

**NOTION VTEC BERHAD**  
**Company No: - 637546-D**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2018 RM'000	Preceding Year Corresponding Quarter 30.09.2017 RM'000	Current Year To Date 30.09.2018 RM'000	Preceding Year To Date 30.09.2017 RM'000
Revenue	70,137	67,851	256,154	275,232
Cost of Sales	<u>(59,151)</u>	<u>(58,393)</u>	<u>(234,954)</u>	<u>(242,464)</u>
Gross Profit	10,986	9,458	21,200	32,768
Other Operating Income	81,320	2,235	169,874	16,954
Operating Expenses	<u>(37,988)</u>	<u>(11,294)</u>	<u>(121,244)</u>	<u>(34,255)</u>
Operating Income	54,318	399	69,830	15,467
Finance Costs	<u>(386)</u>	<u>(199)</u>	<u>(983)</u>	<u>(1,092)</u>
Profit before taxation	53,932	200	68,847	14,375
Tax Expense	<u>(17,464)</u>	<u>(1,244)</u>	<u>(24,116)</u>	<u>(1,417)</u>
Profit/ (Loss) after taxation	36,468	(1,044)	44,731	12,958
Other Comprehensive income/ (expense):				
-currency translation differences	<u>3,941</u>	<u>(423)</u>	<u>(1,382)</u>	<u>3,796</u>
Total comprehensive income/ (expense) for the financial year	<u>40,409</u>	<u>(1,467)</u>	<u>43,349</u>	<u>16,754</u>
Profit/ (Loss) after taxation attributable to:				
-Owners of the Company	36,468	(1,044)	44,731	12,958
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>36,468</u>	<u>(1,044)</u>	<u>44,731</u>	<u>12,958</u>
Total comprehensive income/ (expense) for the financial year attributable to:				
-Owners of the Company	40,409	(1,467)	43,349	16,754
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>40,409</u>	<u>(1,467)</u>	<u>43,349</u>	<u>16,754</u>
Earnings/ (Loss) Per Share (sen)	<u>10.96</u>	<u>(0.32)</u>	<u>13.44</u>	<u>3.92</u>
Proposed/ Declared Dividend Per Share (sen)	<u>1.00</u>	<u>-</u>	<u>1.00</u>	<u>3.00</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**NOTION VTEC BERHAD**

Company No: - 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 30.09.2018 RM'000	As at Preceding Year Ended 30.09.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	285,719	218,025
Intangible Assets	1,327	-
	<u>287,046</u>	<u>218,025</u>
<b>Current assets</b>		
Inventories	37,173	46,076
Trade receivables	66,579	61,588
Other receivables and prepayments	91,075	7,448
Current tax assets	5,925	2,885
Term deposits with licensed banks	23,861	57,660
Cash and bank balances	16,287	28,699
	<u>240,900</u>	<u>204,356</u>
<b>Total assets</b>	<u>527,946</u>	<u>422,381</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	198,756	197,793
Share Option Reserve	2,492	687
Currency Translation Reserve	9,415	10,797
Retained Profits	188,380	143,176
Other Capital Reserve	4,800	4,800
<b>Equity attributable to owners of the Company</b>	<u>403,843</u>	<u>357,253</u>
Non-controlling Interests	-	-
<b>Total equity</b>	<u>403,843</u>	<u>357,253</u>
<b>Non-current liabilities</b>		
Long-term borrowings	26,744	2,212
Deferred Tax Liabilities	28,752	14,155
Retirement Benefits	356	-
	<u>55,852</u>	<u>16,367</u>
<b>Current Liabilities</b>		
Trade payables	13,576	12,915
Other payables and accruals	37,508	26,741
Loans and borrowings	17,167	9,105
Provision for taxation	-	-
	<u>68,251</u>	<u>48,761</u>
Total Liabilities	124,103	65,128
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>527,946</u>	<u>422,381</u>
Net assets per ordinary share (RM)	1.2134	1.0805

