

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		30/09/2021 RM '000	30/09/2020 RM '000	30/09/2021 RM '000	30/09/2020 RM '000
Revenue	B1	10,066	10,739	21,397	20,580
Cost of sales		(8,430)	(9,843)	(18,412)	(18,708)
Gross profit		1,636	896	2,985	1,872
Other income		810	2,946	1,199	9,188
Distribution expenses		(512)	(724)	(1,004)	(1,238)
Administrative expenses		(1,947)	(1,821)	(3,587)	(3,777)
(Loss)/profit before interest and taxation	B1	(13)	1,297	(407)	6,045
Finance costs (net)		(52)	(65)	(88)	(154)
(Loss)/profit before taxation		(65)	1,232	(495)	5,891
Taxation	B5	-	(8)	-	(8)
(Loss)/profit after taxation		(65)	1,224	(495)	5,883
(Loss)/profit attributable to:					
Equity holders of the Parent		23	1,224	(310)	5,883
Non-controlling interest		(88)	-	(185)	-
		(65)	1,224	(495)	5,883
Total comprehensive (loss)/ income for the financial period		(65)	1,224	(495)	5,883
Earnings/(loss) per share - Basic (sen)	B11	0.01	0.48	(0.12)	2.47

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021**

	As at 30/09/2021 (Unaudited) RM'000	As at 31/03/2021 (Audited) RM'000
ASSETS		
	Note	
Non-Current Assets		
Property, Plant and Equipment	27,004	23,785
Right-of-use assets	25,787	25,539
	<u>52,791</u>	<u>49,324</u>
Current Assets		
Trade and other receivables	9,746	10,242
Inventories	13,555	11,179
Prepayment	164	189
Tax Recoverable	233	224
Fixed Deposit Place with a Licensed Bank	4,526	6,009
Cash and Bank Balances	1,170	4,112
	<u>29,394</u>	<u>31,955</u>
Total Assets	<u>82,185</u>	<u>81,279</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER
2021 (Continued)**

		As at 30/09/2021 (Unaudited) RM'000	As at 31/03/2021 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		94,173	94,173
Reserve		21,089	21,089
Accumulated Losses		(50,940)	(50,630)
Non-Controlling Interest		689	874
Total Equity		<u>65,011</u>	<u>65,506</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	B8	947	247
Deferred Tax Liabilities		4,919	4,919
		<u>5,866</u>	<u>5,166</u>
Current Liabilities			
Trade and other payables		10,930	10,272
Lease liabilities	B8	378	335
		<u>11,308</u>	<u>10,607</u>
Total Liabilities		17,174	15,773
Total Equity and Liabilities		<u>82,185</u>	<u>81,279</u>
Net Assets per share (RM)		<u>0.26</u>	<u>0.26</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)

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Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER
ENDED 30 SEPTEMBER 2021**

	Attributable to equity holders of the Company					
	Non-Distributable					
	Share Capital RM'000	Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interst RM'000	Total Equity RM'000
<u>Year ended 30 September 2021 (Unaudited)</u>						
At 01 April 2021	94,173	21,089	(50,630)	64,632	874	65,506
Loss for the period	-	-	(310)	(310)	(185)	(495)
Total comprehensive loss for the financial period	-	-	(310)	(310)	(185)	(495)
At 30 September 2021	94,173	21,089	(50,940)	64,322	689	65,011
<u>Year ended 30 September 2020 (Unaudited)</u>						
At 01 April 2020	68,262	21,522	(56,501)	33,283	-	33,283
Issuance of ordinary shares	25,911	-	-	25,911	-	25,911
Profit for the period	-	-	5,883	5,883	-	5,883
Total comprehensive income for the financial period	-	-	5,883	5,883	-	5,883
At 30 September 2020	94,173	21,522	(50,618)	65,077	-	65,077

