

**NOTION VTEC BERHAD**  
**Company No: - 637546-D**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year To Date 31.12.2011 RM'000
Revenue	49,140	39,630	49,140	39,630
Cost of Sales	<u>(43,258)</u>	<u>(34,192)</u>	<u>(43,258)</u>	<u>(34,192)</u>
Gross Profit	5,882	5,438	5,882	5,438
Other Operating Income	1,737	884	1,737	884
Operating Expenses	<u>(30,594)</u>	<u>(9,626)</u>	<u>(30,594)</u>	<u>(9,626)</u>
Operating Loss	(22,975)	(3,304)	(22,975)	(3,304)
Derivative gain/ (loss)	2,069	(53)	2,069	(53)
Finance Costs	<u>(1,474)</u>	<u>(1,249)</u>	<u>(1,474)</u>	<u>(1,249)</u>
Loss Before Taxation	(22,380)	(4,606)	(22,380)	(4,606)
Taxation	<u>(348)</u>	<u>(180)</u>	<u>(348)</u>	<u>(180)</u>
Loss After Taxation	(22,728)	(4,786)	(22,728)	(4,786)
Other Comprehensive (loss) / income:				
-currency translation differences	<u>1,240</u>	<u>(518)</u>	<u>1,240</u>	<u>(518)</u>
Total comprehensive loss for the period	<u>(21,488)</u>	<u>(5,304)</u>	<u>(21,488)</u>	<u>(5,304)</u>
(Loss)/ Profit after taxation attributable to:				
-Owners of the Company	(22,728)	(4,831)	(22,728)	(4,831)
-Non-controlling Interests	<u>-</u>	<u>45</u>	<u>-</u>	<u>45</u>
	<u>(22,728)</u>	<u>(4,786)</u>	<u>(22,728)</u>	<u>(4,786)</u>
Total comprehensive loss for the period attributable to:				
-Owners of the Company	(21,488)	(5,349)	(21,488)	(5,349)
-Non-controlling Interests	<u>-</u>	<u>45</u>	<u>-</u>	<u>45</u>
	<u>(21,488)</u>	<u>(5,304)</u>	<u>(21,488)</u>	<u>(5,304)</u>
Loss Per Share (sen)	<u>(8.61)</u>	<u>(1.79)</u>	<u>(8.61)</u>	<u>(1.79)</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 2012 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 DECEMBER 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31.12.2012 RM'000	As at Preceding Year Ended 30.09.2012 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	310,442	319,810
<b>Current assets</b>		
Inventories	51,975	56,231
Trade receivables	29,742	57,926
Other receivables and deposits	9,095	8,288
Tax refundable	3,138	3,626
Derivative assets	529	530
Short term deposits with licensed banks	2,341	2,360
Cash and bank balances	39,509	36,651
	<u>136,329</u>	<u>165,612</u>
<b>Total assets</b>	446,771	485,422
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	135,209	135,209
Share Premium	-	-
Treasury Shares	(7,926)	(7,828)
Currency Translation Reserves	(1,198)	(2,438)
Retained Profits	153,205	176,135
Other Capital Reserve	4,800	4,800
<b>Equity attributable to owners of the Company</b>	284,090	305,878
Non-controlling Interests	-	48
<b>Total equity</b>	284,090	305,926
<b>Non-current liabilities</b>		
Long term borrowings	67,197	64,113
Deferred taxation	19,386	19,736
	<u>86,583</u>	<u>83,849</u>
<b>Current Liabilities</b>		
Trade payables	14,852	27,066
Other payables and accruals	22,684	29,051
Provision for taxation	-	-
Derivative liabilities	-	-
Short term borrowings	37,842	37,365
Bank overdrafts	720	2,165
	<u>76,098</u>	<u>95,647</u>
<b>Total Liabilities</b>	162,681	179,496
<b>TOTAL EQUITY AND LIABILITIES</b>	446,771	485,422
Net assets per ordinary share (RM)	1.0763	1.1584