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**NOTION VTEC BERHAD**
**Company No: - 637546-D**
**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Attributable to equity holders of the parent-----→							Total Equity
	Share Capital	Treasury Shares	←-----Non-distributable-----→			←-----Distributable-----→		
			Share Premium	Share Option Reserve	Currency Translation Reserves	Capital Reserve	Retained Profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>12 months ended 30 September 2018</b>								
Balance as at 1 October 2017	197,793	-	-	687	10,797	4,800	143,176	357,253
Profit after taxation	-	-	-	-	-	-	44,731	44,731
Currency translation differences	-	-	-	-	(1,382)	-	-	(1,382)
Share-based payments	-	-	-	2,278	-	-	-	2,278
Issuance of shares	963	-	-	(473)	-	-	473	963
Balance as at 30 September 2018	198,756	-	-	2,492	9,415	4,800	188,380	403,843
<b>12 months ended 30 September 2017</b>								
Balance as at 1 October 2016	135,209	(2,244)	1	-	7,001	4,800	144,292	289,059
Profit after taxation	-	-	-	-	-	-	12,958	12,958
Transfer in accordance with Section 618(2) of the Companies Act 2016	1	-	(1)	-	-	-	-	-
Currency translation differences	-	-	-	-	3,796	-	-	3,796
Interim single tier dividend of 1 sen per share paid on 16 January 2017 in respect of financial year ended 30 September 2016	-	-	-	-	-	-	(2,683)	(2,683)
Final single tier dividend of 1 sen per share paid on 14 April 2017 in respect of financial year ended 30 September 2016	-	-	-	-	-	-	(2,683)	(2,683)
First interim single tier dividend of 0.75 sen per share paid on 19 May 2017 in respect of financial year 30 September 2017	-	-	-	-	-	-	(2,320)	(2,320)
Second interim single tier dividend of 0.75 sen per share paid on 7 July 2017 in respect of financial year 30 September 2017	-	-	-	-	-	-	(2,479)	(2,479)
Special single tier dividend of 0.75 sen per share paid on 7 July 2017 in respect of financial year 30 September 2017	-	-	-	-	-	-	(2,479)	(2,479)
Third interim single tier dividend 0.75sen per share paid on 21 September 2017 in respect of financial year ended 30 September 2017	-	-	-	-	-	-	(2,480)	(2,480)
Disposal of treasury shares	-	2,244	-	-	-	-	489	2,733
Share based payments	-	-	-	1,248	-	-	-	1,248
Issuance of shares pursuant to:								
-Employees' Share Option Scheme	1,262	-	-	(561)	-	-	561	1,262
-Conversion of warrants	31,809	-	-	-	-	-	-	31,809
-Private placement	29,512	-	-	-	-	-	-	29,512
Balance as at 30 September 2017	197,793	-	-	687	10,797	4,800	143,176	357,253

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**NOTION VTEC BERHAD**

**Company No: - 637546-D**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year-To-Date 30.09.2018 RM'000	Preceding Year-To-Date 30.09.2017 RM'000
<b>CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	68,847	14,375
Adjustments for:		
Depreciation of property, plant and equipment	30,831	33,735
Interest expense	785	923
Inventories written down	5,446	-
Impairment loss on property, plant and equipment	21,470	-
Reversal of impairment loss on property, plant and equipment	(115)	-
Plant and equipment written off	41,233	670
Inventories written off	7,274	-
Reversal of impairment loss on loans and receivables	-	(110)
Gain on disposal of plant and equipment	(247)	(1,311)
Unrealised (gain)/ loss on foreign currency translation	(4,927)	988
Interest income	(1,852)	(1,316)
Share-based payments	2,297	1,248
Provision for retirement benefits	356	-
Fair value loss on intangible assets	47	-
Operating profit before working capital changes	171,445	49,202
Increase in inventories	(3,732)	(12,984)
Increase in trade and other receivables	(86,713)	(9,693)
Increase in trade and other payables	12,929	20,971
<b>CASH FROM OPERATIONS</b>	93,929	47,496
Interest paid	(785)	(923)
Tax refunded	114	-
Tax paid	(12,600)	(3,568)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	80,658	43,005
<b>CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES</b>		
Interest received	1,577	1,316
Proceeds from disposal of plant and equipment	613	6,926
Purchase of property, plant and equipment	(161,578)	(48,259)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(159,388)	(40,017)
<b>CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES</b>		
Dividends paid	-	(15,124)
Proceeds from issuance of shares	963	62,583
Sale of treasury shares	-	2,733
Drawdown of hire purchase	12,267	-
Repayment of hire-purchase and lease obligations	(816)	(3,117)
Drawdown of term loan	22,123	-
Repayment of term loan	(6,054)	(9,147)
Drawdown of bank borrowings	14,495	5,021
Repayment of bank borrowings	(9,146)	(2,010)
Advances from a director	2,853	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	36,685	40,939
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	(42,045)	43,927
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	86,359	41,857
Currency translation differences – subsidiaries	(4,166)	575
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>40,148</b>	<b>86,359</b>
<b>Note (A)</b>		
Cash and cash equivalents at the end of the period comprise the following:		
Short term deposits with licensed banks	23,968	39,771
Cash and bank balances	16,180	46,588
	<b>40,148</b>	<b>86,359</b>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

## NOTION VTEC BERHAD

Company No: - 637546-D

### UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

#### NOTES TO THE QUARTERLY FINANCIAL REPORT

##### A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("The Group"). This interim financial report should be read in conjunction with the Group's annual audited financial report for the financial year ended ("FYE") 30 September 2017.

