

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

**Registration No: 200301035125 (637546-D)**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Period Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	83,198	81,343	251,240	250,812
Cost of sales	<u>(76,645)</u>	<u>(77,752)</u>	<u>(233,178)</u>	<u>(228,835)</u>
<b>Gross profit</b>	<b>6,553</b>	<b>3,591</b>	<b>18,062</b>	<b>21,977</b>
Other operating income	5,277	30,896	7,609	37,214
Operating expenses	(8,328)	(23,495)	(27,711)	(50,864)
Finance costs	<u>(758)</u>	<u>(801)</u>	<u>(2,431)</u>	<u>(3,334)</u>
<b>Profit/(Loss) before tax</b>	<b>2,744</b>	<b>10,191</b>	<b>(4,471)</b>	<b>4,993</b>
Tax expense	<u>(923)</u>	<u>(8,441)</u>	<u>(5,131)</u>	<u>(10,535)</u>
<b>Profit/(Loss) after tax</b>	<b>1,821</b>	<b>1,750</b>	<b>(9,602)</b>	<b>(5,542)</b>
<b>Other comprehensive income/(expense)</b>				
- currency translation differences	<u>2,058</u>	<u>(667)</u>	<u>5,721</u>	<u>(821)</u>
<b>Total comprehensive income/(expense) for the financial period</b>	<b><u>3,879</u></b>	<b><u>1,083</u></b>	<b><u>(3,881)</u></b>	<b><u>(6,363)</u></b>
<b>Profit/(Loss) after taxation attributable to:</b>				
-Owners of the Company	1,821	1,750	(9,602)	(5,542)
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>1,821</u></b>	<b><u>1,750</u></b>	<b><u>(9,602)</u></b>	<b><u>(5,542)</u></b>
<b>Total comprehensive income/(expense) for the financial period attributable to:</b>				
-Owners of the Company	3,879	1,083	(3,881)	(6,363)
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>3,879</u></b>	<b><u>1,083</u></b>	<b><u>(3,881)</u></b>	<b><u>(6,363)</u></b>
Earnings /(Loss) Per Share (sen)	<u>0.35</u>	<u>0.34</u>	<u>(1.86)</u>	<u>(1.07)</u>
Proposed/Declared Dividend Per Share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 2023**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 30.06.2023 RM'000 (Unaudited)</b>	<b>As At 30.09.2022 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	313,573	320,854
Right-of-use assets	3,176	2,482
	<u>316,749</u>	<u>323,336</u>
<b>Current assets</b>		
Inventories	68,030	86,142
Trade receivables	102,389	97,750
Other receivables	10,718	17,572
Current tax assets	3,742	8,401
Cash and bank balances	39,464	18,123
Total current assets	<u>224,343</u>	<u>227,988</u>
<b>TOTAL ASSETS</b>	<b><u>541,092</u></b>	<b><u>551,324</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	211,228	211,145
Share option reserve	4,949	4,949
Currency translation reserve	5,617	(104)
Capital reserve	4,800	4,800
Retained profits	191,589	201,191
<b>TOTAL EQUITY</b>	<u>418,183</u>	<u>421,981</u>
<b>Non-current liabilities</b>		
Loans and borrowings	16,132	23,291
Lease liabilities	2,050	1,597
Retirement benefits	859	798
Deferred tax liabilities	14,769	11,442
Deferred income on government grants	5,651	5,987
	<u>39,461</u>	<u>43,115</u>
<b>Current liabilities</b>		
Loans and borrowings	22,516	28,458
Lease liabilities	1,388	1,221
Trade Payables	31,113	25,429
Other Payables	28,002	30,736
Current tax liabilities	429	384
Total current liabilities	<u>83,448</u>	<u>86,228</u>
<b>TOTAL LIABILITIES</b>	<u>122,909</u>	<u>129,343</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>541,092</u></b>	<b><u>551,324</u></b>
Net assets per ordinary share (RM)	<b><u>0.8108</u></b>	<b><u>0.8183</u></b>

The consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 2023**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Non-distributable-----→				Distributable Retained Profits	Total Equity
	Share Capital	Share Option Reserve	Currency Translation Reserve	Capital Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 months ended 30 June 2023</b>						
Balance at 1 October 2022	211,145	4,949	(104)	4,800	201,191	421,981
Loss after taxation	-	-	-	-	(9,602)	(9,602)
Currency translation differences for foreign operation	-	-	5,721	-	-	5,721
Total comprehensive loss for the financial period	-	-	5,721	-	(9,602)	(3,881)
<b>Transaction with owners:</b>						
-Issuance of shares pursuant to conversion of Warrant C	83	-	-	-	-	83
Balance at 30 June 2023	211,228	4,949	5,617	4,800	191,589	418,183
<b>9 months ended 30 June 2022</b>						
Balance at 1 October 2021	211,145	4,949	3,244	4,800	191,812	415,950
Loss after taxation	-	-	-	-	(5,542)	(5,542)
Currency translation differences for foreign operation	-	-	(821)	-	-	(821)
Total comprehensive loss for the financial period	-	-	(821)	-	(5,542)	(6,363)
Balance at 30 June 2022	211,145	4,949	2,423	4,800	186,270	409,587