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	30/09/2021	30/09/2020
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss)/Profit before taxation	(495)	5,891
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	1,252	(1,982)
Non-operating items	88	154
Operating profit/(loss) before working capital changes	845	4,063
<u>Changes in working capital:</u>		
Inventories	(2,377)	(1,930)
Trade and other receivables	1,261	598
Trade and other payables	425	(6,068)
Cash from/(used in) operations	154	(3,337)
Interest received	48	-
Interest paid	(2)	(24)
Net income tax paid	(9)	(8)
Net cash from/(used in) operating activities	<u>191</u>	<u>(3,369)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(4,903)	(357)
Proceeds from disposal of property, plant and equipment	236	9,417
Net cash (used in)/ from investing activities	<u>(4,667)</u>	<u>9,060</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED
30 SEPTEMBER 2021 (Continued)**

	30/09/2021	30/09/2020
	RM'000	RM'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(19)	(130)
Repayment of borrowings	-	(11,204)
Repayment of lease liabilities	(175)	(523)
Proceed from issuance of ordinary shares	-	25,911
Advance from related company	245	-
Net cash from financing activities	51	14,054
NET CHANGE IN CASH & CASH EQUIVALENTS	(4,425)	19,745
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,121	(2,985)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	5,696	16,760
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	1,170	1,760
Fixed deposit placed with a licensed bank	4,526	15,000
	5,696	16,760

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

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”).

Adoption of New Standards/Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2020.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

Standards Issued but Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s and the Company’s financial statements are disclosed below. The Group and the Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Effective for financial period beginning on or after 1 June 2020

- Amendments to MFRS 16 Leases - Covid-19-Related Rent Concessions

Effective for financial period beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4* and MFRS 16 – Interest Rate Benchmark Reform – Phase 2

Effective for financial period beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract-Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

1. Basis of Preparation (Continued)

Effective for financial period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Deferred to a date to be determined by the MASB

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company upon their first adoption.

2. Audit Report Qualification and Status of Matters Raised

The annual audited financial statements of the Group for the year ended 31 March 2021 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.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

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 2021.

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.

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

On behalf of the Board of Directors of Versatile (“**Board**”), Mercury Securities Sdn Bhd (“**Mercury Securities**”) announced that the Company proposes to undertake a placement of up to 10% of its total number of issued shares (“**Versatile Shares**” or “**Shares**”) (“**Placement Shares**”) pursuant to the shareholders’ mandate for issuance of Versatile Shares under Sections 75 and 76 of the Companies Act 2016 (“**Act**”) obtained at the Company’s 18th annual general meeting held on 29 September 2021.

The Proposed Placement entails the issuance of up to 25,463,500 Placement Shares, representing 10% of the Company’s total number of issued Shares, will raise a total funds of approximately RM12.47 million, to fund the Group’s grocery business.

10. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 30 September 2021.

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 2021.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****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	Selling of disposable containers, cutlery and plastic products, where some of these products were processed using moulds owned by NSKT and a processing fee is charged to these certain products instead of a selling price.	185,359

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 2021**

14. Operating Segment

The Group's operating segments for the financial year ended 30 September 2021 were as follows:
Segmental information for 6 months ended 30 September 2021

Business Segment	Paper	Plastic	Colour	Grocery	Others	Elimination	Consolidated
	products	products	& Printing				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	16,948	4,275	174	-	-	-	21,397
Inter-segment revenue	-	20	19	-	797	(836)	-
Total revenue	16,948	4,295	193	-	797	(836)	21,397
Operating results	1,451	(1,497)	(26)	(377)	42	-	(407)
Interest expense							(136)
Interest income							48
Loss before taxation							(495)
Taxation							-
Loss after taxation							(495)

Segmental information for 6 months ended 30 September 2020

Business Segment	Paper	Plastic	Colour	Grocery	Others	Elimination	Consolidated
	products	products	& Printing				
	RM'000	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 2021**

