



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		31/12/2020 RM '000	31/12/2019 RM '000	31/12/2020 RM '000	31/12/2019 RM '000
Revenue	B1	10,541	10,299	31,121	35,904
Cost of sales		(9,487)	(9,631)	(28,196)	(31,625)
Gross profit		1,054	668	2,925	4,279
Other income		224	258	9,412	602
Distribution expenses		(644)	(605)	(1,877)	(2,001)
Administrative expenses		(2,136)	(2,845)	(5,913)	(6,298)
(Loss)/profit before interest and taxation	B1	(1,502)	(2,524)	4,547	(3,418)
Finance costs		(12)	(244)	(167)	(750)
(Loss)/profit before taxation		(1,514)	(2,768)	4,380	(4,168)
Taxation	B5	-	-	(8)	-
(Loss)/profit after taxation		(1,514)	(2,768)	4,372	(4,168)
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 (loss)/ income for the financial period		(1,514)	(2,768)	4,372	(984)
(Loss)/Earning per share - Basic (sen)	B11	(0.59)	(1.95)	1.79	(2.96)

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER
2020**

	As at 31/12/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	22,887	20,409
Right-of-use assets	25,616	26,527
	<u>48,503</u>	<u>46,936</u>
Current Assets		
Trade and other receivables	10,405	10,555
Inventories	10,651	9,179
Prepayment	197	277
Tax Recoverable	257	254
Other Investment	-	5,389
Fixed Deposit Place with a Licensed Bank	11,000	-
Cash and Bank Balances	1,378	370
	<u>33,888</u>	<u>26,024</u>
Total Assets	<u>82,391</u>	<u>72,960</u>

**VERSATILE CREATIVE BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(Continued)**

		As at 31/12/2020 (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		(52,129)	(56,501)
Total Equity		<u>63,566</u>	<u>33,283</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		271	336
Deferred Tax Liabilities		6,928	6,928
		<u>7,199</u>	<u>7,264</u>
Current Liabilities			
Trade and other payables		11,336	15,750
Lease liabilities	B8	290	700
Loan and Borrowings	B8	-	15,963
		<u>11,626</u>	<u>32,413</u>
Total Liabilities		18,825	39,677
Total Equity and Liabilities		<u>82,391</u>	<u>72,960</u>
Net Assets per share (RM)		<u>0.25</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 THIRD QUARTER ENDED 31 DECEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 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 31 Dec 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	-	-	4,372	4,372
Total comprehensive income for the financial period	-	-	4,372	4,372
At 31 December 2020	94,173	21,522	(52,129)	63,566
<u>Period ended 31 Dec 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

(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 THIRD QUARTER ENDED 31 DECEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31
DECEMBER 2020**

(The figures have not been audited)

	31/12/2020	31/12/2019
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before taxation	4,380	(4,168)
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	(879)	4,065
Non-operating items	167	750
Operating profit before working capital changes	3,668	647
<u>Changes in working capital:</u>		
Inventories	(1,471)	(198)
Trade and other receivables	196	(165)
Trade and other payables	(4,849)	(4,337)
Cash used in operations	(2,456)	(4,053)
Interest paid	(24)	(253)
Net income tax paid	(11)	(302)
Net cash used in operating activities	<u>(2,491)</u>	<u>(4,608)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(4,051)	(350)
Proceeds from disposal of other investment	9,417	1,744
Net cash generated from investing activities	<u>5,366</u>	<u>1,394</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2020 (Continued)**

	30/12/2020	30/12/2019
	<u>RM'000</u>	<u>RM'000</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(142)	(497)
Repayment of borrowings	(12,607)	(1,197)
Repayment of finance lease liabilities	(674)	(235)
Proceed from issuance of ordinary shares	25,911	3,872
Proceed from withdrawal of fixed deposit	-	848
Net cash generated from financing activities	<u>12,488</u>	<u>2,791</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	15,363	(423)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(2,985)	(2,885)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>12,378</u>	<u>(3,308)</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	1,378	257
Fixed deposit placed with a licensed bank	11,000	-
	<u>12,378</u>	<u>257</u>
Less: Bank overdraft	-	(3,565)
	<u>12,378</u>	<u>(3,308)</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 THIRD QUARTER ENDED 31 DECEMBER 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:

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		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 THIRD QUARTER ENDED 31 DECEMBER 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 THIRD QUARTER ENDED 31 DECEMBER 2020**

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

10. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 31 December 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 31 December 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	245,617

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 THIRD QUARTER ENDED 31 DECEMBER 2020**

14. Operating Segments

The Group's operating segments for the financial year ended 31 December 2020 were as follows:
Segmental information for 9 months ended 31 December 2020

