

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Period Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	77,798	84,613	169,469	149,957
Cost of sales	<u>(68,538)</u>	<u>(67,457)</u>	<u>(144,262)</u>	<u>(118,004)</u>
Gross profit	9,260	17,156	25,207	31,953
Other operating income	2,849	354	6,576	2,349
Operating expenses	(11,372)	(12,488)	(34,448)	(25,131)
Finance costs	<u>(809)</u>	<u>(1,181)</u>	<u>(2,533)</u>	<u>(2,240)</u>
(Loss)/Profit before tax	(72)	3,841	(5,198)	6,931
Tax expense	<u>(1,180)</u>	<u>(684)</u>	<u>(2,094)</u>	<u>(747)</u>
(Loss)/Profit after tax	(1,252)	3,157	(7,292)	6,184
Other comprehensive income				
- currency translation differences	(733)	1,726	(154)	1,851
- fair value changes of intangible assets	-	(2,236)	-	1,007
Total comprehensive income/ (expense) for the financial period	<u>(1,985)</u>	<u>2,647</u>	<u>(7,446)</u>	<u>9,042</u>
Profit/ (Loss) after taxation attributable to:				
-Owners of the Company	(1,252)	3,157	(7,292)	6,184
-Non-controlling Interests	-	-	-	-
	<u>(1,252)</u>	<u>3,157</u>	<u>(7,292)</u>	<u>6,184</u>
Total comprehensive income/ (expense) for the financial year attributable to:				
-Owners of the Company	(1,985)	2,647	(7,446)	9,042
-Non-controlling Interests	-	-	-	-
	<u>(1,985)</u>	<u>2,647</u>	<u>(7,446)</u>	<u>9,042</u>
Earnings/ (Loss) Per Share (sen)	<u>(0.24)</u>	<u>0.61</u>	<u>(1.41)</u>	<u>1.20</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 2021 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 31 MARCH 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31.03.2022 RM'000 (Unaudited)	As At 30.09.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	298,207	309,088
Right-of-use assets	53,175	54,949
	<u>351,382</u>	<u>364,037</u>
Current assets		
Inventories	75,152	69,380
Trade receivables	81,623	62,702
Other receivables	15,272	21,039
Current tax assets	9,908	11,741
Cash and bank balances	16,522	22,707
Total current assets	<u>198,477</u>	<u>187,569</u>
TOTAL ASSETS	<u>549,859</u>	<u>551,606</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	211,145	211,145
Share option reserve	4,949	4,949
Currency translation reserve	3,090	3,244
Capital reserve	4,800	4,800
Retained profits	184,520	191,812
TOTAL EQUITY	<u>408,504</u>	<u>415,950</u>
Non-current liabilities		
Loans and borrowings	10,784	14,184
Lease liabilities	25,004	22,648
Retirement benefits	707	693
Deferred tax liabilities	5,524	4,991
Deferred income on government grants	4,587	4,731
	<u>46,606</u>	<u>47,247</u>
Current liabilities		
Loans and borrowings	19,563	18,802
Lease liabilities	16,387	13,806
Trade Payables	17,546	17,061
Other Payables	41,214	38,696
Current tax liabilities	39	44
Total current liabilities	<u>94,749</u>	<u>88,409</u>
TOTAL LIABILITIES	<u>141,355</u>	<u>135,656</u>
TOTAL EQUITY AND LIABILITIES	<u>549,859</u>	<u>551,606</u>
Net assets per ordinary share (RM)	<u>0.7922</u>	<u>0.8066</u>

The statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 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 31 MARCH 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Non-distributable-----→					Distributable Retained Profits	Total Equity
	Share Capital	Share Option Reserve	Currency Translation Reserve	Capital Reserve	Revaluation Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 March 2022							
Balance at 1 October 2021	211,145	4,949	3,244	4,800	-	191,812	415,950
Loss after taxation	-	-	-	-	-	(7,292)	(7,292)
Currency translation differences for foreign operation	-	-	(154)	-	-	-	(154)
Total comprehensive loss for the financial period	-	-	(154)	-	-	(7,292)	(7,446)
Balance at 31 March 2022	211,145	4,949	3,090	4,800	-	184,520	408,504
6 months ended 31 March 2021							
Balance at 1 October 2020	208,850	5,630	8,372	4,800	1,960	197,662	427,274
Initial application of MFRS 16	-	-	-	-	-	(108)	(108)
	208,850	5,630	8,372	4,800	1,960	197,554	427,166
Profit after taxation	-	-	-	-	-	6,184	6,184
Currency translation differences for foreign operation	-	-	1,851	-	-	-	1,851
Fair value changes of intangible assets	-	-	-	-	1,007	-	1,007
Total comprehensive income for the financial period	-	-	1,851	-	1,007	6,184	9,042
Issuance of shares pursuant to Employee Shares Option Scheme	2,142	(635)	-	-	-	-	1,507
Realisation of revaluation reserves	-	-	-	-	(2,967)	2,967	-
Total transactions with owners	2,142	(635)	-	-	(2,967)	2,967	1,507
Balance at 31 March 2021	210,992	4,995	10,223	4,800	-	206,705	437,715

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 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 31 MARCH 2022

CONSOLIDATED STATEMENT OF CASH FLOW

	Period Ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
	(unaudited)	(unaudited)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(5,198)	6,931
Adjustments for:		
Amortisation of deferred income on government grant	(144)	(144)
Depreciation	17,742	16,644
Gain on disposal of property, plant and equipment	(941)	(388)
Insurance claim	2,000	(85)
Interest expense	1,678	1,917
Interest income	(30)	(188)
Inventories written off	7,467	(19)
Gain on fair value adjustment of intangible assets	-	(114)
Unrealised gain on foreign currency translation	(1,034)	(368)
Operating profit before working capital changes	17,540	24,186
Increase in inventories	(13,239)	(31,199)
Increase in receivables	(12,121)	(15,412)
Increase/(Decrease) in payables	3,002	(4,745)
Cash used in operations	(4,818)	(27,170)
Interest paid	(1,678)	(1,848)
Tax refund/(paid)	266	(1,525)
Net cash used in operating activities	(6,230)	(30,543)
CASH FLOW FROM INVESTING ACTIVITIES		
Decreased in intangible assets	-	7,051
Interest received	30	188
Insurance claims received	2,000	85
Proceeds from disposal of property, plant and equipment	1,623	889
Purchase of property, plant and equipment	(4,708)	(39,592)
Net cash used in investing activities	(1,055)	(31,379)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	-	1,507
Net Drawdown/(Repayment) of hire purchase creditor and lease liability	4,937	(5,677)
Repayment of term loan	(3,401)	(2,834)
Increase in short-term loans and borrowings	-	17,000
Net cash used in financing activities	1,536	9,996
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,749)	(51,926)
Cash and cash equivalents at beginning of period	22,707	84,660
Currency translation - subsidiaries	(1,199)	546
Cash and cash equivalents at the end of period	15,759	33,280
<i>Represented by:</i>		
Fixed deposits placed with licensed banks	-	2,871
Cash and bank balances	16,522	30,409
Overdraft	(763)	-
	15,759	33,280

The consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 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 31 MARCH 2022

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”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 (“FYE 2021”) and the accompanying explanatory notes attached to the interim financial statements.

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”).

The accounting policies and methods of computations adopted in these interim financial statements are consistent with those adopted in the financial statements of the Group for the FYE 2021 except for the changes in accounting policies and presentations resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2021.

The Group has adopted the following Amendments to Standard during the financial period.

MFRS effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS4 Insurance Contract and MFRS 16 Leases – Interest Rate Benchmark Reform-Phase 2

MFRS effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16 *Leases – Covid-19 Related Rent Concession beyond 30 June 2021*

The adoption of the above pronouncements did not have material impact on the financial statements of the Group and of the Company.

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

MFRS effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020</i>
Amendments to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendments to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendments to MFRS 141	<i>Agriculture (Annual Improvements to MFRSs 2018 – 2020 Cycle)</i>

MFRS effective for financial periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to MFRS 10 and MFRS 128	<i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements of the Group for the FYE 30 September 2021 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.

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**NOTES TO THE QUARTERLY FINANCIAL REPORT (Continued)****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

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter.

