

NOTION VTEC BERHAD
Company No: - 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year To Date 31.03.2012 RM'000	Preceding Year To Date 31.03.2011 RM'000
Revenue	84,508	53,929	124,138	113,910
Cost of Sales	<u>(65,050)</u>	<u>(40,654)</u>	<u>(99,242)</u>	<u>(83,737)</u>
Gross Profit	19,458	13,275	24,896	30,173
Other Operating Income	3,434	2,228	4,318	4,707
Operating Expenses	<u>(5,817)</u>	<u>(4,668)</u>	<u>(15,443)</u>	<u>(8,828)</u>
Operating Profit	17,075	10,835	13,771	26,052
Derivative Gain	699	2,763	646	4,784
Finance Costs	<u>(1,179)</u>	<u>(1,507)</u>	<u>(2,428)</u>	<u>(2,954)</u>
Profit before Taxation	16,595	12,091	11,989	27,882
Taxation	<u>(984)</u>	<u>(1,266)</u>	<u>(1,164)</u>	<u>(3,608)</u>
Profit after Taxation	15,611	10,825	10,825	24,274
Other Comprehensive (loss) / income:				
-currency translation differences	<u>(450)</u>	<u>(66)</u>	<u>(968)</u>	<u>(80)</u>
Total comprehensive income for the period	<u>15,161</u>	<u>10,759</u>	<u>9,857</u>	<u>24,194</u>
Profit after taxation attributable to:				
-Owners of the parent	15,537	10,825	10,706	24,234
-Minority Interest	<u>74</u>	<u>-</u>	<u>119</u>	<u>40</u>
	<u>15,611</u>	<u>10,825</u>	<u>10,825</u>	<u>24,274</u>
Total comprehensive income for the period attributable to:				
-Owners of the parent	15,087	10,759	9,738	24,154
-Minority Interest	<u>74</u>	<u>-</u>	<u>119</u>	<u>40</u>
	<u>15,161</u>	<u>10,759</u>	<u>9,857</u>	<u>24,194</u>
Basic Earnings per Share (sen)	<u>10.06</u>	<u>7.01</u>	<u>6.93</u>	<u>15.69</u>
Proposed/Declared Dividend per Share (sen)	<u>-</u>	<u>3.00</u>	<u>-</u>	<u>3.00</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2011 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31.03.2012 RM'000	As at Preceding Year Ended 30.09.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	262,835	263,924
Current assets		
Inventories	48,632	43,959
Trade receivables	73,448	61,132
Other receivables and deposits	21,230	8,781
Tax refundable	2,754	9,299
Derivative assets	502	-
Short term deposits with licensed banks	5,821	10,884
Cash and bank balances	16,146	13,446
	<u>168,533</u>	<u>147,501</u>
Total assets	431,368	411,425
EQUITY AND LIABILITIES		
Equity		
Share Capital	77,280	77,280
Share Premium	25,193	25,193
Treasury Shares	(199)	(198)
Currency Translation Reserves	(1,334)	(366)
Retained Profits	177,592	166,885
Equity attributable to owners of the Company	278,532	268,794
Minority Interests	1,352	1,233
Total equity	279,884	270,027
Non-current liabilities		
Long term borrowings	45,728	58,172
Deferred taxation	15,627	16,323
	<u>61,355</u>	<u>74,495</u>
Current Liabilities		
Trade payables	19,664	12,110
Other payables and accruals	32,766	20,223
Provision for taxation	-	-
Derivative liabilities	-	14
Short term borrowings	34,523	34,455
Bank overdrafts	3,176	101
	<u>90,129</u>	<u>66,903</u>
Total Liabilities	151,484	141,398
TOTAL EQUITY AND LIABILITIES	431,368	411,425
Net assets per ordinary share (RM)	1.8031	1.7400