The accounting policies and methods of computations adopted in these interim financial statements are consistent with those adopted in the financial statements for the FYE 30 September 2017.

##### A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2017 was not subject to any qualification.

##### A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the quarter under review.

##### A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE.

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review.

##### A5. MATERIAL CHANGES IN ESTIMATES

There were no other changes in estimates that have had a material effect in the current quarter results.

##### A6. DEBT AND EQUITY SECURITIES

As at the quarter ended 30 September 2018, a total of 486,200 new ordinary shares were issued and allotted pursuant to the exercise of the ESOS at an exercise price of RM 0.44. The details of the issued and paid-up capital of the Company are as follows: -

	No. of shares	RM
As at 30 June 2018	332,336,453	198,541,850
Ordinary shares issued pursuant to the ESOS	486,200	213,928
As at 30 September 2018	332,822,653	198,755,778

As at 30 September 2018, there are 10,270,500 outstanding ESOS Options (comprising 1,932,000 ESOS Options which were offered on 27 February 2017 at an exercise price of RM 0.80 per Share and 8,338,500 ESOS Options which were offered on 12 December 2017 at an exercise price of RM 0.44 per Share.

Other than the above, there were no issuance and repayment of debt and equity securities, as well as share cancellations and resale of treasury shares during the current reporting quarter.

##### A7. DIVIDEND PAID

No dividend was paid during the quarter under review.

##### A8. SEGMENTAL INFORMATION

The Group is primarily engaged in three business segment which is in the design and volume production of high precision metal manufacturing of hard disk drive ("HDD"), automotive industries' components and engineered products. Camera components are now classified under engineered products. Breakdown of segmental revenue and product mix is found in Note B2.

The Group's operations are conducted in Malaysia and Thailand.

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

**NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)**

**A9. VALUATION OF ASSETS**

There was no revaluation of property, plant and equipment for the quarter under review.

**A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER**

There were no material events between the end of the reporting quarter and the date of announcement.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A12. CONTINGENT LIABILITIES**

The Company has entered into financial guarantee contracts to provide to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM 152,000,000. The total utilisation of these credit facilities as at 30 September 2018 amounted to approximately RM 43,911,000.

**A13. CAPITAL COMMITMENTS**

	<b>As at End of Current Quarter 30.09.2018 <u>RM'000</u></b>
Approved and contracted for:	
-purchase of property, plant and equipment	<u>17,004</u>

**A14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Directors of Notion are of the opinion that there is no related party transaction which would have a material impact on the financial position and the business of the Group during the financial quarter.

**NOTION VTEC BERHAD**

Company No: - 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

**B1. GROUP PERFORMANCE REVIEW**

The Group recorded revenue and profit after taxation ("PAT") of RM 70.1 million and RM 36.5 million respectively for the quarter ended 30 September 2018 ("Q4FY2018"). Refer Notes B2 and B3 below for a detailed review of the Group's performance.

**B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS****Financials:**

For Q4 of FY2018, the Group recorded revenue of RM 70.1 million (Q3FY2018: RM 67.3 million), PAT of RM 36.5 million (Q3FY2018: 19.2 million) and earnings per share of 10.96 sen (Q3FY2018: 5.77 sen). Revenue is 4% higher in the current quarter compared to the preceding quarter due mainly to better performance in HDD and Camera segments achieved on the back of higher orders and a stronger USD. For the quarter under review, HDD and Engineered Product posted higher sales of 4% and 28% respectively compared to Q3FY2018. Despite the higher revenue, margins are still low due to higher costs of operations such as financing cost and amortization of newly acquired machineries and other replacement expenses incurred as we recover from the fire incident.

Profit after taxation was RM 36.5 million in Q4FY2018 compared to RM 19.1 million in Q3FY2018. The exceptional profit is after taking in the insurance claim settlement. As announced on 28 September 2018, the insurers had made a final offer of RM 159,447,366 as full and final settlement for the material damage claim. After deducting RM 80 million that had been received up to the financial year end, the balance of RM 79,447,366 is taken up as an accrued income in the current quarter and subsequently received in tranches of RM 35,000,000 and RM 44,447,366 on 16 October 2018 and 9 November 2018, respectively. The business interruption insurance claim is still in progress and is targeted to be finalised by end of December 2018. In the current quarter, an impairment loss of RM 21.5 million was made in respect of plant and equipment due to certain underperforming business units. The Group had also written down RM 5.4 million of inventories due to stock obsolescence. The EBITDA for Q4FY2018 was RM 62.6 million compared to RM 24.4 million in Q3FY2018 (preceding year Q4FY2017: RM 7.4 million). Year to date 30 September 2018, EBITDA was RM 98.6 million (YTD 30 September 2017: RM 47.7 million).

