 8. Dividend Paid**
There was no dividend paid during the current financial quarter under review.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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

On 2 October 2020, the Company announced that Versatile had entered into a conditional collaboration agreement (“Collaboration Agreement”) with NSK Trading Sdn Bhd to jointly undertake trading, wholesale and retail grocery business (“Grocery Business”) (“Proposed Collaboration”).

In view of the potential financial contribution of the Proposed Collaboration, Versatile also wishes to diversify the existing business of the Group to include the Grocery Business (“Proposed Diversification”).

10. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 30 September 2020.

11. Provision for Warranties

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

12. Capital Commitments

There were no capital commitments as at 30 September 2020.

13. Related Party Transactions

There were no significant related party transactions for the current financial quarter under review, save and except the following:

Transacting company	Transacting Related Party	Nature of transaction	Value (RM)
Versatile Creative Plastic Sdn. Bhd.	NSK Trading Sdn. Bhd. and its subsidiaries	Sale of disposable containers, cutlery and plastic products	44,160

The above transactions are recurrent transactions of a revenue or trading nature and are at arm’s length entered in the ordinary course of business on terms not more favorable to the related party than those generally available to the public.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****14. Operating Segments**

The Group's operating segments for the financial year ended 30 September 2020 were as follows:

Segmental information for 6 months ended 30 September 2020

Business Segment	Paper products	Plastic products	Colour Separation & Printing	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	16,711	3,749	120	-	-	20,580
Inter-segment revenue	-	-	26	824	(850)	-
Total revenue	16,711	3,749	146	824	(850)	20,580
Operating results	(851)	(1,166)	(83)	8,145	-	6,045
Interest expense						(154)
Profit before taxation						5,891
Taxation						(8)
Profit after taxation						5,883



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

Segmental information for 6 months ended 30 September 2019

Business Segment	Paper	Plastic	Colour	Others	Elimination	Consolidated
	products	products	Separation			
	RM'000	RM'000	& Printing	RM'000	RM'000	RM'000
Revenue from external customers	19,526	5,801	278	-	-	25,605
Inter-segment revenue	-	-	-	1,025	(1,025)	-
Total revenue	19,526	5,801	278	1,025	(1,025)	25,605
Operating results	466	(1,005)	(96)	(260)	-	(895)
Interest expense						(506)
Loss before taxation						(1,401)
Taxation						-
Loss after taxation						(1,401)

15. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

16. Profit Before Taxation

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

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
The following items have been charged/(credited) in arriving profit before taxation:				
Depreciation of property, plant and equipment	842	882	1,687	1,528
Depreciation of right of use assets	225	397	433	397
Fair value (gain)/loss of financial asset	(2,617)	357	(8,780)	357
Interest expense	65	299	154	506
Net foreign exchange (gain)/loss	(85)	18	(101)	8

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****B. Additional information required by the Bursa Malaysia's Listing Requirements****1. Review of Current Quarter Performance****Revenue**

	Individual Quarter		Variance
	Q2 - FY'21	Q2 - FY'20	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	8,671	9,101	(430)
Plastic Products	1,959	2,585	(626)
Colour Separation & Printing	109	137	(28)
Group Revenue	10,739	11,823	(1,084)

Total revenue of the Group reduced by RM1.08 million to RM10.74 million as compared to RM11.82 million recorded in the previous corresponding quarter as explained below:

- Drop in revenue from Paper Products Division is approximately 4.72% due to drop in sales to non-essential product customer arising from the slower retail activities since the MCO was lifted. In addition, there is also reduced in sales to overseas customers resulted from the global impact of COVID-19 pandemic as their plant was operating on half capacity.
- Plastic Products Division's sales reduce by 24.22% due to significant drop in demand from local customers and also delay in production caused by machine breakdown.
- Colour Separation & Printing Division's sales reduce slightly due to softening in demand.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****Profit Before Taxation**