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 2023

**CONSOLIDATED STATEMENT OF CASH FLOW**

	Period Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
	(unaudited)	(unaudited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(4,471)	4,993
Adjustments for:		
Amortisation of deferred income on government grant	(335)	(216)
Bad debts written off	-	500
Depreciation	23,268	26,684
Deposit written off	70	848
Gain on disposal of property, plant and equipment	(33)	(921)
Impairment loss on property, plant and equipment	-	11,079
Impairment loss on receivables	-	444
Interest expense	2,257	2,412
Interest income	(129)	(50)
Inventories written off	-	7,467
Inventories written down	3,600	5,723
Reversal of inventories written down	(6)	-
Unrealised gain on foreign currency translation	(522)	(1,213)
Operating profit before working capital changes	23,699	57,750
Decrease/(Increase) in inventories	14,518	(23,302)
Decrease/(Increase) in receivables	1,035	(21,362)
Increase/(Decrease) in payables	2,951	(210)
Cash from operations	42,203	12,876
Interest paid	(2,257)	(2,412)
Tax refund/ (paid)	4,530	(43)
Net cash from operating activities	44,476	10,421
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	129	50
Proceeds from disposal of property, plant and equipment	130	2,257
Purchase of property, plant and equipment	(10,665)	(5,814)
Net cash used in investing activities	(10,406)	(3,507)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown of hire purchase	2,284	11,340
Net drawdown of loans and borrowings	1,045	1,179
Proceed from warrant conversion	83	-
Repayment of hire purchase obligations	(11,329)	(9,878)
Repayment of lease liability	(1,236)	(570)
Repayment of term loans	(5,102)	(12,102)
Net cash used in financing activities	(14,255)	(10,031)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	19,815	(3,117)
Cash and cash equivalents at beginning of period	18,123	22,707
Currency translation - subsidiaries	1,526	(1,189)
<b>Cash and cash equivalents at the end of period</b>	39,464	18,401

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**CONSOLIDATED STATEMENT OF CASH FLOW (CONT'D)**

	Period Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
	(unaudited)	(unaudited)
<i>Represented by:</i>		
Cash and bank balances	39,464	18,401
Overdraft	-	-
	<u>39,464</u>	<u>18,401</u>

The consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 2023

## 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 (“MMLR”) 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 2022 (“FYE 2022”) 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 2022 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 2022.

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

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

Amendments to MFRS 3	<i>Reference to the Conceptual Framework</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>
Annual Improvements to MFRS Standards 2018 - 2020	

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 2023**

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements – Disclosures of Accounting Policies</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>

#### **MFRS effective for financial periods beginning on or after 1 January 2024**

Amendments to MFRS 16	<i>Leases – Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements – Classification of liabilities as current or non-current</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements – Non-current Liabilities with Covenants</i>

#### **MFRS effective for financial periods beginning on or after a date yet to be confirmed**

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>
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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 2022 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.

**NOTION VTEC BERHAD (“Notion” or “The Company”)****Registration No: 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023****NOTES TO THE QUARTERLY FINANCIAL REPORT (Continued)****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: -

	<u>No. of shares</u>	<u>RM</u>
As at 30 June 2023	515,828,850	211,227,594

As at 30 June 2023, 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
	<b>TOTAL</b>	<b>19,254,510</b>

**A7. DIVIDEND PAID**

No dividend was paid during the quarter under review.

**A8. SEGMENTAL INFORMATION**

The Group is primarily engaged in four business segments which are 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 disclosed in Note B1.

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 was no material event subsequent to the end of the quarter under review.

**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 263 million. The total utilisation of these credit facilities as at 30 June 2023 amounted to approximately RM 45 million.