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 30 September 2011 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the parent-----→							
	Ordinary Share Capital RM'000	Share Premium RM'000	←-----Non-distributable-----→		← Distributable →		Minority Interest RM'000	Total Equity RM'000
			Treasury Shares RM'000	Currency Translation Reserves RM'000	Retained Profits RM'000	Total RM'000		
6 months ended 31 March 2012								
As at 1 October 2011	77,280	25,193	(198)	(366)	166,885	268,794	1,233	270,027
(Loss) / Profit for the financial period	-	-	-	-	10,707	10,707	119	10,826
Currency translation differences	-	-	-	(968)	-	(968)	-	(968)
Purchase of own shares	-	-	(1)	-	-	(1)	-	(1)
As at 31 March 2012	77,280	25,193	(199)	(1,334)	177,592	278,532	1,352	279,884
6 months ended 31 March 2011								
As at 1 October 2010 -as previously stated	77,280	29,482	(4,039)	509	129,519	232,751	1,163	233,914
Effect of adopting FRS 139 -as restated	-	-	-	-	626	626	-	626
Total Comprehensive Income for the financial period	-	-	-	(80)	24,234	24,154	40	24,194
Interim tax-exempt dividend of 4.5 sen per ordinary share of RM 0.50 each in respect of the financial year ended 30.09.2010	-	-	-	-	(6,862)	(6,862)	-	(6,862)
Purchase of own shares	-	-	(780)	-	-	(780)	-	(780)
Distribution of share dividend on the basis of 13 treasury shares for every 1,000 shares held	-	(4,623)	4,623	-	-	-	-	-
Expenses in respect of the Bonus Issue and transfer to Main Board in FYE 30.09.2008	-	334	-	-	-	334	-	334
As at 31 March 2011	77,280	25,193	(196)	429	147,517	250,223	1,203	251,426

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

<u>Note</u>	<u>Current Year-To-Date 31.03.2012 RM'000</u>	<u>Preceding Year-To-Date 31.03.2011 RM'000</u>
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
(Loss) / Profit before taxation	11,989	27,882
Adjustments for:		
Depreciation of property, plant and equipment	16,297	15,354
Interest expense	2,345	2,712
Plant and equipment written off	5,455	-
Inventories written off	2,328	-
Provision for repair and maintenance	4,006	-
Provision for interim insurance claim	(6,312)	-
(Loss) / Gain on disposal of plant and equipment	3	(82)
Unrealised foreign currency translation gain / (loss)	(2,055)	(641)
Derivative (gain) / loss	(516)	(565)
Interest income	(142)	(141)
Expenses in connection with Bonus Issue and transfer to Main Board	-	334
Operating profit before working capital changes	33,398	44,853
Increase in inventories	(7,001)	(4,681)
(Increase) / Decrease in trade and other receivables	(17,696)	9,889
Increase/ (Decrease) in trade and other payables	16,664	(24,546)
CASH FROM OPERATIONS	25,365	25,515
Interest paid	(2,345)	(2,712)
Tax refunded	6,967	4
Tax paid	(2,333)	(4,073)
NET CASH FROM OPERATING ACTIVITIES	27,654	18,734
CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES		
Interest received	142	141
Proceeds from disposal of plant and equipment	-	91
Purchase of property, plant and equipment	(21,122)	(18,648)
NET CASH FROM INVESTING ACTIVITIES	(20,980)	(18,416)
CASH FLOWS (FOR) / FROM FINANCING ACTIVITIES		
Dividends paid	-	(6,862)
Drawdown from hire-purchase and lease obligations	1,772	2,033
Repayment of hire-purchase and lease obligations	(8,183)	(7,987)
Drawdown of term loan	1,809	17,374
Repayment of term loan	(6,454)	(5,374)
Drawdown of bank borrowings	7,761	7,326
Repayment of bank borrowings	(8,323)	(12,407)
Buy-back of shares	(1)	(780)
NET CASH FLOWS FOR FINANCING ACTIVITIES	(11,619)	(6,677)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,945)	(6,359)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	24,229	35,259
Currency translation differences – subsidiaries	(493)	54
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	18,791	28,954

Note (A)

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

Short term deposits with licensed banks	5,821	2,229
Cash and bank balances	16,146	27,040
Bank overdrafts	(3,176)	(315)
	18,791	28,954

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2011 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD**Company No: - 637546-D****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012****NOTES TO THE QUARTERLY FINANCIAL REPORT****A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with FRS 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 2011.

