

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year To Date 30.09.2020 RM'000
Revenue	114,216	69,572	353,373	242,747
Cost of Sales	<u>(104,648)</u>	<u>(61,566)</u>	<u>(312,266)</u>	<u>(215,971)</u>
Gross Profit	9,568	8,006	41,107	26,776
Other Operating Income	8,500	12,776	14,984	33,713
Operating Expenses	<u>(19,568)</u>	<u>(15,557)</u>	<u>(58,592)</u>	<u>(49,126)</u>
Operating Income/ (Loss)	(1,500)	5,225	(2,501)	11,363
Finance Costs	<u>(1,101)</u>	<u>(1,034)</u>	<u>(4,501)</u>	<u>(4,523)</u>
Profit/ (Loss) before taxation	(2,601)	4,191	(7,002)	6,840
Tax Income/ (Expense)	<u>(24)</u>	<u>2,547</u>	<u>(762)</u>	<u>(517)</u>
Profit/ (Loss) after taxation	(2,625)	6,738	(7,764)	6,323
Other Comprehensive income/ (expense)				
-currency translation differences	(9,625)	(3,067)	(7,687)	(5,031)
-fair value changes of intangible assets	-	4,018	1,007	1,409
Total comprehensive income/ (expense) for the financial year	<u>(12,250)</u>	<u>7,689</u>	<u>(14,444)</u>	<u>2,701</u>
Profit/ (Loss) after taxation attributable to:				
-Owners of the Company	(2,625)	6,738	(7,764)	6,323
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(2,625)</u>	<u>6,738</u>	<u>(7,764)</u>	<u>6,323</u>
Total comprehensive income/ (expense) for the financial year attributable to:				
-Owners of the Company	(12,250)	7,689	(14,444)	2,701
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(12,250)</u>	<u>7,689</u>	<u>(14,444)</u>	<u>2,701</u>
Earnings/ (Loss) Per Share (sen)	<u>(0.51)</u>	<u>1.31</u>	<u>(1.51)</u>	<u>1.23</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 YEAR ENDED 30 SEPTEMBER 2021**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 30.09.2021	As at Preceding Year Ended 30.09.2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	310,215	290,141
Right-of-use assets	53,111	47,675
Intangible Assets	-	5,931
	<u>363,326</u>	<u>343,747</u>
Current assets		
Inventories	72,339	46,913
Trade receivables	60,966	70,542
Other receivables and prepayments	13,642	11,820
Current tax assets	8,432	10,971
Cash and cash equivalents	24,995	82,712
	<u>180,374</u>	<u>222,958</u>
Total assets	<u>543,700</u>	<u>566,705</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	211,145	208,850
Share Option Reserve	4,949	5,630
Currency Translation Reserve	685	8,372
Capital Reserve	4,800	4,800
Revaluation Reserve	-	1,960
Retained Profits	192,865	197,662
Equity attributable to owners of the Company	<u>414,444</u>	<u>427,274</u>
Non-controlling Interests	-	-
Total equity	<u>414,444</u>	<u>427,274</u>
Non-current liabilities		
Loans and borrowings	34,622	46,467
Lease Liabilities	2,902	-
Retirement Benefits	691	627
Deferred Tax Liabilities	5,254	8,622
Deferred Income Government Grant	4,731	5,019
	<u>48,200</u>	<u>60,735</u>
Current Liabilities		
Loans and borrowings	31,409	17,800
Lease Liabilities	47	-
Trade payables	11,013	9,493
Other payables	38,587	51,036
Current Tax Liabilities	-	367
	<u>81,056</u>	<u>78,696</u>
Total Liabilities	<u>129,256</u>	<u>139,431</u>
TOTAL EQUITY AND LIABILITIES	<u>543,700</u>	<u>566,705</u>
Net assets per ordinary share (RM)	<u>0.8037</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 YEAR ENDED 30 SEPTEMBER 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	
12 months ended 30 September 2021							
Balance at 1 October 2020	208,850	5,630	8,372	4,800	1,960	197,662	427,274
Loss after taxation	-	-	-	-	-	(7,764)	(7,764)
Fair value changes of intangible assets	-	-	-	-	1,007	-	1,007
Realisation of revaluation reserve	-	-	-	-	(2,967)	2,967	-
Currency translation differences	-	-	(7,687)	-	-	-	(7,687)
Issuance of shares	2,295	(681)	-	-	-	-	1,614
Balance at 30 September 2021	211,145	4,949	685	4,800	-	192,865	414,444
12 months ended 30 September 2020							
Balance at 1 October 2019	200,023	2,416	13,403	4,800	952	194,295	415,889
Profit after taxation	-	-	-	-	-	6,323	6,323
Fair value changes of intangible assets	-	-	-	-	1,409	-	1,409
Realisation of revaluation reserve	-	-	-	-	(401)	401	-
Currency translation differences	-	-	(5,031)	-	-	-	(5,031)
Share-based payments	-	5,932	-	-	-	-	5,932
Issuance of shares	8,827	(2,718)	-	-	-	-	6,109
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 September 2020	208,850	5,630	8,372	4,800	1,960	197,662	427,274