**Product mix:**

	Individual Quarter			Cumulative Quarter		
	Q4FY2018 RM'000	Q3FY2018 RM'000	% change	Q4FY2018 RM'000	Q4FY2017 RM'000	% change
<b>REVENUE</b>						
HDD	34,395	33,712	2%	124,368	110,631	12%
Automotive	21,924	23,348	-6%	84,760	94,648	- 10%
<b>Engineered Products</b>						
Camera	6,720	4,945	36%	24,150	44,021	- 45%
Others	7,098	5,846	21%	22,876	25,932	- 12%
<b>TOTAL</b>	<b>70,137</b>	<b>67,851</b>	<b>3%</b>	<b>256,154</b>	<b>275,232</b>	<b>- 7%</b>

In Q4FY2018, HDD parts revenue recorded RM 34.4 million (Q3FY2018: RM 33.2 million), Automotive RM 21.9 million (Q3FY2018: RM 23.3 million) whilst the Engineered Products' revenue was at RM 13.8 million (Q3FY2018: RM 10.8 million). The product mix for Q4FY2018 has not changed much with HDD: Automotive: Engineered Products of 49%: 31%: 20% compared to previous quarter's mix of 49%: 35%: 16%. Comparing with FY2017, all sectors posted lower sales with the exception of HDD that posted an increase of 12% growth. The increase in HDD revenue is the result of the full year impact of the vendors rationalisation exercise by our customers. As for Automotive, the drop in revenue is mainly due to the discontinuation of a model part and is expected to recover when mass production of a new replacement electric vehicle (EV) part, kicks in together with the full restoration of our production capacity. As for Camera segment, the industry is facing a lot of competition in the like of smartphones and sales is expected to remain at current level.

**Possible impact of business interruption loss (BIL) claim**

As explained above, the Company has submitted an initial BIL insurance claim to the insurer, there is a possibility of the finalisation of the BIL insurance claim before the annual audited accounts for the financial year ended 30 September 2018 is issued. There is no certainty that the BIL insurance claim is successful.

However, in the event if the BIL insurance claim is successful, the inclusion of the BIL insurance claim may have an impact on the year-to-date PAT for the financial year ended 30 September 2018. As management is unable to ascertain the final amount of the BIL insurance claim at this juncture, it may give rise to a possible deviation of more than 10% from this Q4FY2018 results announcement.

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

**B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR****Business Outlook**

Financial Comparison table (RM'):

	<b>Q4FY18</b>	Q3FY18	<b>FY18</b>	FY17
Sales(mil)	<b>70.0</b>	67.3	<b>256.1</b>	275.2
GP(mil)	<b>10.9</b>	4.5	<b>21.2</b> <b>(8%)</b>	32.8 (12%)
PBT(mil)	<b>53.9</b>	17.1	<b>68.8</b> <b>(27%)</b>	14.3 (5%)
PAT(mil)	<b>36.5</b>	19.1	<b>44.7</b> <b>(17%)</b>	12.9 (4.7%)
EPS(sen/shr)	<b>10.96</b>	5.77	<b>13.44</b>	3.92

Other metrics comparison table (RM'):

	<b>FY18</b>	FY17
Capex (mil)	<b>161.5</b>	48.2
Cash (mil)	<b>40.0</b>	86
Loans (mil)	<b>43.8</b>	11.3
NTA (RM/shr)	<b>1.2134</b>	1.0805

The Group's business has improved mainly due to the strong USD, lower aluminium LME price and growth in some sectors. The SLR camera and lens sector continues to be on a downward trend. The main growth in the HDD sector is in the enterprise bulk storage HDD which resulted in more demand for HDD spacer components. The auto braking sector continues to be strong especially in the Electric Vehicle (EV) braking segment.

The fire insurance material loss claim of RM159 million was finalised and the balance RM79 mil was received in Q1FY19 quarter. The only outstanding claim is the Business Interruption Loss claim which has been submitted to the insurer for its determination and assessment. We expect some conclusion to this claim in the near future.

Meanwhile, the focus is on the completion of the main factory which is expected to be by end December 2018 with another 2 months of wiring, internal fittings, flooring, air-conditioning and other internal works. We expect full restoration by Q2 of FY19 but the bulk of the replacement CNCs and equipment has been completed.