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 2011.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2011 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. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchase, resale and repayments of debts and equity securities saved for that disclosed in Note B6.

As at 31 March 2012, the Company held 85,948 repurchased shares as treasury shares out of its total issued and paid up share capital of 154,561,378 ordinary shares of RM 0.50 each. The treasury shares are held at a carrying amount of RM 199,565.

A7. DIVIDEND PAID

No dividend was paid during the quarter under review.

A8. SEGMENTAL INFORMATION

The Group is primarily engaged in three business segment which is in the design and volume production of high precision metal manufacturing of hard disk drive ("HDD"), camera and automotive industries' components. 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 this announcement saved for that disclosed in Note B6.

NOTION VTEC BERHAD**Company No: - 637546-D****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012****NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)****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

- a) The Company has provided corporate guarantees for hire purchase facilities granted to subsidiaries for total amount of RM 96,274,546. As at 31 March 2012, the outstanding hire purchase balance stood at RM 33,912,107.
- b) The Group has also provided corporate guarantees for bank facilities granted for a total amount of RM 234,646,630. As at 31 March 2012, the utilisation of the bank facilities stood at RM 55,851,861.

On 10 December 2010, NVB has been served with a Writ and Statement of Claim dated 1 November 2010 and 26 October 2010 respectively from solicitors acting for Foo Kee Pack, Yong Kim Seng and Woi See Khoon (hereinafter collectively referred to as the "Plaintiffs") for alleged breach by NVB of the Share Sale Agreement dated 10 December 2009 entered into by NVB and the Plaintiffs in connection with the disposal of 350,000 ordinary shares of RM1.00 each in Swiss Impression Sdn Bhd, a subsidiary of NVB, to the Plaintiffs.

The Plaintiffs are seeking for, inter alia, a declaration that NVB had breached the Share Sale Agreement dated 10 December 2009, damages of RM 4,500,000, general damages, punitive damages, interests, costs and such further relief and/or other relief as deemed fit and just.

Based on legal advice, the directors are of the opinion that the claim has no merits. Accordingly, no provision has been made in respect of the claim in the financial statements.

The Company has filed a counter-claim against the Plaintiffs for losses that have been caused to the Company, secret profits or benefits made by the Plaintiffs, and other related losses suffered by the Company.

A13. CAPITAL COMMITMENTS

	As at End of Current Quarter 31.03.2012 <u>RM'000</u>	As at End of Preceding Quarter 31.12.2011 <u>RM'000</u>
Approved and contracted for: -purchase of property, plant and equipment	<u>37,494</u>	<u>31,317</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.

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ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. GROUP PERFORMANCE REVIEW

The Group recorded revenue and profit after taxation ("PAT") of approximately RM 84.5 million and RM 15.6 million respectively for the quarter ended 31 March 2012. Refer Notes B2 and B3 below for a detailed review of the Group's performance.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financials:

For 2Q of FY2012, the Group recorded revenue of RM 84.5 million (1QFY2012: RM 39.6 million) and PAT of RM 15.6 million (1QFY2012 loss after tax RM 4.8 million) and earnings per share of 10.06 sen (1QFY2012: loss per share of 3.13 sen). In the current quarter under review, revenue were 113% higher than previous quarter due to orders from three new HDD customers and an existing major camera customer to catch up with production back log resulting from the flood in Thailand. The losses in the preceding quarter were mainly attributable to the lower revenue as two of our major customers temporarily ceased operations in October 2011 due to severe flooding in Thailand and the recognition of flood related property damage losses and the associated claims in relation to the Group's production facilities in Ayutthaya, Thailand. The EBITDA for 2Q of FY2012 was RM 25.9 million compared to RM 4.7 million recorded in 1QFY2012.

For the current year revenue of RM 124.1 million and PAT of RM 10.8 million compared to the corresponding period of the preceding year revenue of RM 113.9 million and PAT of RM 24.3 million. The current year EBITDA of RM 30.6 million is lower than the preceding year of RM 45.9 million. The lower results were mainly attributable to the reasons as enumerated above.