**A13. CAPITAL COMMITMENTS**

Approved and contracted for:  
-Purchase of property, plant and equipment

As at  
30.06.2023  
RM’000

844

**NOTION VTEC BERHAD (“Notion” or “The Company”)****Registration No: 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023****NOTES TO THE QUARTERLY FINANCIAL REPORT (Continued)****A14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

**A15. CHANGES IN COMPARATIVE**

The comparatives of the following items have been restated:

<b>Consolidated Statement of Comprehensive Income</b>	<b>As previously stated RM'000</b>	<b>Adjustment (Note A) RM'000</b>	<b>As restated RM'000</b>
<u>For Q3FY2022</u>			
Cost of sales	74,165	3,587	77,752
Operating expenses	26,824	(3,587)	23,237
<u>For Cumulative Period Ended 30.06.2022</u>			
Cost of sales	218,427	10,408	228,835
Operating Expenses	61,272	(10,408)	50,864

Note A: Being reclassification to conform with current period's presentation

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. GROUP PERFORMANCE REVIEW**

<u>REVENUE</u>	INDIVIDUAL QUARTER			CUMMULATIVE QUARTER		
	Q3FY2023 RM'000 (unaudited)	Q3FY2022 RM'000 (unaudited)	Change	Q3FY2023 RM'000 (unaudited)	Q3FY2022 RM'000 (unaudited)	Change
HDD	15,878	33,534	-53%	65,416	93,330	-30%
Automotive	26,577	23,210	15%	81,297	67,360	21%
<u>Engineered Products</u>						
Camera	3,293	3,155	4%	12,780	9,493	35%
EMS & Others	35,249	17,746	99%	85,922	59,195	45%
PPE	2,201	3,698	-40%	5,825	21,434	-73%
<b>TOTAL</b>	<b>83,198</b>	<b>81,343</b>	<b>2%</b>	<b>251,240</b>	<b>250,812</b>	<b>0.2%</b>

The Group recorded revenue and loss after taxation (“LAT”) of RM251.2 million and RM9.6 million respectively for the period ended 30 June 2023 (“Q3FY2023”). Refer Notes B2 and B3 below for a detailed review of the Group’s performance.

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

	INDIVIDUAL QUARTER		Changes
	Q3FY2023 RM'000 (unaudited)	Q2FY2023 RM'000 (unaudited)	
Revenue	83,198	84,692	-2%
Gross Profit	6,553	2,036	>100%
Profit/(Loss) before taxation	2,744	(6,766)	>100%
Profit/(Loss) after taxation	1,821	(7,765)	>100%
EBITDA	11,204	1,512	>100%

The Group registered a lower revenue of RM83.2 million as compared to Q2FY2023 of RM84.7 million. The decrease of RM1.5 million in revenue was due to sharp reductions in HDD segments, with decrease of RM10.2 million due to lower sales demand, but offset by the increase of revenue in engineered products attributable to increase in business volume.

The Profit before Tax (“PBT”) for current quarter is RM2.7 million (Q2FY2023: LBT of RM6.8 million). The loss in previous quarter was impacted by inventories written down of RM3.6million whilst foreign exchange rate was in favour of the current quarter PBT.

The EBITDA for Q3FY2023 was RM11.2 million compared to RM1.5 million in Q2FY2023. The lower EBITDA in Q2FY2023 were mainly because of the reasons as mentioned above.

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- 1) Review of Q3 performance

Quarter on quarter: FY2023

RM mil	Q3	Q2	% change
Revenue	83.2	84.7	(1.8%)
Gross Profit	6.6	2.0	+230%
PBT/LBT	2.7	(6.8)	+140%
PAT/LAT	1.8	(7.8)	+123%

The Group reported a profitable quarter operationally despite sharp reduction in HDD orders which is compensated with increased orders in the EMS segments. The Automotive revenue dropped 7%, the Camera/EMS segment increased by 38% and the PPE revenue was unchanged.

- 2) Segmental business

Quarter on quarter: FY2023

Segment (RM mil)	Q3	Q2	% change
HDD	15.9	26.0	(39%)
Automotive	26.6	28.5	(7%)
Camera/EMS	38.5	28.0	+38%
PPE	2.2	2.1	5%
Total	83.2	84.7	(1.8%)

- 3) Financials:

RM mil	Q3	Q2	% change
Inventories	68.0	71.5	(5%)
Trade receivables	102.4	92.8	+10.3%
Cash/bank balances	39.5	25.5	+55%
Loans/borrowings	38.6	43.8	(12%)
Trade Payables	31.1	19.1	+63%
Total liabilities/Total Equity Ratio	0.29	0.29	0%

- 4) Market conditions and updates

The continuing hawkish views of the Federal Reserve and US interest rate more than 5.25% is of grave concern for the world’s largest economy and effects on increased business funding cost makes the possibility of recession in the US. Europe is already in recession.

The Notion Group continues to look for opportunities in manufacture in China and ASEAN countries and our future will be focused on core engineering precision manufacture. The PPE division will be downsized except for the continuation of face masks and melt blown fabric production for high efficiency air filtration products.