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 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 DECEMBER 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→		Non- Controlling Interests RM'000	Total Equity RM'000
			Treasury Shares RM'000	Currency Translation Reserves RM'000	Other Capital Reserve RM'000	Retained Profits RM'000	Total RM'000			
<b>3 months ended 31 December 2012</b>										
As at 1 October 2012	135,209	*	(7,828)	(2,438)	4,800	176,135	305,878	48	305,926	
Acquisition of shares from non-controlling interests	-	-	-	-	-	(202)	(202)	(48)	(250)	
Total comprehensive loss for the financial period	-	-	-	1,240	-	(22,728)	(21,488)	-	(21,488)	
Purchase of own shares	-	-	(98)	-	-	-	(98)	-	(98)	
As at 31 December 2012	135,209	*	(7,926)	(1,198)	4,800	153,205	284,090	-	284,090	

\*denotes RM 57.50

**3 months ended 31 December 2011**

As at 1 October 2011	77,280	25,193	(198)	(366)	-	166,885	268,794	1,233	270,027
Total comprehensive loss for the financial period	-	-	-	(518)	-	(4,831)	(5,349)	45	(5,304)
Purchase of own shares	-	-	(1)	-	-	-	(1)	-	(1)
As at 31 December 2011	77,280	25,193	(199)	(884)	-	162,054	263,444	1,278	264,722

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 2012 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 DECEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year-To-Date 31.12.2012 RM'000	Preceding Year-To-Date 31.12.2011 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Loss before taxation	(22,380)	(4,606)
Adjustments for:		
Depreciation of property, plant and equipment	9,951	8,070
Interest expense	1,428	1,219
Plant and equipment written off	12,715	5,455
Inventories written off	8,258	2,328
Provision for repair of factory building	3,959	4,006
Provision for insurance claim	-	(6,312)
Loss / (Gain) on disposal of plant and equipment	(1)	1
Unrealised foreign currency translation gain	(792)	(182)
Derivative loss	-	144
Interest income	(19)	(54)
Operating profit before working capital changes	13,119	10,069
Increase in inventories	(3,945)	(14,959)
Decrease in trade and other receivables	28,411	24,277
Increase/ (Decrease) in trade and other payables	(28,627)	5,302
CASH FROM OPERATIONS	8,958	24,689
Interest paid	(1,428)	(1,219)
Tax refunded	1,447	6,967
Tax paid	(1,710)	(1,028)
NET CASH FROM OPERATING ACTIVITIES	7,267	29,409
CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES		
Interest received	19	54
Proceeds from disposal of plant and equipment	18	-
Purchase of property, plant and equipment	(11,461)	(8,981)
Investment in a subsidiary	(250)	-
NET CASH FOR INVESTING ACTIVITIES	(11,674)	(8,927)
CASH FLOWS (FOR) / FROM FINANCING ACTIVITIES		
Drawdown from hire-purchase and lease obligations	5,597	772
Repayment of hire-purchase and lease obligations	(5,130)	(4,084)
Drawdown of term loan	8,619	-
Repayment of term loan	(5,132)	(3,326)
Drawdown of bank borrowings	11,862	403
Repayment of bank borrowings	(11,984)	(4,914)
Buy-back of shares	(98)	(1)
NET CASH FLOWS FOR FINANCING ACTIVITIES	3,734	(11,150)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(673)	9,332
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	36,504	24,229
Currency translation differences – subsidiaries	5,299	(692)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	41,130	32,869

**Note (A)**

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

Short term deposits with licensed banks	2,341	13,047
Cash and bank balances	39,509	21,056
Bank overdrafts	(720)	(1,234)
	41,130	32,869

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 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 DECEMBER 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 2012.

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 2012.