Product mix:

In Q2FY2012, HDD parts revenue recorded RM 37.2 million (Q1FY2012: RM 13.6 million), camera parts recorded RM 36.5 million (Q1FY2012: RM 16.4 million) whilst the industrial/automotive revenue was at RM 10.8 million (Q1FY2012: RM 9.6 million). The product mix for Q2FY2012 was HDD: Camera: Industrial/Automotive of 44%: 43%: 13% compared to previous quarter's mix of 34%: 41%: 24%.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Business Review and Outlook

The March Quarter performance is more than a turnaround situation and is attributed to the strong orders from new customers and also recovery orders from the affected customers. This revenue of RM84.5 million is a new quarter record for the Group compared to the average pre-flood quarterly revenue of RM58 million, is 46% higher. All segments recorded double digit growth when compared to pre-flood revenue and in particular the HDD and Camera segments were out-performers.

From a December Quarter loss of RM4.8 million, the March Quarter recorded RM15.6 million PAT with a net margin of 18.4%. We had to carry extra cost by hosting a group of engineers and workers from a new customer for a few months to help expedite the scaling up of our 2.5" baseplate production. Our derivative gains were nominal due to insignificant differential between our currency hedges and the spot rates. The extra workers cost and higher than normal startup cost at Factory 3 were also weighing into our cost of production.

For the month of April 2012, we wish to report that the revenue was RM33 million which was similar to month of March. We are currently experiencing shortage of labour, CNC machines and space to meet renewed purchase orders. The strong orders may be attributed to unfulfilled orders of components arising from the Thai flood impact but also from the new customers. This trend will continue into the remaining FY2012 quarters and beyond.

Notion Thailand has received the adjusters report and is awaiting payment from the insurer within the next few months. The contractor for the extension project has resumed work and is now expected to complete it by 1st week of August 2012. The retrofitting and repairs are ongoing work in progress. We are planning 70 CNCs for Notion Thailand to machine the casted baseplates produced by our Japanese customer to assist them in their manufacture. It is simply value-added machining without any raw material content from us.

About 3 weeks ago we have obtained approval from the Home Ministry and have paid for the levy charges for 1,000 workers who will be arriving May onwards in batches to bolster our production efforts.

Based on the prevailing scenario, the Board is fairly confident that our business model is well on the road of recovery and onto another phase of high growth and hopefully with corresponding better financial performance. It is expected that an interim dividend will only be announced in conjunction with the release of the June Quarter results.

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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
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Company and Subsidiaries				
Taxation	1,704	1,691	1,860	2,771
Deferred taxation	(720)	(425)	(696)	837
	<u>984</u>	<u>1,266</u>	<u>1,164</u>	<u>3,608</u>

The lower tax for the current quarter compared to the preceding year corresponding quarter was mainly due to the benefits from unutilised reinvestment allowances brought forward.

B6. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but pending completion as at end of the period under review and /or date of this report save for the following:

- (i) As announced on 17 January 2012, an amount of RM 23.60 million (arising from the private placement which was completed on 18 January 2010 and allocated towards capital expenditure for the Company's new operations in Thailand) has yet to be fully utilised for its intended purposes. As of 31 March 2012, the Company has utilised approximately RM 18.2 million for capital expenditure and RM 0.18 million to defray expenses in connection with the private placement. The Board of Directors has resolved and approved an extension of time of one year until 17 January 2013 for the utilisation of the remaining proceeds.

The delay in the utilisation was due to the major flood that hit the factory and the adjacent areas which caused industries such as semiconductor, automotive and hard disk drive sectors to suffer production halt. The construction of the annex factory (costing approximately RM 8.0 million) had recommenced and completion is targeted by August 2012.

- (ii) On 20 February 2012, the Company announced that it wishes to undertake the following proposals:-
- A bonus issue of up to 138,910,522 new ordinary shares of RM 0.50 each in NVB on the basis of 3 Bonus Shares for every 4 existing NVB Shares held by the shareholders of the Company to be credited as fully paid-up; and
 - An issue of up to 46,303,507 free warrants in NVB ("Warrant-B") on the basis of 1 Warrant-B for every 4 existing NVB Shares held by the shareholders of the Company ("Free Warrants Issue").