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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	<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	833	842	1,627	1,687
Depreciation of right of use asset	265	225	573	433
Gain on disposal of property, plant and equipment	11	-	232	-
Fair value (gain) of financial asset	-	(2,617)	-	(8,780)
(Reversal) of provision for doubtful debt	(686)	-	(796)	-
Interest income	(22)	-	48	-
Interest expenses	74	65	136	154

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****B. Additional information required by the Bursa Malaysia's Listing Requirements****1. Review of Current Quarter Performance
Revenue**

	Individual Quarter		Variance
	Q2 - FY'22	Q2 - FY'21	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	7,964	8,671	(707)
Plastic Products	2,046	1,959	87
Colour Separation & Printing	56	109	(53)
Group Revenue	10,066	10,739	(673)

Total revenue of the Group decreased by RM0.67 million to RM10.07 million as compared to RM10.74 million recorded in the previous year corresponding quarter as explained below:

- a) The Paper Product Division recorded 8.15% decrease in revenue as compared to previous year corresponding quarter due to unexpected lockdown order implemented by government which cause some essential product customers unable to operate with full capacity and non-essential product customers were not allowed to open.
- b) Plastic Products Division's sales slightly increased by 4.44% due higher demand from the existing customers.
- c) Colour Separation & Printing Division's sales drop significantly as due to lockdown order.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****Profit Before Taxation**

	Individual Quarter		Variance
	Q2 - FY'22	Q2 - FY'21	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	976	(785)	1,761
Plastic Products	(718)	(477)	(241)
Colour Separation & Printing	(23)	31	(54)
Grocery	(180)	-	(180)
Others	(67)	2,528	(2,595)
Operating Loss	(12)	1,297	(1,309)
Finance:			
Finance Cost(net)	(53)	(65)	12
<u>Segmental Loss Before Taxation</u>			
Group (Loss)/Profit Before Taxation	(65)	1,232	(1,297)

The Group registered a loss before taxation of RM0.07 million in Q2 FY22, compared against the Q2 FY21 profit before taxation of RM1.23 million as explained below:

- Despite lower sales recorded for the current quarter, the Paper Products division recorded operating profit of RM0.98 million as compared to operating loss of RM0.79 million in the last year corresponding quarter mainly due to higher gross profit generated from the medical product industry. In addition, increase in operating results was also partly contributed by reversal of provision for doubtful debt of RM0.69 million.
- Plastic Products division registered higher operating loss of RM0.72 million in Q2 FY22 as compared to RM0.48 million in Q2 FY21 due to lower other income received.
- The Colour Separation & Printing division's recorded operating loss of RM0.02 million Q2 FY22 as compared to operating profit of RM0.03 million Q2 FY21 in line with decrease in sales.
- Operating loss of RM0.18 million incurred in Grocery division pertained to cost of administrative operation incurred during the quarter under review.
- Other division comprises investment activities and management service. The significant decrease was due to fair value gain on financial asset of RM2.62 million recorded in previous year corresponding quarter.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****2. Variation of Results against Immediate Preceding Quarter****Revenue**

	Individual Quarter		Variance
	Q2 - FY'22	Q1 - FY'22	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	7,964	8,963	(999)
Plastic Products	2,046	2,250	(204)
Colour Separation & Printing	56	118	(62)
Group Revenue	10,066	11,331	(1,265)

Total revenue for the group decreased by RM1.27 million to RM10.07 million as compared to RM11.33 million in the previous quarter as explained below: -

- a) The Paper Product Division recorded 11.15% decrease in revenue as compared to previous quarter due to unexpected lockdown order implemented by government which cause some essential product customers unable to operate with full capacity and non-essential product customers were not allowed to open.
- b) The Plastic Product Division recorded 9.07% decrease in revenue as compared to previous quarter due to few customers were not operate in full capacity.
- c) Colour Separation & Printing Division's sales drop significantly as due to lockdown order.



