

NOTION VTEC BERHAD (“Notion” or “The Company”)

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year To Date 30.06.2021 RM'000	Preceding Year To Date 30.06.2020 RM'000
Revenue	89,200	40,052	239,157	172,707
Cost of Sales	<u>(89,614)</u>	<u>(40,821)</u>	<u>(207,618)</u>	<u>(154,732)</u>
Gross Profit/ (Loss)	(414)	(769)	31,539	17,975
Other Operating Income	4,135	326	6,484	20,908
Operating Expenses	<u>(13,893)</u>	<u>(9,774)</u>	<u>(39,024)</u>	<u>(32,616)</u>
Operating Income/ (Loss)	(10,172)	(10,217)	(1,001)	6,267
Finance Costs	<u>(1,160)</u>	<u>(1,127)</u>	<u>(3,400)</u>	<u>(3,385)</u>
Profit/ (Loss) before taxation	(11,332)	(11,344)	(4,401)	2,882
Tax Income/ (Expense)	<u>9</u>	<u>489</u>	<u>(738)</u>	<u>(3,328)</u>
Loss after taxation	(11,323)	(10,855)	(5,139)	(446)
Other Comprehensive income/ (expense)				
-currency translation differences	87	2,387	1,938	(1,927)
-fair value changes of intangible assets	-	-	1,007	(890)
Total comprehensive expense for the financial period	<u>(11,236)</u>	<u>(8,468)</u>	<u>(2,194)</u>	<u>(3,263)</u>
Loss after taxation attributable to:				
-Owners of the Company	(11,323)	(10,855)	(5,139)	(446)
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(11,323)</u>	<u>(10,855)</u>	<u>(5,139)</u>	<u>(446)</u>
Total comprehensive expense for the financial period attributable to:				
-Owners of the Company	(11,236)	(8,468)	(2,194)	(3,263)
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(11,236)</u>	<u>(8,468)</u>	<u>(2,194)</u>	<u>(3,263)</u>
Loss Per Share (sen)	<u>(2.20)</u>	<u>(2.15)</u>	<u>(1.00)</u>	<u>(0.09)</u>
Proposed/ Declared Dividend Per Share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD (“Notion” or “The Company”)

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 30.06.2021 RM'000	As at Preceding Year Ended 30.09.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	312,842	290,141
Right-of-use assets	54,261	47,675
Intangible Assets	-	5,931
	<u>367,103</u>	<u>343,747</u>
Current assets		
Inventories	85,528	46,913
Trade receivables	71,667	70,542
Other receivables and prepayments	15,019	11,820
Current tax assets	11,127	10,971
Cash and cash equivalents	<u>26,630</u>	<u>82,712</u>
	<u>209,971</u>	<u>222,958</u>
Total assets	<u>577,074</u>	<u>566,705</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	211,078	208,850
Share Option Reserve	4,969	5,630
Currency Translation Reserve	13,004	8,372
Capital Reserve	4,800	4,800
Revaluation Reserve	-	1,960
Retained Profits	<u>195,490</u>	<u>197,662</u>
Equity attributable to owners of the Company	<u>429,341</u>	<u>427,274</u>
Non-controlling Interests	-	-
Total equity	<u>429,341</u>	<u>427,274</u>
Non-current liabilities		
Loans and borrowings	39,526	46,467
Lease Liabilities	3,104	-
Retirement Benefits	618	627
Deferred Tax Liabilities	8,489	8,622
Deferred Income Government Grant	<u>4,803</u>	<u>5,019</u>
	<u>56,540</u>	<u>60,735</u>
Current Liabilities		
Loans and borrowings	30,551	17,800
Lease Liabilities	842	-
Trade payables	13,231	9,493
Other payables	46,569	51,036
Current Tax Liabilities	-	367
	<u>91,193</u>	<u>78,696</u>
Total Liabilities	<u>147,733</u>	<u>139,431</u>
TOTAL EQUITY AND LIABILITIES	<u>577,074</u>	<u>566,705</u>
Net assets per ordinary share (RM)	<u>0.8327</u>	<u>0.8328</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD (“Notion” or “The Company”)