Pursuant to the above, it was also announced on 27 February 2012 to holders of Warrant-A that adjustments will be made to the exercise price and number of Warrants-A held as a result of the proposals.

Bursa Malaysia Securities Berhad and Bank Negara Malaysia had approved the proposals vide their letters dated 23 March 2012 and 26 March 2012 respectively. The shareholders had approved the proposals at the EGM held on 16 April 2012.

115,856,572 new NVB Shares were issued pursuant to the Bonus Issue and were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 3 May 2012. The issued and paid-up share capital is increased to RM 135,208,975 comprising 270,417,950 NVB Shares, including 85,948 NVB Shares held as treasury shares by the capitalisation of RM 25,193,096 and RM 32,735,190 from the Share Premium and Retained Profits Account respectively.

An additional 30,652,652 Warrants-A ("Additional Warrants-A") were issued whereby a holder of 1 existing Warrant-A received 1 Additional Warrant-A, and the exercise price of the Warrants-A were revised from RM 2.55 to RM 1.44 per Warrant-A with effect from 3 May 2012. The Additional Warrants-A were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 7 May 2012. The Expiry Date of the Warrants-A remains at 3 August 2015. With the new issue, the total issue size of Warrants-A now stands at 61,305,304.

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

38,618,857 Warrants-B were issued pursuant to the Free Warrants issue and were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 10 May 2012. Each Warrant-B carries the entitlement to subscribe for 1 NVB Share at the Exercise Price of RM 1.00 at any time from the Issue Date at 3 May 2012 to the close of the business on Expiry Date at 2 May 2017.

The Proposals were completed on 10 May 2012.

- (iii) Notion Venture Sdn Bhd, a wholly-owned subsidiary of NVB has on 13 March 2012 entered into a Sale and Purchase Agreement with Dulon Industries Sdn Bhd for the purchase of all that piece of land held under title H.S.(D) 135933 P.T.52829, Mukim Kapar, Daerah Klang, Negeri Selangor measuring approximately 2.638 hectares in area together with an industrial factory erected thereon bearing postal address Lot 6071, Jalan Haji Manan, 5 ½ Mile Off Jalan Meru, 41050 Klang, Selangor for a total purchase consideration of RM 17,500,000.

The purchase was completed on 15 May 2012 with the disbursement of the balance of 90% purchase consideration amounting to RM 15,750,000 to the vendor.

- (iv) The Company has on 13 March 2012, entered into an Agreement for Sale of Shares with Mr.Ee Meng Pin for the purchase of 20,000 ordinary shares of RM 1.00 each representing 10% of the issued and paid-up share capital in Kaiten Precision (M) Sdn Bhd ("KPSB") for a total cash consideration of RM 1,000,000 ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, KPSB will become a wholly-owned subsidiary of NVB.

The Proposed Acquisition has been completed on 3 April 2012.

B7. BORROWINGS AND DEBTS SECURITIES

The Group's borrowings as at 31 March 2012 are as follows:

	<u>RM'000</u>
Long-term	
Secured	
Hire purchase and lease payables	13,306
Term loan	<u>32,422</u>
	<u>45,728</u>
Short-term	
Secured	
Portion of hire purchase and lease payables due within one year	16,528
Portion of term loan due within one year	13,087
Unsecured	
Bank overdraft	3,176
Other short term borrowings	<u>4,908</u>
	<u>37,699</u>
	<u>83,427</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.