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 YEAR ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 30.09.2021 <u>RM'000</u>	Preceding Year-To-Date 30.09.2020 <u>RM'000</u>
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(7,002)	6,840
Adjustments for:		
Amortization of deferred income on government grant	(288)	(166)
Bad debts written off	-	4
Depreciation of property, plant and equipment	33,537	31,251
Gain on disposal of plant and equipment	(224)	(555)
Impairment loss on plant and equipment	-	72
Impairment loss on receivables	783	774
Increase in liabilities for retirement benefits	-	120
Insurance claims	(85)	(12,217)
Interest expense	3,873	4,329
Interest income	(231)	(1,267)
Inventories written down	(22)	1,771
(Gain)/ Loss on fair value adjustment of intangible assets	(114)	430
Plant and equipment written off	58	109
Reversal of impairment loss on plant and equipment	-	(6,951)
Reversal of inventories written down	-	(4,474)
Share-based payments	-	5,932
Unrealised (gain)/ loss on foreign currency translation	85	(36)
	<hr/>	<hr/>
Operating profit before working capital changes	30,370	25,966
Increase in inventories	(24,785)	(136)
(Increase)/ Decrease in trade and other receivables	5,045	(10,747)
Increase/ (Decrease) in trade and other payables	(15,573)	29,550
	<hr/>	<hr/>
CASH FROM/ (FOR) OPERATIONS	(4,943)	44,633
Payment for retirement benefits	-	(9)
Interest paid	(3,703)	(4,329)
Tax paid	(2,263)	(5,025)
	<hr/>	<hr/>
NET CASH FROM/ (FOR) OPERATING ACTIVITIES	(10,909)	35,270
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
(Increase)/ Decrease in intangible assets	7,051	(343)
Grant received	-	2,567
Interest received	231	1,267
Insurance claims received	85	12,217
Proceeds from disposal of plant and equipment	1,670	2,548
Purchase of property, plant and equipment	(61,996)	(33,011)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(52,959)	(14,755)
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,614	6,109
Drawdown of hire-purchase	8,465	5,538
Repayment of hire-purchase and lease obligations	(12,259)	(9,593)
Repayment of term loans	(6,235)	(3,093)
Increase in short-term loans and borrowings	12,000	-
Dividend paid	-	(3,357)
	<hr/>	<hr/>
NET CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES	3,585	(4,396)
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(60,283)	16,119
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	84,660	68,834
Currency translation differences – subsidiaries	619	(2,241)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>24,996</u>	<u>82,712</u>

Note (A)

Cash and cash equivalents at the end of the period comprise the following:

Short term deposits with licensed banks	177	27,554
Cash and bank balances	24,819	55,158

<u>24,996</u>	<u>82,712</u>
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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 YEAR ENDED 30 SEPTEMBER 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 September 2021, 93,140 new ordinary shares were issued and allotted as follows: -

	No.of shares	RM
As at 30 June 2021	515,588,435	211,078,418
Ordinary shares issued pursuant to the ESOS Nil @ RM 0.53	-	-
Ordinary shares issued pursuant to the ESOS 43,440 @ RM 0.29	43,440	12,599
Ordinary shares issued pursuant to the ESOS 49,700 @ RM 0.68	49,700	33,796
Total issuance of shares during the quarter	93,140	46,395
Transfer from Share Option Reserve Nil @ RM 0.2371	-	-
Transfer from Share Option Reserve 43,440 @ RM 0.1443	-	6,268
Transfer from Share Option Reserve 49,700 @ RM 0.2613	-	14,039
Total transferred from Share Option Reserve during the quarter	-	20,307
As at 30 September 2021	515,681,575	211,145,120

As at 30 September 2021, 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	3,907,210
28/5/2020	0.68	13,747,700
	TOTAL	19,254,510

As at 30 September 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 YEAR ENDED 30 SEPTEMBER 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 September 2021 amounted to approximately RM 66,031,000.