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the parent-----→						Total Equity
	Share Capital	Share Option Reserve	←-----Non-distributable-----→		←-Distributable-→		
			Currency Translation Reserve	Capital Reserve	Revaluation Reserve	Retained Profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended 30 June 2021							
Balance at 1 October 2020	208,850	5,630	8,372	4,800	1,960	197,662	427,274
Loss after taxation	-	-	-	-	-	(5,139)	(5,139)
Fair value changes of intangible assets	-	-	-	-	1,007	-	1,007
Realisation of revaluation reserve	-	-	-	-	(2,967)	2,967	-
Currency translation differences	-	-	4,632	-	-	-	4,632
Issuance of shares	2,228	(661)	-	-	-	-	1,567
Balance at 30 June 2021	211,078	4,969	13,004	4,800	-	195,490	429,341
9 months ended 30 June 2020							
Balance at 1 October 2019	200,023	2,416	13,403	4,800	952	194,411	416,005
Loss after taxation	-	-	-	-	-	(446)	(446)
Fair value changes of intangible assets	-	-	-	-	(890)	-	(890)
Currency translation differences	-	-	(1,927)	-	-	-	(1,927)
Share-based payments	-	1,680	-	-	-	-	1,680
Issuance of shares	2,373	(777)	-	-	-	-	1,596
Interim single tier tax exempt dividend of 1 sen per share paid on 15 January 2020 in respect of financial year ended 30 September 2019	-	-	-	-	-	(3,357)	(3,357)
Balance at 30 June 2020	202,396	3,319	11,476	4,800	62	190,608	412,661

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD (“Notion” or “The Company”)

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 30.06.2021 <u>RM'000</u>	Preceding Year-To-Date 30.06.2020 <u>RM'000</u>
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(4,401)	2,882
Adjustments for:		
Amortization of deferred income on government grant	(216)	(93)
Depreciation of property, plant and equipment	25,113	23,336
Gain on disposal of plant and equipment	(538)	(250)
Insurance claims	(85)	-
Interest expense	2,924	2,919
Interest income	(214)	(980)
Inventories written down	(22)	1,511
Gain on fair value adjustment of intangible assets	(114)	-
Reversal of inventories written down	-	(103)
Share-based payments	-	1,680
Unrealised (gain)/ loss on foreign currency translation	(625)	(375)
	<hr/>	<hr/>
Operating profit before working capital changes	21,822	30,527
(Increase)/ Decrease in inventories	(37,886)	(5,874)
(Increase)/ Decrease in trade and other receivables	(4,580)	(10,389)
Increase/ (Decrease) in trade and other payables	(4,515)	(4,762)
	<hr/>	<hr/>
CASH FROM/ (FOR) OPERATIONS	(25,159)	9,502
Interest paid	(2,802)	(2,919)
Tax paid	(1,721)	(4,777)
	<hr/>	<hr/>
NET CASH FROM/ (FOR) OPERATING ACTIVITIES	(29,682)	1,806
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Decrease in intangible assets	7,051	-
Grant received	-	2,567
Interest received	213	980
Insurance claims received	85	-
Proceeds from disposal of plant and equipment	1,318	1,215
Purchase of property, plant and equipment	(54,485)	(22,355)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(45,818)	(17,593)
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,568	1,596
Drawdown of hire-purchase	8,465	8,680
Repayment of hire-purchase and lease obligations	(8,869)	(6,446)
Repayment of term loans	(4,535)	(3,093)
Increase in short-term loans and borrowings	12,000	-
Dividend paid	-	(3,357)
	<hr/>	<hr/>
NET CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES	8,629	(2,620)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,871)	(18,407)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	84,660	68,834
Currency translation differences – subsidiaries	8,841	(2,635)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>26,630</u>	<u>47,792</u>
Note (A)		
Cash and cash equivalents at the end of the period comprise the following:		
Short term deposits with licensed banks	175	19,642
Cash and bank balances	26,455	28,150
	<hr/>	<hr/>
	<u>26,630</u>	<u>47,792</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD (“Notion” or “The Company”)**Registration No: - 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****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 2020.