B8. RETAINED PROFITS

The breakdown of the realised and unrealised profit/ (losses) as at the end of the reporting period is as follows:

	As at End of Current Quarter 31.03.2012 <u>RM'000</u>	As at End of Current Quarter 31.12.2011 <u>RM'000</u>	As at End of Current Quarter 30.09.2011 <u>RM'000</u>	As at Preceding Year Ended 31.03.2011 <u>RM'000</u>
Total retained profits:				
-realised	191,369	178,387	180,734	158,742
-unrealised	<u>(13,777)</u>	<u>(16,333)</u>	<u>(13,849)</u>	<u>(11,225)</u>
	<u>177,592</u>	<u>162,054</u>	<u>166,885</u>	<u>147,517</u>

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

B9. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

PAT is arrived at after charging / (crediting) the following items:

	Current Year Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2012 RM'000
a) Interest income	(88)	(142)
b) Other income	(1,471)	(2,122)
c) Interest expense	1,126	2,345
d) Depreciation and amortisation	8,227	16,297
e) Provision for doubtful debts	N/A	N/A
f) Bad debts written off	N/A	N/A
g) Inventories written off	N/A	N/A
h) Loss on disposal of plant and equipment	2	3
i) Impairment of assets	N/A	N/A
j) Foreign exchange loss / (gain)	(1,009)	(1,104)
k) Gain on derivatives (please refer to Note B10)	699	646
l) Unusual items – Provisional loss in insurance claims	0	5,477

B10.DERIVATIVE GAIN / (LOSS)

Derivative gain consists of realised gain on settlement of hedging contracts during the quarter and fair value changes due to movement in mark-to-market (MTM) position on non-designated hedging contracts at 31 March 2012 which comprised the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year To Date 31.03.2012 RM'000	Preceding Year To Date 31.03.2011 RM'000
Gain from foreign currency hedging contracts:				
-settlement of hedging contracts	424	2,199	996	4,219
-fair value changes due to movement in MTM position on non-designated hedging contracts	-	564	-	565
	<u>424</u>	<u>2,763</u>	<u>996</u>	<u>4,784</u>
Gain / (Loss) from commodity hedging contracts:				
-settlement of hedging contracts	(385)	-	(866)	-
-fair value changes due to movement in MTM position on non-designated hedging contracts	660	-	516	-
	<u>275</u>	<u>-</u>	<u>(350)</u>	<u>-</u>
Net Gain from derivative contracts:	<u>699</u>	<u>2,763</u>	<u>646</u>	<u>4,784</u>

NOTION VTEC BERHAD

Company No: - 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012

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

B11. DERIVATIVE FINANCIAL INSTRUMENTS

Type of derivatives	Notional Value as at 31/03/2012 <u>RM'000</u>	Fair Value as at 31/03/2012 Assets / (Liabilities) <u>RM'000</u>
Foreign Currency Hedging Contracts		
-Less than 1 year	263,514	757
-1 year to 2 years	<u>212,785</u>	<u>-</u>
	476,299	757
Commodity Hedging Contract		
-Less than 1 year	<u>4,118</u>	<u>(255)</u>
TOTAL	<u><u>480,417</u></u>	<u><u>502</u></u>

The foreign currency contracts were entered into as hedges for sales denominated in US Dollars and Euro to limit the exposure to potential changes in foreign exchange rates with respect to the subsidiary company's foreign currencies denominated estimated receipts. The commodity derivative contract was entered into as hedges for purchases of aluminium to limit the exposure to potential fluctuation in prices.

There is minimal credit risk as the contracts were entered into with reputable banks.

B12. MATERIAL LITIGATION

Saved as disclosed in Note A13, there were no material litigations that might adversely and materially affect the position of the Group as at date of this report.

B13. DIVIDENDS PER SHARE

No dividend has been proposed for the quarter ended 31 March 2012 (Q2FY2011: 3.0 sen gross).

B14. EARNINGS PER SHARE

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2012 <u>(Unaudited)</u>	Preceding Year Corresponding Quarter 31.03.2011 <u>(Unaudited)</u>	Current Year To Date 31.03.2012 <u>(Unaudited)</u>	Preceding Year To Date 31.03.2011 <u>(Unaudited)</u>
Profit attributable to owners of the Company (RM'000)	15,537	10,825	10,706	24,234
Weighted Average Number of ordinary shares in issue (excluding the treasury shares held by the Company) ('000)	154,475	154,477	154,475	154,477
Basic earnings per share (sen)	<u>10.06</u>	<u>7.01</u>	<u>6.93</u>	<u>15.69</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 17 May 2012.

By Order of the Board

Petaling Jaya
17 May 2012