As the nitrile glove continues to be in oversupply and with depressed prices, the Group will in the near future exit the sector and provide for appropriate impairment to the glove assets in line with many industry players.

On the other hand, the Group will double its efforts to improve productivity, search for new markets especially in the EMS and electrical appliances sector which should see good growth in the near future.

- 5) Outlook

The Board is optimistic of the future growth and profitability of the businesses but against the backdrop of a challenging global economic scenario, the Group’s future is in maintaining its current portfolio of key customers and incrementally adding in new customers and hopefully our target of achieving RM1 billion annual revenue will come to pass in the next 5 years.

Due to the inevitable impairment to its glove assets, the Board foresees that FY2023 will be a loss-making financial year. The impairment does not have an impact on the operating cashflow of the Group. The Group is unable to assess the quantum of the impairment at the moment which requires expert valuation. This will be done at the end of the financial year of the Group.

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

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 QUARTER ENDED		CUMULATIVE QUARTER PERIOD ENDED	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Tax based on result for the period				
-Current tax	(72)	885	1,385	2,446
-Under provision in prior years	419	299	419	299
-Deferred tax	576	7,257	3,327	7,790
	<u>923</u>	<u>8,441</u>	<u>5,131</u>	<u>10,535</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 30 June 2023 is higher than the statutory tax rate of 24% due to unallowable expenses and tax charges on the profits of certain 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 30.06.2023 RM'000 (Unaudited)	As at 30.06.2022 RM'000 (Unaudited)
<b>NON-CURRENT</b>		
<u>SECURED</u>		
Hire purchase payables	12,425	11,631
Term Loans	<u>3,707</u>	<u>10,349</u>
	<u>16,132</u>	<u>21,980</u>
<b>CURRENT</b>		
<u>SECURED</u>		
Hire purchase payables	9,141	13,827
Term loan	5,375	6,556
Revolving credits	<u>8,000</u>	<u>2,000</u>
	<u>22,516</u>	<u>22,383</u>

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

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

Registration No: 200301035125 (637546-D)

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

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 QUARTER ENDED		CUMULATIVE QUARTER PERIOD ENDED	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Depreciation	7,775	8,942	23,268	26,684
Interest expense	738	734	2,257	2,412
Bad debts written off	-	500	-	500
Deposit written off	70	848	70	848
Unrealised gain on foreign exchange	(1,781)	(179)	(522)	(1,213)
Amortisation of deferred income on government grant	(112)	(72)	(335)	(216)
(Gain)/ loss on disposal property, plant and equipment	(8)	20	(33)	(921)
Impairment loss on property, plant and equipment	-	11,079	-	11,079
Impairment loss on receivables	-	444	-	444
Insurance claims income	-	(26,035)	-	(28,035)
Interest income	(53)	(20)	(129)	(50)
Realised gain on foreign exchange	(2,577)	(1,677)	(5,231)	(3,730)
Inventories written off	-	-	-	7,467
Inventories written down	-	5,723	3,600	5,723
Reversal of inventories written off	(5)	-	(6)	-

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

Gain or loss on disposal of quoted or unquoted investment or properties

Gain or loss on derivatives

**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**

No dividend has been proposed for the quarter ended 30 June 2023.

**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 QUARTER ENDED		CUMULATIVE QUARTER PERIOD ENDED	
	30.06.2023 Unaudited	30.06.2022 Unaudited	30.06.2023 Unaudited	30.06.2022 Unaudited
Profit/(Loss) after taxation (RM '000)	1,821	1,750	(9,602)	(5,542)
Based on the weighted average number of ordinary shares in issue ('000)	515,829	515,682	515,743	515,682
Basic & diluted earnings/ (losses) per share (sen)	0.35	0.34	(1.86)	(1.07)

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

**Registration No: 200301035125 (637546-D)**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

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

**B12. ADDITIONAL DISCLOSURE REQUIREMENT**

Update on Memorandum of Understanding (“MOU”) pursuant to Paragraph 9.29, Chapter 9 of the MMLR of BURSA Securities.

Notion Venture Sdn Bhd (“**NVSB**”), a wholly owned subsidiary of the Company had on 28 February 2023 entered into a MOU with Leader Energy Ventures Sdn Bhd (“**Leader**”) to establish a mutual discussion in which Leader to sell the renewable energy generated by the off-site project under a virtual power purchase agreement framework for NVSB to offset its carbon footprint and meet the renewable energy targets.

There has been no material update and no subsequent agreement has been entered arising from the MOU as at the date of this announcement.

**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 16 August 2023.

**By Order of the Board**

Petaling Jaya

16 August 2023