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 2020.

A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements of the Group for the FYE 30 September 2020 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

For the quarter ended 30 June 2021, 104,733 new ordinary shares were issued and allotted as follows: -

	No.of shares	RM
As at 31 March 2021	515,483,702	210,991,674
Ordinary shares issued pursuant to the ESOS 26,050 @ RM 0.53	26,050	13,807
Ordinary shares issued pursuant to the ESOS 16,983 @ RM 0.29	16,983	4,925
Ordinary shares issued pursuant to the ESOS 61,700 @ RM 0.68	61,700	41,956
Total issuance of shares during the quarter	104,733	60,688
Transfer from Share Option Reserve 26,050 @ RM 0.2371	-	6,176
Transfer from Share Option Reserve 16,983 @ RM 0.1443	-	2,451
Transfer from Share Option Reserve 61,700 @ RM 0.2613	-	17,429
Total transferred from Share Option Reserve during the quarter	-	26,056
As at 30 June 2021	515,588,435	211,078,418

As at 31 December 2020, the total number of unexercised ESOS Options are as follows: -

Date of offer ESOS Options	Option Price (RM)	Total no.of unexercised ESOS Options
27/2/2017	0.53	1,599,600
12/12/2017	0.29	3,950,650
28/5/2020	0.68	13,797,400
	TOTAL	19,347,650

As at 30 June 2021, the number of Warrant-C in issue is 49,588,723 with an exercise price of RM 0.56.

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.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)

A7. DIVIDEND PAID

No dividend was paid during the quarter under review.

A8. SEGMENTAL INFORMATION

The Group is primarily engaged in four business segment which is in the design and volume production of high precision metal manufacturing of hard disk drive (“HDD”), automotive industries’ components, electronic manufacturing services (“EMS”) and health care products. Breakdown of segmental revenue and product mix is found in Note B2.

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

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 financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM 196,966,500. The total utilisation of these credit facilities as at 30 June 2021 amounted to approximately RM 70,077,000.

A13. CAPITAL COMMITMENTS

	As at End of Current Quarter
	30.06.2021
	<u>RM’000</u>
Approved and contracted for:	
-purchase of property, plant and equipment	<u>22,359</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 (“Notion” or “The Company”)**Registration No: - 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. GROUP PERFORMANCE REVIEW**

The Group recorded revenue and loss after taxation (“LAT”) of RM 89.2 million and RM 11.3 million, respectively for the quarter ended 30 June 2021 (“Q3FY2021”). Refer Notes B2 and B3 below for a detailed review of the Group’s performance.

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

For Q3 of FY2021, the Group recorded revenue of RM 89.2 million (Q2FY2021: RM 84.6 million) and LAT of RM 11.3 million (Q2FY2021: PBT: RM 3.2 million) and loss per share of 2.20 sen (Q2FY2021: EPS: 0.61 sen). Comparing with Q2FY2021, HDD and Automotive segments posted positive growth following the recovery in the export market for these products. EMS recorded a decline due to partial shutdown of some customers’ factories as a result of the pandemic. PPE segment continues to grow with the development of new export markets and customer base for our gloves.

The Group recorded a loss of RM 11.3 million mainly due to our machining business which were affected by the MCO, rise in metal cost of up to 60% and labour shortage. Secondly, the start-up expenses incurred on our glove manufacturing as new lines are ready for testing and commissioning.