A13. CAPITAL COMMITMENTS

	As at End of Current Quarter
	30.09.2021
	<u>RM’000</u>
Approved and contracted for:	
-purchase of property, plant and equipment	<u>20,745</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 YEAR ENDED 30 SEPTEMBER 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 114.2 million and RM 2.6 million, respectively for the quarter ended 30 September 2021 (“Q4FY2021”). 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 FY2021, the Group recorded revenue of RM 114.2 million (Q3FY2021: RM 89.2 million) and LAT of RM 2.6 million (Q3FY2021: LAT: RM 11.3 million) and loss per share of 0.51 sen (Q3FY2021: LPS: 2.20 sen). Comparing with Q3FY2021, the increase in revenue of RM 25 million or 28% is mainly contributed by Health care segment which recorded a revenue of RM 53 million compared to Q3 of RM 21 million. HDD, Automotive and EMS revenue were stable compared to the preceding quarter.

Overall, revenue for the year was RM 353.4 million, an increase of RM 110.7 million or 46% from RM 242.7 million recorded in FY2020.

The Group recorded a loss after tax of RM 2.6 million and RM 7.8 million for the quarter and the year, respectively. This is mainly due to our machining business which were affected by the MCO, rise in metal cost of up to 50% and shortage of skill labour. For the glove segment, we were also impacted by the sudden drop in selling price and demand in the market which caused a significant drop in margins. Glove manufacturing is still at below optimal level due to the uncertainty of orders and hence, operating below break even point. However, in the glove trading, we are in the process of opening up more customer accounts which will help and compliment our effort to promote the sales of our own glove production output.

Product mix:

REVENUE	Individual Quarter			Cumulative Quarter		
	Q4FY2021 RM’000	Q3FY2021 RM’000	% change	Q4FY2021 RM’000	Q4FY2020 RM’000	% change
HDD	27,010	27,133	0%	99,253	98,331	0.9%
Automotive	18,823	25,408	-26%	94,912	78,962	20%
Engineered Products						
Camera	2,506	2,624	-4%	10,608	11,826	-10%
EMS & Others	12,712	12,523	2%	59,063	50,754	16%
PPE	53,165	21,512	147%	89,537	2,874	3,015%
TOTAL	114,216	89,200	28%	353,373	242,747	46%

In Q4FY2021, HDD parts revenue recorded RM 27.0 million (Q3FY2021: RM 27.1 million), Automotive RM 18.8 million (Q3FY2021: RM 25.4 million) whilst the Engineered Products’ revenue was at RM 15.2 million (Q3FY2021: RM 15.1 million) and PPE RM 53.2 million (Q3FY2021: RM 21.5 million). The product mix for Q4FY2021 was HDD: Automotive: Engineered Products: PPE of 24%: 16%: 13%: 47% compared to previous quarter’s mix of 30%: 29%: 17%: 24%. Machining business is still our core business at 53% with PPE closing in at 47% of total revenue.

The EBITDA for Q4FY2021 was RM 6.8 million compared to a loss of RM 1.9 million in Q3FY2021 (preceding year Q4FY2020: RM 13.0 million). YTD Q4FY2021 was a positive EBITDA of RM 30.2 million against RM 41.2 million for YTD Q4FY2020.

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Business Review and Outlook:

RM mil	Q4 FY2020	Q3 FY2020	Full Year FY2020	Full Year FY2019
Sales	114.2	89.2	353.3	242.7
Gross Profit	9.5	(0.4)	41.1	26.7
PBT	(2.6)	(11.3)	(7.0)	6.8
PAT	(2.6)	(11.3)	(7.7)	6.3
EBITDA	6.8	(1.9)	30.2	41.2

Improvement in sales in Q4 mainly derived from PPE sales was insufficient for the loss suffered from increased production costs in the machining sector especially from aluminium price increase. We are talking to each MNC customer to resolve the sudden price spike. Currently aluminium price has dropped from USD3,000 to USD2,650 a tonne.