The Group continues to focus on productivity improvement in automation and optical inspection systems and is progressing into adopting Industry 4.0 initiatives with data capture and utilisation and the concept of smart factory.

After the disruptive fire incident, the Group's production machinery in the main factory in Klang will be the latest and most modern design positioned for new business opportunities.

In line with the better cashflow position, the Board is pleased to announce an interim dividend of 1 sen per share in Q4FY2018.

We are cautiously optimistic of the prospects of the Group's business and will continue to look into new business opportunities and invest in new technologies and explore M&A opportunities.

**B4. PROFIT FORECAST, PROFIT GUARANTEE AND INTERNAL TARGETS**

The Group did not issue any profit guarantee and profit forecast during the current financial period to date.

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

**B5. TAXATION**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	To Date
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Company and Subsidiaries				
Taxation				
- current	664	686	10,347	3,560
- (over)/ under provided in prior year	-	(40)	(926)	(412)
Deferred taxation	16,800	598	14,695	(1,731)
	<u>17,464</u>	<u>1,244</u>	<u>24,116</u>	<u>1,417</u>

The current year tax is mainly attributable to a provision of tax expense of RM 11.8 million on balancing charge arising from the RM 80.0 million interim insurance claim received for material loss. The deferred tax expense is mainly attributable to the balance of insurance claim amounting RM 79.4 million accrued as at the year end.

**B6. STATUS OF CORPORATE PROPOSALS**

There are no other corporate proposals announced but pending completion as at the date of this report.

**B7. BORROWINGS AND DEBTS SECURITIES**

The Group's borrowings as at 30 September 2018 are as follows:

	<u>RM'000</u>
<b>Long Term</b>	
Secured	
Hire purchase and lease payables	9,630
Term loan	<u>17,114</u>
	<u>26,744</u>
<b>Short-term</b>	
Secured	
Portion of hire purchase and lease payables due within one year	2,228
Portion of term loan due within one year	6,363
Unsecured	
Other short term borrowings	<u>8,576</u>
	<u>17,167</u>
	<u>43,911</u>

The hire purchase and lease payables and term loan are secured by legal charges over certain property, plant and equipment belonging to certain subsidiaries of the Company.

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

**B8. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT**

Profit/ (Loss) after Tax is arrived at after charging / (crediting) the following items:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
a) Interest income	(576)	(572)	(1,852)	(1,316)
b) Interest expense	343	160	785	923
c) Depreciation and amortisation	8,894	9,232	30,831	33,735
d) (Gain)/ Loss on disposal of property, plant and equipment	(203)	298	(247)	(1,311)
e) Unrealised (Gain)/ Loss on foreign exchange	(594)	(1,676)	(4,927)	988
f) Loss/ (Gain) on foreign exchange-realised	(944)	-	2,202	(6,009)
g) Bad debts recovered	(23)	(34)	(23)	-
h) Share-based payments	18	936	2,297	1,248
i) Plant and equipment written off	461	-	41,233	670
j) Inventories written off/ (written back)	(1,598)	-	7,274	-
k) Inventories written down	5,446	-	5,446	-
l) Impairment loss on property, plant and equipment	21,470	-	21,470	-
m) Reversal of impairment loss on property, plant and equipment	(115)	-	(115)	-
n) Reversal of impairment loss on loans and receivables	-	-	-	(110)
o) Fair value loss on investment	47	-	47	-
p) Provision for retirement benefits	356	-	356	-

**B9. MATERIAL LITIGATION**

There were no material litigations that might adversely and materially affect the position of the Group as at date of this report.

**B10. DIVIDENDS PER SHARE**

The Board has on 26 November 2018, declared and approved an interim single tier dividend of 1.00 sen per share in respect of the financial year ended 30 September 2018. The entitlement date and payment date has been fixed on 18 December 2018 and 17 January 2019, respectively (Q4FY2017: Nil).

**B11. EARNINGS PER SHARE**

The earnings/ (loss) per share is calculated by dividing profit/ (loss) attributable to the owners of the Company by the number of ordinary shares in issue (excluding the treasury shares held by the Company).

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/ (Loss) attributable to owners of the Company (RM'000)	36,468	(1,044)	44,731	12,958
Number of ordinary shares in issue (excluding the treasury shares held by the Company) ('000)	332,823	330,634	332,823	330,634
Earnings/ (Loss) per share (sen)	10.96	(0.32)	13.44	3.92

**AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 November 2018.

**By Order of the Board**

Petaling Jaya

26 November 2018