**A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements of the Group for the FYE 30 September 2012 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 except for the damage to the plant, property, equipment and inventories caused by the fire incident at our factory on 31 December 2012. The write off and provision for repairs amounted to RM 24.9 million have been taken up in the profit and loss account in the current quarter.

**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 December 2012, the Company held 6,464,548 repurchased shares as treasury shares out of its total issued and paid up share capital of 270,418,065 ordinary shares of RM 0.50 each. The treasury shares are held at a carrying amount of RM 7,926,179.

**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.

**NOTION VTEC BERHAD**

Company No: - 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 save for the following:

As announced on 21 November 2012 and 14 January 2013, the Settlement Agreement entered into between the Company, Foo Kee Pack, Yong Kim Seng, Woi See Khoon and Yap Yee Khim (collectively referred to as the "Parties") in which the Parties have agreed to settle all the issues and dispute between them was completed with the acquisition of the remaining 30% issued and paid up share capital in Swiss Impression Sdn Bhd (SISB) resulting in SISB becoming a wholly owned subsidiary of NVB on 14 January 2013.

**A12. CONTINGENT LIABILITIES**

- a) The Company has provided corporate guarantees for hire purchase facilities granted to subsidiaries for total amount of RM 127,874,651. As at 31 December 2012, the outstanding hire purchase balance stood at RM 33,926,985.
- b) The Group has also provided corporate guarantees for bank facilities granted for a total amount of RM 278,288,839. As at 31 December 2012, the utilisation of the bank facilities stood at RM 71,832,016.

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 ("SISB"), 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.

As announced on 21 November 2012, the Settlement Agreement was entered on 20 November 2012 between the Company, Foo Kee Pack, Yong Kim Seng, Woi See Khoon and Yap Yee Khim (collectively referred to as the "Parties") in which the Parties have agreed to settle all the issues and dispute between them in accordance with the terms and conditions as set out in the Settlement Agreement.

The Settlement Agreement was completed on 14 January 2013 with the acquisition of the remaining 30% issued and paid up share capital in SISB.

**A13. CAPITAL COMMITMENTS**

	<b>As at End of Current Quarter 31.12.2012 RM'000</b>	<b>As at End of Preceding Quarter 30.09.2012 RM'000</b>	<b>As at End of Preceding Quarter 30.06.2012 RM'000</b>
Approved and contracted for:			
-purchase of property, plant and equipment	4,424	13,620	42,615

**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

Company No: - 637546-D

### UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

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 approximately RM 49.1 million and RM 22.7 million respectively for the quarter ended 31 December 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 Q1 of FY2013, the Group recorded revenue of RM 49.1 million (Q4FY2012: RM 88.7 million) and loss after tax of RM 22.7 million (Q4FY2012 profit after tax (PAT): RM 18.6 million) and loss per share of 8.61 sen (Q4FY2012: profit per share of 7.08 sen). In the current quarter under review, revenue was 45% lower than previous quarter mainly due to the slow recovery in the economy of the major markets and the recognition of damages due to the fire incident on 31 December 2012, at a section of our main factory located at Lot 6123, Klang resulted in asset loss with total book carrying value of about RM 24.9 million consisting of damage to machinery and equipment (RM 12.7 million), inventory (RM 8.3 million) and building and fixtures (RM 3.9 million). The Group has an Industrial All Risks and Business Interruption Insurance Policy coverage. For the quarter under review, the insurance compensation claim has not been recognised yet as the adjusters is still evaluating the claim. Excluding the exceptional loss due to the fire of RM 24.9 million, the PAT would have been RM 2.2 million and the EBITDA (excluding the exceptional item) for Q1 of FY2013 was RM 13.9 million compared to RM 32.6 million recorded in Q4FY2012. The lower profit is mainly due to the drop in revenue.