The global supply chain issue affected the automotive and EMS sectors more than the HDD due to shipment disruption and shortage of electronic chips.

Inflation has risen much and will be seen as a major challenge for some time.

Closer to home, increased costs of labour and shortage of labour is evident and also growing ESG concerns. We are taking steps to address these issues.

With the new Covid19 new variant Omicron, there may be reversion to lockdowns, border closures and more restrictions in movement and expectations of renewed demand for PPE products is positive for our PPE business.

For FY2021, the Group will focus on ensuring the core business is improved and new customers and markets are developed while we also improve on the new PPE business. Demand for HDD segment has been strong and we expect EMS sector to improve with new product offerings. We continue to support the automotive sector especially for the EV segment. It will be focusing on productivity improvements and lessening of labour as far as possible.

It has been a tumultuous year with the pandemic disruptions and scarcity of labour and the Board is confident of a good future for the next 5 years as we have a group of valuable MNC customers, skilled employees and innovative team. We will spend time fine tuning the business model and hope investors are patient with the Company.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	To Date
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Tax based on results for the year				
- Current tax	(3,258)	(453)	(4,095)	(1,342)
- Deferred tax	3,234	3,048	3,368	(865)
	(24)	2,595	(727)	(2,207)
Tax (Over)/ Under provided in prior year				
- Current tax	-	(3,604)	(35)	(2,652)
- Deferred tax	-	3,556	-	4,342
	-	(48)	(35)	1,690
Total – Tax Income/ (Expense)	(24)	2,547	(762)	(517)

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 2021 are as follows:

	RM'000
Long-term	
Secured	
Hire purchase and lease payables	20,544
Term loan	<u>14,078</u>
	<u>34,622</u>
Short-term	
Secured	
Portion of hire purchase and lease payables due within one year	12,501
Portion of term loan due within one year	6,908
Unsecured	
Other short-term borrowings	<u>12,000</u>
	<u>31,409</u>
	<u>66,031</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 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
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
i) Depreciation and amortisation	8,424	7,688	33,537	31,251
ii) Interest expense	949	1,306	3,873	4,329
iii) Loss / (Gain) on fair value adjustment of intangible assets	-	-	(114)	430
iv) Unrealised loss/ (gain) on foreign exchange	710	1,594	85	(36)
v) Amortization of deferred income on government grant	(72)	(73)	(288)	(166)
vi) Gain on disposal of property, plant and equipment	314	(305)	(224)	(555)
vii) Insurance claims income	-	-	(85)	(12,217)
viii) Interest income	(17)	(287)	(231)	(1,267)
ix) Realised gain on foreign exchange	-	(1,802)	(2,070)	(2,621)
x) Reversal of impairment loss on property, plant and equipment	-	(6,835)	-	(6,951)
xi) Reversal of inventories written down	-	(3,652)	(22)	(4,474)
xii) Inventories written down	-	233	22	1,771
xiii) Impairment loss on receivables	783	-	783	774
xiv) Impairment loss on plant and equipment	-	-	-	72
xv) Plant and equipment written off	-	-	-	109
xvi) Share based payment	-	3,808	-	5,932

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.

The arbitration hearing has concluded as scheduled and both Insured and Insurer have filed their final submission through their solicitors to the arbitrators for their decision on the case.

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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

B10. DIVIDENDS

No dividend has been proposed for the quarter ended 30 September 2021 (Q4FY2020: Nil).

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 30.09.2021 <u>(Unaudited)</u>	Preceding Year Corresponding Quarter 30.09.2020 <u>(Unaudited)</u>	Current Year To Date 30.09.2021 <u>(Unaudited)</u>	Preceding Year To Date 30.09.2020 <u>(Unaudited)</u>
Profit/ (Loss) attributable to owners of the Company (RM'000)	(2,625)	6,738	(7,764)	6,323
Based on the weighted average number of ordinary shares in issue ('000)	515,682	513,086	515,682	513,086
Earnings/ (Loss) per share (sen)	<u>(0.51)</u>	<u>1.31</u>	<u>(1.51)</u>	<u>1.23</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 30 November 2021.

By Order of the Board

Petaling Jaya

30 November 2021