	Individual Quarter		Variance
	Q2 - FY'21	Q2 - FY'20	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(785)	(175)	(610)
Plastic Products	(477)	(555)	78
Colour Separation & Printing	31	(51)	82
Others	2,528	(327)	2,855
Operating Profit/(Loss)	1,297	(1,108)	2,405
Finance:			
Total Finance Cost	(65)	(299)	234
<u>Segmental Profit/(Loss) Before Taxation</u>			
Group Profit/(Loss) Before Taxation	1,232	(1,407)	2,639

The Group registered a profit before taxation of RM1.23 million in Q2 FY21, compared against the Q2 FY20 loss before taxation of RM1.41 million as explained below:

- a) The Paper Products Division's operating result deteriorated in this quarter by RM0.61 million were mainly due to lower sales recorded for the quarter and change in product mix from essential to non-essential due to pandemic. Essential products contribute lower margin compared to non-essential products.
- b) The Plastic Products Division registered an operating loss of RM0.48 million in Q2 FY21 as compared to Q2 FY20 of RM0.56 million.
- c) The Colour Separation & Printing Division registered an operating profit of RM0.03 million in Q2 FY21 compared against the Q2 FY20 operating loss of RM0.05 million due to fund of RM0.17 million received from Wage Subsidy Program.
- d) Other division comprises of investment activities and management service. The significant increase was contributed by the fair value gain on financial asset of RM2.62 million.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****2. Variation of Results against Immediate Preceding Quarter****Revenue**

	Individual Quarter		Variance
	Q2 - FY'21	Q1 - FY'21	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	8,671	8,040	631
Plastic Products	1,959	1,790	169
Colour Separation & Printing	109	10	99
Group Revenue	10,739	9,840	899

Total revenue for the group increased by RM0.90 million to RM10.74 million as compared to RM9.84 million in the last quarter as explained below: -

- a) The Paper Products Division recorded 7.85% increase in revenue as compared to previous quarter due to sales to local customers gradually increase after Movement Control Order (“MCO”) lifted and replaced by Recovery Movement Control Order (“RMCO”) which allowed higher workforce capacity and more sector to resume their operation. In addition, there is significant increase in overseas sales as Thailand is easing its lockdown starting May 2020. Lockdown easing relieves the contraction of border trade including cargo in transit.
- b) The Plastic Products Division recorded 9.44% increase in revenue as compared to previous quarter due to significant increase in sales to overseas customers resulted from easing of COVID-19 lockdown of our overseas customers.
- c) Sales from Colour Separation & Printing Division significantly increased after MCO lifted.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****Profit Before Taxation**

	Individual Quarter		Variance
	Q2 - FY'21	Q1 - FY'21	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(785)	(294)	(491)
Plastic Products	(477)	(728)	251
Colour Separation & Printing	31	(114)	145
Others	2,528	5,888	(3,360)
Operating Profit	1,297	4,752	(3,455)
Finance:			
Total Finance Cost	(65)	(89)	24
<u>Segmental Profit Before Taxation</u>			
Group Profit Before Taxation	1,232	4,663	(3,431)

The Group registered a profit before taxation of RM1.23 million in Q2 FY21, compared against the Q1 FY21 profit before taxation of RM4.66 million as explained below:-

- a) The Paper Products Division's operating loss increase by RM0.49 million were mainly pertains to increase in raw material price and change in product mix from essential to non-essential due to pandemic. Essential products contribute lower margin compared to non-essential products.
- b) The Plastic Products Division registered an operating loss of RM0.48 million in Q2 FY21 as compared to Q1 FY21 of RM0.73 million due to higher sales during the quarter.
- c) Other division comprises of investment activities and management service. The significant decrease was contributed by lower fair value gain on financial asset of RM2.62 million as compared to RM6.16 million in Q1 FY21.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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.