The issued and paid-up capital of the Company are as follows: -

	No. of shares	RM
As at 31 March 2022	515,681,575	211,145,120

As at 31 March 2022, 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 31 March 2022, the number of Warrant-C in issue is 49,588,723 with an exercise price of RM 0.56. The warrant will expire on 14 March 2023.

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

The material events between the end of the reporting quarter and the date of announcement are as follows:

- a) On 4 April 2022, a wholly owned subsidiary of the Company, Notion Pacific Ltd has been struck off from the Register of Companies following the publication of the notice on the website of RAK ICC.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

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

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

NOTES TO THE QUARTERLY FINANCIAL REPORT (Continued)

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 213,751,000. The total utilisation of these credit facilities as at 31 March 2022 amounted to approximately RM 68,428,000.

A13. CAPITAL COMMITMENTS

Approved and contracted for:

-Purchase of property, plant and equipment

**As at
31.03.2022
RM'000**

4,691

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current financial quarter.

NOTION VTEC BERHAD (“Notion” or “The Company”)**Registration No: - 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****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 77.8 million and RM 1.3 million respectively for the quarter ended 31 March 2022 (“Q2FY2022”). Refer Notes B2 and B3 below for a detailed review of the Group’s performance.

<u>REVENUE</u>	INDIVIDUAL QUARTER			CUMMULATIVE QUARTER		
	Q2FY2022 RM’000 (unaudited)	Q2FY2021 RM’000 (unaudited)	Change	Q2FY2022 RM’000 (unaudited)	Q2FY2021 RM’000 (unaudited)	Change
HDD	30,112	23,827	26%	59,796	45,110	33%
Automotive	22,739	24,610	-8%	44,150	45,681	-3%
<u>Engineered Products</u>						
Camera	3,556	3,471	2%	6,338	5,478	16%
EMS & Others	19,125	18,728	2%	41,449	33,828	23%
PPE	2,266	13,977	-84%	17,736	19,860	-10%
TOTAL	77,798	84,613	-8%	169,469	149,957	13%

B2. COMPARISON WITH PRECEDING QUARTER’S RESULTS

	INDIVIDUAL QUARTER		Changes
	Q2FY2022 RM’000 (unaudited)	Q1FY2022 RM’000 (unaudited)	
Revenue	77,798	91,671	-15%
Gross Profit	9,260	15,947	-42%
(Loss)/Profit before taxation	(72)	(5,126)	-99%
(Loss)/Profit after taxation	(1,252)	(6,040)	>79%
EBITDA	9,987	4,205	>100%

The Group registered a lower revenue of RM77.8 million as compared to Q1FY2022 of RM91.7 million. The decreased of RM13.9 million in revenue was attributable to the reduction of sales contribution in the PPE segment from RM15.5 million in Q1FY2022 to RM2.3 million in Q2FY2022 as a result of the lower average selling price (“ASP”) and softer demand for face masks and nitrile gloves.

The lower LAT of RM1.3 million in current quarter (Q1FY2022: RM6.0 million) were mainly due immediate preceding quarter was impacted by the flood happened in December 2021 with inventories written off amounted to RM7.6 million.

Comparing to Q2FY2021, the Group recorded a decrease of RM6.8 million or 8% of revenue in the current quarter. The decrease was due to reduction of sales contribution in PPE segment.

The EBITDA for Q2FY2022 was RM 10.0 million compared to RM 4.2 million in Q1FY2022 (preceding year Q2FY2021: RM 12.9 million). The higher EBITDA as compared to Q1FY2022 were mainly due to the inventories written off in the immediate preceding quarter.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

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

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Business Review and Outlook:

As reported in Note B2, the RM1.3 million loss after tax is attributed to lower EMS revenue of RM3 million (reduction 14% QoQ) and lower PPE revenue of RM13.2 million (reduction 85% QoQ) which was expected due to an improvement in Covid-19 pandemic.

As the US Federal Reserve has taken to hike interest rates as a measure to fight inflation and the continuing Ukraine war and economic sanctions on Russia, it may result in recession in both Europe and USA in the coming quarters.