Business Segment	Paper	Plastic	Colour	Others	Elimination	Consolidated
	products	products	Separation			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	25,115	5,797	209	-	-	31,121
Inter-segment revenue	-	-	26	1,241	(1,267)	-
Total revenue	25,115	5,797	235	1,241	(1,267)	31,121
Operating results	(1,358)	(1,739)	(103)	7,747	-	4,547
Interest expense						(167)
Profit before taxation						4,380
Taxation						(8)
Profit after taxation						4,372

Segmental information for 9 months ended 31 December 2019

Business Segment	Paper	Plastic	Colour	Others	Elimination	Consolidated
	products	products	Separation			
	RM'000	RM'000	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)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	<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 before taxation:				
Depreciation of property, plant and equipment	275	872	1,962	2,606
Depreciation of right of use assets	626	209	1,059	606
Property, plant and equipment written off	50	-	-	-
Fair value loss/(gain) of financial asset	-	713	(8,781)	838
Interest expense	13	221	167	750

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****B. Additional information required by the Bursa Malaysia's Listing Requirements****1. Review of Current Quarter Performance
Revenue**

	Individual Quarter		Variance
	Q3 - FY'21 (Unaudited)	Q3 - FY'20	
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	8,404	7,463	941
Plastic Products	2,047	2,764	(717)
Colour Separation & Printing	90	72	18
Group Revenue	10,541	10,299	242

Total revenue of the Group slightly increased by RM0.24 million to RM10.54 million as compared to RM10.30 million recorded in the previous corresponding quarter as explained below:

- The Paper Products Division recorded 12.61% increase in revenue as compared to previous corresponding quarter due to significant increase in overall sales to majority of our customers.
- Plastic Products Division's sales reduce significantly by 25.94% due to discontinued of a few customers' product and slowdown in production as the division is in the midst of moving to the new Factory and the new machines acquired yet to arrive.
- Colour Separation & Printing Division's sales increase slightly due to higher demand in the current quarter.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****Profit Before Taxation**

	Individual Quarter		Variance
	Q3 - FY'21	Q3 - FY'20	
	(Unaudited)		
	RM'000		
Operating Results:			
Paper Products	(507)	(808)	301
Plastic Products	(578)	(778)	200
Colour Separation & Printing	(20)	38	(58)
Others	(397)	(976)	579
Operating Loss	(1,502)	(2,524)	1,022
Finance:			
Total Finance Cost	(12)	(244)	232
Segmental Loss Before Taxation			
Group Loss Before Taxation	(1,514)	(2,768)	1,254

The Group registered a loss before taxation of RM1.51 million in Q3 FY21, compared against the Q3 FY20 loss before taxation of RM2.77 million as explained below:

- a) The Paper Products Division's operating loss reduced by RM0.30 million mainly due to higher sales recorded for the quarter and improve in productivity and efficiencies which successfully mitigated the increased in raw material impact of this division.
- b) The Plastic Products Division registered lower operating loss of RM0.58 million in Q3 FY21 as compared to Q3 FY20 of RM0.78 million due to reduce in overheads, lower maintenance cost for mould and machineries when compared to Q3 FY20.
- c) The Colour Separation & Printing Division registered an operating loss of RM0.02 million in Q3 FY21 compared against the Q3 FY20 operating profit of RM0.04 million due to gain on disposal of asset recorded in Q3 FY20 and increase in operating expenses in the current quarter.
- d) Other division comprises of investment activities and management service. The decrease was contributed by fair value loss on financial asset of RM0.71 million recorded in prior corresponding quarter and expenses related to Corporate exercises of RM0.23 million incurred in the current quarter.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****2. Variation of Results against Immediate Preceding Quarter****Revenue**

	Individual Quarter		Variance
	Q3 - FY'21	Q2 - FY'21	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	8,404	8,671	(267)
Plastic Products	2,047	1,959	88
Colour Separation & Printing	90	109	(19)
Group Revenue	10,541	10,739	(198)

Total revenue for the group reduced by RM0.20 million to RM10.54 million as compared to RM10.74 million in the last quarter as explained below: -

- The Paper Product Division recorded 3.08% decrease in revenue as compared to previous quarter due to softening demand from the key customers.
- The Plastic Products Division recorded 4.50% increase in revenue as compared to previous quarter due to slight increase in sales to overseas customers resulted from easing of COVID-19 lockdown of our overseas customers.
- Colour Separation & Printing Division's sales reduce slightly due to softening in demand.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****Profit Before Taxation**