The World Health Organisation declared the COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has resulted in the occurrence of events such as movement restrictions and quarantine measures taken by the Government of Malaysia causing disruption to business and economic activities. The Government of Malaysia imposed Movement Control Order (“MCO”) effective 18 March 2020 and this was followed by numerous MCO extensions and recovery MCO (“RMCO”). During the MCO, apart from the essential service, all Government and private business premises are ordered to be closed. Hence, factory operations are not allowed during this period.

However, our paper packaging and plastic products segments had obtained conditional approval during the quarter under review from the Ministry of International Trade and Industry (“MITI”) to continue operation albeit at a lower capacity. Versatile is also fortunate that as a player in the packaging industry with a wide range of customers including the Food and Beverage and Medical Sectors which are essential if not critical for the normal daily lives.

Despite sales order flows from customers remaining healthy and sustained, they remain uncertain in the coming months/quarters even after the RMCO is lifted, due to the extent and reach of the COVID-19 which have affected global trade activities. Notwithstanding the above, the Group is optimistic that the overall demand for paper and plastic packaging remain intact, but probably subdued in view that the global impact of COVID-19 can and might extend to end of FY2020. The Group will focus on credit risk management, securing various supply sources to minimise supply chain disruption, continues innovations to maintain product quality and enhancing production efficiencies to mitigate against the increase in operating costs and uncontrollable external factors such as economic downturns.

4. Profit Forecast

This is not applicable.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****5. Taxation**
Taxation

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter	-	-	-	-
- over provision in prior year	8	-	8	-
Deferred taxation				
- in current quarter	-	-	-	-
- under provision in prior year	-	-	-	-
	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>

6. Disposal of Quoted or Unquoted Investments or Properties

The Company had disposed 38,366,500 quoted shares of held by Versatile Paper Boxes Sdn. Bhd. for a total cash consideration of RM9.72 million in July 2020.

7. Status of Corporate ExerciseRight Issue

On 28 April 2020, the Company announced that the Rights Issue of Shares has been completed following the listing of and quotation for 112,655,537 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad.

The utilisation of proceeds up to the date of this report is as follow:

Purpose	Proposed utilisation (RM'million)	Actual proceeds raised (RM'million)	Actual utilisation (RM'million)	Intended timeframe for utilisations
Purchase of machineries	4.00	4.00	3.81	Within 6 months
Repayment of trade facilities	17.00	17.00	17.00	Within 7 months
Working capital	10.91	4.16	4.35	Within 6 months
Estimated expenses in relation to the Rights Issue of Shares	0.75	0.75	0.75	Immediate
Total	32.66	25.91	25.91	

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020****7. Status of Corporate Exercise (Continued)**Proposed Collaboration

On 2 October 2020, the Company announced that Versatile had entered into a conditional collaboration agreement (“Collaboration Agreement”) with NSK Trading Sdn Bhd to jointly undertake trading, wholesale and retail grocery business (“Grocery Business”) (“Proposed Collaboration”).

In view of the potential financial contribution of the Proposed Collaboration, Versatile also wishes to diversify the existing business of the Group to include the Grocery Business (“Proposed Diversification”).

The Company will be holding an EGM to seek for shareholders’ approval on the Proposed Collaboration and Proposed Diversification.

8. Borrowings and Debts Securities**Borrowing and Debt Securities**

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

	As at 30/09/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	1,403	12,607
Lease Liabilities	370	700
Bank Overdraft	-	3,356
	<u>1,773</u>	<u>16,663</u>
<u>Long term borrowings</u>		
<i>Secured</i>		
Lease Liabilities	357	336
Total Group's Borrowings	<u>2,130</u>	<u>16,999</u>

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

9. Dividend

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

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

The calculation of basic earnings per share for the financial period is based on the net earnings 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	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Group's Profit/(Loss) attributable to owners of the parent company (RM'000)	1,224	(1,407)	5,883	(1,401)
Weighted average number of ordinary shares in issue ('000)	254,635	141,980	238,014	140,146
Basic earning/(loss) per share (sen)	0.48	(0.99)	2.47	(1.00)

(b) Diluted 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 per share.