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

Profit Before Taxation

	Individual Quarter		Variance
	Q2 - FY'22	Q1 - FY'22	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	976	475	501
Plastic Products	(718)	(779)	61
Colour Separation & Printing	(23)	(3)	(20)
Grocery	(180)	(197)	17
Others	(67)	110	(177)
Operating Loss	(12)	(394)	382
Finance:			
Finance Cost(net)	(53)	(35)	(18)
<u>Segmental Loss Before Taxation</u>			
Group Loss Before Taxation	(65)	(429)	364

The Group registered a loss before taxation of RM0.07 million in Q2 FY22, compared against the Q1 FY22 loss before taxation of RM0.43million as explained below:

- a) The Paper Products division recorded higher operating profit of RM0.98 million in the current quarter as compared to the previous quarter of RM0.48 million due to reversal of provision for doubtful debt of RM0.69 million.
- b) Plastic Products division recorded lower operating loss of RM0.72 million in the current quarter as compared to the previous quarter of RM0.78 million due to decrease in maintenance cost for mould and machineries.
- c) The Colour Separation & Printing division's operating loss increased by RM0.02 million in Q2 FY22 as compared to Q1 FY22 in line with decrease in sales.
- d) The Grocery division's operating loss slightly decreased by RM0.02 million in Q2 FY22 as compared to Q1 FY22 pertained to lower cost of administrative operation incurred during the quarter.
- e) Other division comprises investment activities and management service. Operating loss of RM0.07 million recorded during the quarter as compared to operating profit of RM0.11 million in prior quarter was due to lower management fee charged to the subsidiaries company and expenses in relation to convening of Annual General Meeting.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021****3. Outlook and Prospects**

The Group is seeing healthy order flow from existing customers, and coupled with confirmed orders from new customer. We are also positive that the demand for paper and plastic packaging will remain strong from the medical supplies industry.

Nevertheless, the multiple implementations and various phases of MCO in Malaysia have slightly impacted businesses, which are constantly adapting operations to a much-reduced level of workforce and adhering to the stricter SOP at all times to mitigate the risk of Covid-19 especially in workplaces.

Despite the challenges posed by the pandemic, the Group will ensure business continuity by implementing cost rationalization. Operation costs were continuously kept under strict scrutiny to ensure expenses were within the allowable budget. The Group will also focus on credit risk management, securing various supply sources to minimize 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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter	-	(8)	-	-
- over provision in prior year	-		-	-
Deferred taxation				
- in current quarter	-	-	-	-
- under provision in prior year	-	-	-	-
	<u>-</u>	<u>(8)</u>	<u>-</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.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

7. Status of Corporate Exercise

On behalf of the Board of Directors of Versatile (“**Board**”), Mercury Securities Sdn Bhd (“**Mercury Securities**”) announced that the Company proposes to undertake a placement of up to 10% of its total number of issued shares (“**Versatile Shares**” or “**Shares**”) (“**Placement Shares**”) pursuant to the shareholders’ mandate for issuance of Versatile Shares under Sections 75 and 76 of the Companies Act 2016 (“**Act**”) obtained at the Company’s 18th annual general meeting held on 29 September 2021.

The Proposed Placement entails the issuance of up to 25,463,500 Placement Shares, representing 10% of the Company’s total number of issued Shares, will raise a total funds of approximately RM12.47 million, to fund the Group’s grocery business.

8. Borrowings and Debts Securities

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

	As at 30/09/2021 (Unaudited) RM'000	As at 31/03/2021 (Audited) RM'000
Non current liabilities	947	247
Current liabilities	378	335
	<u>1,325</u>	<u>582</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.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

10. Earnings per share**(a) Basic (loss)/earnings 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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Group's Profit/(Loss) attributable to owners of the parent company (RM'000)	23	1,224	(310)	5,883
Weighted average number of ordinary shares in issue ('000)	254,635	254,635	254,635	238,014
Basic earning/(loss) per share (sen)	0.01	0.48	(0.12)	2.47

(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.