Product mix:

REVENUE	Individual Quarter			Cumulative Quarter		
	Q3FY2021	Q2FY2021	% change	Q3FY2021	Q3FY2020	% change
	RM’000	RM’000		RM’000	RM’000	
HDD	27,133	23,827	14%	72,243	74,260	-3%
Automotive	25,408	24,610	3%	71,089	57,402	24%
Engineered Products						
Camera	2,624	3,471	-24%	8,102	9,802	-17%
EMS & Others	12,523	18,728	-33%	46,351	31,243	48%
PPE	21,512	13,976	54%	41,372	-	-
TOTAL	89,200	84,612	5%	239,157	172,707	38%

In Q3FY2021, HDD parts revenue recorded RM 27.1 million (Q2FY2021: RM 23.8 million), Automotive RM 25.4 million (Q2FY2021: RM 24.6 million) whilst the Engineered Products’ revenue was at RM 15.1 million (Q2FY2021: RM 22.2 million) and PPE RM 21.5 million (Q2FY2021: RM 14.0 million). The product mix for Q3FY2021 was HDD: Automotive: Engineered Products: PPE of 30%: 29%: 17%: 24% compared to previous quarter’s mix of 30%: 30%: 23%: 17%. PPE is expected to be a major contributor to the Group performance in the coming quarters.

The EBITDA for Q3FY2021 was a loss of RM 1.9 million compared to an earning of RM 12.9 million in Q2FY2021 (preceding year Q3FY2020: RM 3.1 million loss). YTD Q3FY2021 was a positive of RM 23.4 million against RM 28.2 million for YTD Q3FY2020.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

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

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Business Outlook Q3 FY2021:

Concerning the loss in Q3, the principal reasons were:

1. Revenue from the metal business dropped significantly due to the RMCO Covid19 restrictions resulting in loss of production capacity and ability to operate efficiently due to direct Covid cases as well as restriction in capacity for much of the quarter.
2. The average LME aluminium price rose to USD2500 a ton and above which the group was not able to pass on material price increase as negotiations took time and meanwhile the main raw material cost is already up.
3. In the case of EMS sector, a lot of disruption to the Johor operations depended on the contract manufacturers operational capacity (which were also shut down for extended period in Johor during the period).
4. Although the contribution from nitrile glove production and trading started only in the quarter, it was affected by the extended lockdown and only in Q4, this sector began to scale up.
5. Higher than expected rejects.
6. High depreciation.

At this juncture, only 3 nitrile glove lines are operating and the remaining 3 lines will be ready between October and December 2021. The trading of gloves continues to be substantially more than the produced gloves. The ASP of nitrile gloves has dropped sharply to the USD4 to 5 range on a per box of 100 gloves but our supplier's prices are lower in accordance to market prices and lower demand conditions. The nitrile glove is a high-volume commodity business and challenges are found in maintaining good quality, funding and finding markets for the product and managing risks.

Sector Revenue:

(RM'000)	<u>Q2 FY2021</u>	<u>Q3 FY2021</u>
HDD	23,827	27,133
Auto	24,610	25,408
EMS & others	18,728	12,523
Camera	3,471	2,624
PPE	<u>13,976</u>	<u>21,512</u>
Total:	<u>84,612</u>	<u>89,200</u>

We expect HDD, Auto and EMS sectors to recover after the completion of the 2nd dose vaccination program by the employees of the Klang and Johor factories and also the recovery of markets in line with a better Covid situation globally. Both the face mask and glove businesses are expected to be good for the foreseeable years as Covid turns from being pandemic to endemic with demand for healthcare products to be reasonably strong.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

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

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.

B5. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year To Date 30.06.2021 RM'000	Preceding Year To Date 30.06.2020 RM'000
Tax based on results for the year				
- Current tax	396	(1,537)	837	894
- Prior year	-	(956)	35	(956)
- Deferred tax	(405)	2,004	(134)	3,390
	(9)	(489)	738	3,328

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 June 2021 are as follows:

	<u>RM'000</u>
Long-term	
Secured	
Hire purchase and lease payables	23,748
Term loan	<u>15,778</u>
	<u>39,526</u>
Short-term	
Secured	
Portion of hire purchase and lease payables due within one year	11,643
Portion of term loan due within one year	6,908
Unsecured	
Other short-term borrowings	<u>12,000</u>
	<u>30,551</u>
	<u>70,077</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 PERIOD ENDED 30 JUNE 2021