It's more likely that there will be a slowing of economies and teetering towards recession conditions in year 2022 and 2023. These obviously may impact our customers based there as well as those customers who are exposed in these markets.

The commodities prices which we saw spikes in early 2022, have tapered somewhat and aluminum price is currently below USD3,000 a ton.

HDD will still be growing due to cloud computing and demand for high-capacity enterprise HDDs while the demand for cars is still not back to normal due to disruption in chip supply and so the automotive market will still do well relatively.

As for EMS, we are working closely with the customers on new projects and businesses which have relocated to Malaysia and will benefit local qualified and approved manufacturers.

Notion is in the exports business and dependent on the world economy and markets so although there are recessionary headwinds, we will continue to manage our business searching the opportunities and mitigating risks wherever we are able to.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

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	
	QUARTER ENDED		PERIOD ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Tax based on result for the period				
-Current tax	1,291	306	1,561	476
-Deferred tax	(111)	378	533	271
	<u>1,180</u>	<u>684</u>	<u>2,094</u>	<u>747</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 31 March 2022 is higher than the statutory tax rate of 24% due to tax charges on the profits of certain subsidiaries which cannot offset against losses of other subsidiaries.

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 are as follows:

	As at 31 March 2022	As at 31 March 2021
	RM'000	RM'000
NON-CURRENT		
<u>SECURED</u>		
Term Loan	10,784	17,479
	<u>10,784</u>	<u>17,479</u>
CURRENT		
<u>SECURED</u>		
Term Loan	6,800	6,908
Overdraft	763	-
Revolving Credit	12,000	17,000
	<u>19,563</u>	<u>23,908</u>

The 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 31 MARCH 2022

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

B8. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED		PERIOD ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	9,267	8,351	17,742	16,644
Interest expense	809	825	1,678	1,917
Gain on fair value adjustment of intangible assets	-	-	-	(114)
Unrealised loss on foreign exchange	(424)	(328)	(1,034)	(368)
Amortisation of deferred income on government grant	(72)	(72)	(144)	(144)
(Gain)/Loss on disposal property, plant and equipment	(111)	55	(941)	(388)
Insurance claims income	(2,000)	-	(2,000)	(85)
Interest income	(17)	(70)	(30)	(188)
Realised (gain)/loss on foreign exchange	1,143	254	358	501
Inventories written off	(102)	22	7,467	22
Reversal of inventories written down	-	(22)	-	(22)

The following items are not applicable in the financial period under review:

Provision for and write off of receivables
 Impairment of assets
 Gain or loss on disposal of quoted or unquoted investment or properties
 Gain or loss on derivatives

B9. MATERIAL LITIGATION

As announced on 26 May 2022, Notion Venture Sdn Bhd, Kaiten Precision (M) Sdn Bhd and Autic Mekki Sdn Bhd, the wholly owned subsidiaries of the Company (collectively referred to as “Claimants”) have received the Arbitrator’s Final Award in respect of the arbitration initiated against AXA Affin General Insurance Berhad, QBE Insurance (Malaysia) Berhad and MSIG Insurance (Malaysia) Berhad (collectively referred to as “Respondents”).

In the Award, the Arbitration Tribunal has made the following orders:-

- The Respondents shall pay the Claimants the sum of RM21,218,782.85;
- The Respondents shall pay the Claimants interest at 5% per annum simple interest on the sum of RM21,218,782.85 from 2 May 2018 until the date of full payment of the sums ordered to be paid by this Award;
- The Respondents shall pay the costs of the Arbitration and the legal and other costs incurred by the Claimants; and
- All other claims are dismissed.

B10. DIVIDENDS

No dividend has been proposed for the quarter ended 31 March 2022.

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	
	QUARTER ENDED		PERIOD ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss)/Profit after taxation	(1,252)	3,157	(7,292)	6,184
Based on the weighted average number of ordinary shares in issue ('000)	515,682	515,484	515,682	515,484
Basic & diluted (losses)/earnings per share (sen)	<u>(0.24)</u>	<u>0.61</u>	<u>(1.41)</u>	<u>1.20</u>

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

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

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 May 2022

By Order of the Board

Petaling Jaya

26 May 2022