##### Product mix:

In Q1FY2013, HDD parts revenue recorded RM 17.0 million (Q4FY2012: RM 26.0 million), camera parts recorded RM 22.5 million (Q4FY2012: RM 50.6 million) whilst the industrial/ automotive revenue was at RM 9.6 million (Q4FY2012: RM 12.3 million). The product mix for Q1FY2013 was HDD: Camera: Industrial/Automotive of 35%: 46%: 19% compared to previous quarter's mix of 29%: 57%: 14%.

#### B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

##### Business Review and Outlook

In a seemingly parallel black swan event exactly one year ago, there was an accidental fire on the top floor of a rear building in Notion main factory complex, Klang on the evening of 31 December 2012. This time round the fire damage is last estimated at RM50.1 million in the statement of claim to the insurer. The final figure is expected to be lower than that due to lower losses arising from fire affected inventory that could be recovered. The removal of debris and salvaging of equipment is on-going and commencement of reconstruction is expected to start in March 2013 and completion time of 3 months.

The main disruption is to Kaiten Precision Sdn Bhd operations with partial recovery of manufacture from getting parts from out sourced contractors as well as new auto lathe machines that were on emergency orders. Notion Venture Sdn Bhd the main manufacturing arm has been restocking all the parts that have been fire affected and is mostly back to normal except the washing line that has been destroyed.

As the insurance is still being processed we are unable to announce the finalized insurance amount but when it is ascertained we will make the necessary write backs into the accounts.

Q1 FY2013 has turned downwards sharply due to reduced orders from HDD and camera customers as the economic uncertainties in Europe and the rest of the world took its toll on consumer confidence and spending. The disk drive sector was also in an industry down cycle as the effects of the hot selling of tablets and smartphones overtook sales of PCs. The sharply reduced revenue of RM49.1 million in Q1 resulted in a PAT of RM2.2 million before the provision of the loss arising from the fire.

We expect Q2 to be flattish in orders trend and in the 2<sup>nd</sup> half we will see a rising orders trend of a modest recovery.

We will be much affected by the recent imposed Minimum Basic Salary regulation that came into effect on 1 January 2013 although the subsequent announcement of employers being able to claim back the levy fees for foreign workers will help to reduce the overall cost. It is expected the regulation will increase the wage bill for 2,500 workers of about RM500,000 or more per month which is significant and will reduce the profit margin. We are taking steps to seek productivity increase and control of overtime on weekends and public holidays. Also we will need to keep the work force to the lowest level that meets normal manufacturing volume.

We do not expect to be aggressive in the acquisition of new machinery in FY2013 and thus capital expenditure, except for the fire damaged machinery, will be minimal.

FY2013 will perform on a lower revenue level and reduced profit in comparison with FY2012.

The Board is optimistic that the group will recover in tune with industry trends and underlying economic conditions.

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012**

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
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Company and Subsidiaries				
Taxation	698	156	698	156
Deferred taxation	(350)	24	(350)	24
	<u>348</u>	<u>180</u>	<u>348</u>	<u>180</u>

There is a tax charge during the quarter despite reporting a loss as damages resulting from the fire has been added back so as to match with the impending insurance claim.

**B6. STATUS OF CORPORATE PROPOSALS**

There are no other corporate proposals announced but pending completion as at date of this report.

**B7. BORROWINGS AND DEBTS SECURITIES**

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

	<u>RM'000</u>
<b>Long-term</b>	
Secured	
Hire purchase and lease payables	18,890
Term loan	<u>48,307</u>
	<u>67,197</u>
<b>Short-term</b>	
Secured	
Portion of hire purchase and lease payables due within one year	15,037
Portion of term loan due within one year	18,729
Unsecured	
Bank overdraft	720
Other short term borrowings	<u>4,076</u>
	<u>38,562</u>
	<u>105,759</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 PERIOD ENDED 31 DECEMBER 2012**

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

**B8. RETAINED PROFITS**

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

	<b>As at End of Current Quarter 31.12.2012 RM'000</b>	<b>As at Preceding Year Quarter 31.12.2011 RM'000</b>
Total retained profits:		
-realised	172,877	178,387
-unrealised	<u>(19,672)</u>	<u>(16,333)</u>
	<u>153,205</u>	<u>162,054</u>