	Individual Quarter		Variance
	Q3 - FY'21	Q2 - FY'21	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(507)	(785)	278
Plastic Products	(578)	(477)	(101)
Colour Separation & Printing	(20)	31	(51)
Others	(397)	2,528	(2,925)
Operating (Loss)/Profit	(1,502)	1,297	(2,799)
Finance:			
Total Finance Cost	(12)	(65)	53
<u>Segmental (Loss)/Profit Before Taxation</u>			
Group (Loss)/Profit Before Taxation	(1,514)	1,232	(2,746)

The Group registered a loss before taxation of RM1.52 million in Q3 FY21, compared against the Q2 FY21 profit before taxation of RM1.23 million as explained below:-

- a) Despite decrease in revenue for the current quarter, Paper Products Division's operating loss decrease by RM0.28 million mainly due to productivity and efficiencies gains. These gains also mitigated the increased in raw material impact of this division.
- b) The Plastic Products Division registered higher operating loss of RM0.58 million in Q3 FY21 as compared to Q2 FY21 of RM0.48 million due to moving cost to the new factory incurred in the current quarter and asset written-off.
- c) The Colour Separation & Printing Division registered an operating loss of RM0.02 million in Q3 FY21 compared against the Q2 FY21 operating profit of RM0.03 million due to decrease in sales for the current quarter.
- d) Other division comprises of investment activities and management service. The operating loss for the quarter was contributed by fair value gain on financial asset of RM2.62 million recorded in prior quarter mitigated by the expenses related to Corporate exercises of RM0.23 million incurred in the current quarter.

**UNAUDITED INTERIM FINANCIAL REPORT
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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 FY2021. 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.

5. Taxation

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter	-	-	-	-
- over provision in prior year	-	-	8	-
Deferred taxation				
- in current quarter	-	-	-	-
- under provision in prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>

6. Disposal of Quoted or Unquoted Investments or Properties

There has been no disposal of quoted and unquoted shares by the Group during the quarter under reviewed.



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7. Status of Corporate Exercise

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”).

On 18 December 2020, the Company announced that the Company’s solicitor had vide its letter confirmed that all the Conditions Precedent under the Collaboration Agreement have been fulfilled (“Unconditional Date”). As such, the Collaboration Agreement has become unconditional and the Collaboration is deemed effected.

Take-overs and mergers

On 21 December 2020, the Company announced that the Company has received a notice of conditional mandatory take-over offer (“**Notice**”) from NSK Trading Sdn. Bhd. (“**the Offeror**”) through AmInvestment Bank Berhad in respect of the Offeror’s obligation to undertake a take-over offer to acquire all the remaining ordinary shares in Versatile not already owned by the Offeror (“**Offer Shares**”) for a cash offer price of RM0.70 per Offer Share (“**Offer**”).

In accordance with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, the Board will appoint an independent adviser to provide comments, opinions, information and recommendation to the non-interested directors and the holders of the Offer Shares.

As set out in the Offer Document dated 11 January 2021, the Offer is conditional upon the Offeror having received valid acceptances by 5.00 p.m. on Tuesday, 2 February 2021 (“**Closing Date**”) which would result in the Offeror, the Joint Ultimate Offerors and their PACs holding in aggregate together, with such VCB Shares that are already acquired, held or entitled to be acquired or held by the Offeror, the Joint Ultimate Offerors and their PACs, more than 50% of the voting shares of VCB (“**Acceptance Condition**”).

On 2 February 2021, the Company announced that VCB has received a press notice from AmInvestment Bank Berhad, on behalf of the Offeror, informing that the Offer has closed. On the Closing Date, the Offeror, the Joint Ultimate Offerors and PACs hold in aggregate, valid acceptances together with such VCB Shares that are already acquired, held or entitled to be acquired or held, approximately 37.80% of the voting shares of VCB. As such, the Acceptance Condition has not been fulfilled.

Accordingly, the Offeror shall return all the VCB Shares which have been transferred into the CDS of the Offeror pursuant to the acceptance of the Offer by the respective Accepting Holders.

**VERSATILE CREATIVE BERHAD**

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8. Borrowings and Debts Securities

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

	As at 31/12/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	-	12,607
Lease Liabilities	290	700
Bank Overdraft	-	3,356
	<u>290</u>	<u>16,663</u>
 <u>Long term borrowings</u>		
<i>Secured</i>		
Lease Liabilities	271	336
Borrowings	-	-
Total Group's Borrowings	<u>561</u>	<u>16,999</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. 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Group's Profit/(Loss) attributable to owners of the parent company (RM'000)	(1,514)	(2,768)	4,372	(4,168)
Weighted average number of ordinary shares in issue ('000)	254,635	141,980	243,574	140,759
Basic earning/(loss) per share (sen)	(0.59)	(1.95)	1.79	(2.96)

(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.