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

B8. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	To Date
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
i) Depreciation and amortisation	8,469	7,762	25,113	23,336
ii) Interest expense	1,007	763	2,924	2,919
iii) Loss / (Gain) on fair value adjustment of intangible assets	-	-	(114)	-
iv) Unrealised gain on foreign exchange	(257)	(276)	(625)	(375)
v) Amortization of deferred income on government grant	(72)	(72)	(216)	(93)
vi) Gain on disposal of property, plant and equipment	(150)	(184)	(538)	(250)
vii) Insurance claims income	-	-	(85)	(12,217)
viii) Interest income	(26)	(245)	(214)	(980)
ix) Realised gain on foreign exchange	(2,571)	(1,226)	(2,070)	(3,847)
x) Reversal of impairment loss on property, plant and equipment	-	268	-	-
xi) Reversal of inventories written down	-	(6)	(22)	(103)
xii) Inventories written down	-	1,511	22	1,511
xiii) Share based payment	-	1,680	-	1,680

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 save for the following: -

The Company had announced that AXA Affin General Insurance Berhad (“AXA”) had made a payment on account (interim claim payment) of RM 10,000,000.00 for the Business Interruption claims, and subsequently the Company announced that AXA had made a full and final offer in the sum of RM 22,216,549.00 to settle the claims, but the offer was not agreed as full and final settlement by the wholly-owned subsidiaries of the Company, Notion Venture Sdn Bhd (“NVSB”), Kaiten Precision (M) Sdn Bhd (“KPSB”) and Autic Mekki Sdn Bhd (“AMSB”).

NVSB, KPSB and AMSB had, on 13 March 2020 filed a Writ of Summons (“the Writ”) and Statement of Claim (“SOC”) for due service on AXA and two other co-insurers, QBE Insurance (Malaysia) Berhad (“QBE”) and MSIG Insurance (Malaysia) Berhad (“MSIG”) through their solicitors in relation to a claim on an additional payment on account of RM 12,216,549.00 which AXA, QBE and MSIG have refused to pay in the instance of the offer not being accepted as full and final settlement.

NVSB, KPSB and AMSB have via the SOC, sought the following claims in the proportion of 55% from AXA, 35% from QBE and 15% from MSIG: -

- 1) The sum of RM 12,216,549.00 under the Business Interruption Loss;
- 2) Interest at 5% per annum on the sum of RM 12,216,549.00 calculated from 20 October 2017 (date of the fire incident) till full settlement.
- 3) Costs; and
- 4) Other reliefs which the Honourable Court deems fit and proper.

On 27 July 2020, the Court has granted a stay of proceedings for the defendants and the case be referred to arbitration. On 29 January 2021, the hearing dates have been fixed on 12 October to 15 October 2021 and 18 October 2021.

B10. DIVIDENDS

No dividend has been proposed for the quarter ended 30 June 2021 (Q3FY2020: Nil).

NOTION VTEC BERHAD (“Notion” or “The Company”)

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

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

B11. EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit attributable to the owners of the Company by the number of ordinary shares in issue.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 <u>(Unaudited)</u>	Preceding Year Corresponding Quarter 30.06.2020 <u>(Unaudited)</u>	Current Year To Date 30.06.2021 <u>(Unaudited)</u>	Preceding Year To Date 30.06.2020 <u>(Unaudited)</u>
Loss attributable to owners of the Company (RM'000)	(11,323)	(10,855)	(5,139)	(446)
Based on the weighted average number of ordinary shares in issue ('000)	515,589	504,974	515,589	504,974
Loss per share (sen)	<u>(2.20)</u>	<u>(2.15)</u>	<u>(1.00)</u>	<u>(0.09)</u>

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 29 September 2021.

By Order of the Board

Petaling Jaya

29 September 2021