**B9. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT**

Loss / Profit After Tax are arrived at after charging / (crediting) the following items:

	<b>Current Year Quarter 31.12.2012 RM'000</b>	<b>Preceding Year Quarter 31.12.2011 RM'000</b>
a) Interest income	(19)	(54)
b) Other income	(1,175)	(651)
c) Interest expense	1,428	1,219
d) Depreciation and amortisation	9,951	8,070
e) Provision for doubtful debts	-	-
f) Bad debts written off	-	-
g) (Gain)/ Loss on disposal of plant and equipment	(1)	1
h) Impairment of assets	-	-
i) Foreign exchange loss / (gain)	(541)	(95)
j) Gain from derivatives (please refer to Note B10)	(2,069)	53
k) Plant and equipment written off	12,715	5,455
l) Inventories written off	8,258	2,328
m) Cost to repair damaged plant	3,959	4,006

**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 December 2012 which comprised the following:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31.12.2012 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2011 RM'000</b>	<b>Current Year To Date 31.12.2012 RM'000</b>	<b>Preceding Year To Date 31.12.2011 RM'000</b>
Gain from foreign currency hedging contracts:				
-settlement of hedging contracts	2,069	572	2,069	572
-fair value changes due to movement in MTM position on non-designated hedging contracts	-	-	-	-
	<u>2,069</u>	<u>572</u>	<u>2,069</u>	<u>572</u>
Gain / (Loss) from commodity hedging contracts:				
-settlement of hedging contracts	-	(481)	-	(481)
-fair value changes due to movement in MTM position on non-designated hedging contracts	-	(144)	-	(144)
	<u>-</u>	<u>(625)</u>	<u>-</u>	<u>(625)</u>
Net Gain from derivative contracts:	<u>2,069</u>	<u>(53)</u>	<u>2,069</u>	<u>(53)</u>

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012**

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

**B11. DERIVATIVE FINANCIAL INSTRUMENTS**

Type of derivatives	Notional Value as at 31/12/2012	Fair Value as at 31/12/2012 Assets / (Liabilities)
	<u>RM'000</u>	<u>RM'000</u>
Foreign Currency Hedging Contracts		
-Less than 1 year	277,265	529
-1 year to 2 years	<u>237,263</u>	-
	<u>514,528</u>	<u>529</u>
Commodity Hedging Contract		
-Less than 1 year	<u>-</u>	<u>-</u>
TOTAL	<u>514,528</u>	<u>529</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**

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 first quarter ended 31 December 2012 (Q1FY2012: Nil).

The Board has on 19 November 2012 proposed a final tax-exempt dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2012 for approval by shareholders at the forthcoming Annual General Meeting.

**NOTION VTEC BERHAD**  
**Company No: - 637546-D**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012**

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

**B14. LOSS PER SHARE**

The loss per share was calculated by dividing loss attributable to the owners of the Company by the number of ordinary shares in issue (excluding the treasury shares held by the Company).

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 <u>(Unaudited)</u>	Preceding Year Corresponding Quarter 31.12.2011 <u>(Unaudited)</u>	Current Year To Date 31.12.2012 <u>(Unaudited)</u>	Preceding Year To Date 31.12.2011 <u>(Unaudited)</u>
Loss attributable to owners of the Company (RM'000)	(22,728)	(4,831)	(22,728)	(4,831)
Number of ordinary shares in issue (excluding the treasury shares held by the Company) ('000)	263,953	270,331	263,953	270,331
Loss per share (sen) *	<u>(8.61)</u>	<u>(1.79)</u>	<u>(8.61)</u>	<u>(1.79)</u>

Note:-

\*The loss per share is calculated based on enlarged share capital after bonus issue.

**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 21 February 2013.

**By Order of the Board**

Petaling Jaya  
21 February 2013