

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | Individual Quarter                              |   | Cumulative Quarter                              |   |
|---|---|---|---|---|
|   | Current Year<br>Quarter<br>31.12.2018<br>RM'000 | Preceding Year<br>Corresponding Quarter<br>31.12.2017<br>RM'000 | Current Year<br>To Date<br>31.12.2018<br>RM'000 | Preceding Year<br>To Date<br>31.12.2017<br>RM'000 |
| Revenue   | 63,338  | 58,288  | 63,338  | 58,288  |
| Cost of Sales   | <u>(54,686)</u>                                 | <u>(55,784)</u>   | <u>(54,686)</u>                                 | <u>(55,784)</u>                                   |
| Gross Profit  | 8,652   | 2,504   | 8,652   | 2,504   |
| Other Operating Income  | 4,375   | 33,299  | 4,375   | 33,299  |
| Operating Expenses  | <u>(12,829)</u>                                 | <u>(62,333)</u>   | <u>(12,829)</u>                                 | <u>(62,333)</u>                                   |
| Operating Income/ (Loss)  | 198   | (26,530)  | 198   | (26,530)  |
| Finance Costs   | <u>(1,095)</u>                                  | <u>(212)</u>  | <u>(1,095)</u>                                  | <u>(212)</u>                                      |
| Loss before taxation  | (897)   | (26,742)  | (897)   | (26,742)  |
| Tax Expense   | <u>(1,272)</u>                                  | <u>(2,166)</u>  | <u>(1,272)</u>                                  | <u>(2,166)</u>                                    |
| Loss after taxation   | (2,169)   | (28,908)  | (2,169)   | (28,908)  |
| Other Comprehensive expenses<br>-currency translation differences         | (1,545)   | (2,585)   | (1,545)   | (2,585)   |
| Total comprehensive expenses for the<br>financial period                  | <u>(3,714)</u>                                  | <u>(31,493)</u>   | <u>(3,714)</u>                                  | <u>(31,493)</u>                                   |
| Loss after taxation attributable to:                                      |   |   |   |   |
| -Owners of the Company  | (2,169)   | (28,908)  | (2,169)   | (28,908)  |
| -Non-controlling Interests  | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>  |
|   | <u>(2,169)</u>                                  | <u>(28,908)</u>   | <u>(2,169)</u>                                  | <u>(28,908)</u>                                   |
| Total comprehensive expenses for the<br>financial period attributable to: |   |   |   |   |
| -Owners of the Company  | (3,714)   | (31,493)  | (3,714)   | (31,493)  |
| -Non-controlling Interests  | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>  |
|   | <u>(3,714)</u>                                  | <u>(31,493)</u>   | <u>(3,714)</u>                                  | <u>(31,493)</u>                                   |
| Loss Per Share (sen)  | <u>(0.65)</u>                                   | <u>(8.74)</u>   | <u>(0.65)</u>                                   | <u>(8.74)</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | As at End of Current Quarter<br>31.12.2018<br>RM'000 | As at Preceding Year Ended<br>30.09.2018<br>RM'000 |
|---|--|--|
| <b>ASSETS</b>                                       |  |  |
| <b>Non-current assets</b>                           |  |  |
| Property, plant and equipment                       | 293,755  | 287,327  |
| Intangible Assets                                   | 1,329  | 1,328  |
|   | <u>295,084</u>                                       | <u>288,655</u>                                     |
| <b>Current assets</b>                               |  |  |
| Inventories   | 45,282   | 36,835   |
| Trade receivables                                   | 66,131   | 66,604   |
| Other receivables and prepayments                   | 15,342   | 91,108   |
| Current tax assets                                  | 3,001  | -  |
| Cash and cash equivalents                           | 104,453  | 41,864   |
|   | <u>234,209</u>                                       | <u>236,411</u>                                     |
| <b>Total assets</b>                                 | <u>529,293</u>                                       | <u>525,066</u>                                     |
| <b>EQUITY AND LIABILITIES</b>                       |  |  |
| <b>Equity</b>                                       |  |  |
| Share Capital                                       | 199,933  | 199,791  |
| Share Option Reserve                                | 2,492  | 2,492  |
| Currency Translation Reserves                       | 10,006   | 11,551   |
| Capital Reserve                                     | 4,800  | 4,800  |
| Retained Profits                                    | 184,699  | 190,199  |
| <b>Equity attributable to owners of the Company</b> | <u>401,930</u>                                       | <u>408,833</u>                                     |
| Non-controlling Interests                           | -  | -  |
| <b>Total equity</b>                                 | <u>401,930</u>                                       | <u>408,833</u>                                     |
| <b>Non-current liabilities</b>                      |  |  |
| Long-term borrowings                                | 53,857   | 27,333   |
| Retirement Benefits                                 | 359  | 359  |
| Deferred Tax Liabilities                            | 7,879  | 7,024  |
|   | <u>62,095</u>  | <u>34,716</u>                                      |
| <b>Current Liabilities</b>                          |  |  |
| Loans and borrowings                                | 15,884   | 16,578   |
| Trade payables                                      | 10,565   | 14,014   |
| Other payables                                      | 26,050   | 39,621   |
| Dividend payable                                    | 3,331  | -  |
| Current Tax Liabilities                             | 9,438  | 11,304   |
|   | <u>65,268</u>  | <u>81,517</u>                                      |
| <b>Total Liabilities</b>                            | <u>127,363</u>                                       | <u>116,233</u>                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>529,293</u>                                       | <u>525,066</u>                                     |
| <br>  |  |  |
| Net assets per ordinary share (RM)                  | 1.2065   | 1.2284   |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

**NOTION VTEC BERHAD**

**Company No: - 637546-D**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| ←-----Attributable to equity holders of the parent-----→ |                            |                                     |                    |                     |                 |
|--|----------------------------|-------------------------------------|--------------------|---------------------|-----------------|
| ←-----Non-distributable-----→                            |                            |                                     | ←Distributable→    |                     |                 |
| Share<br>Capital   | Share<br>Option<br>Reserve | Currency<br>Translation<br>Reserves | Capital<br>Reserve | Retained<br>Profits | Total<br>Equity |
| <u>RM'000</u>  | <u>RM'000</u>              | <u>RM'000</u>                       | <u>RM'000</u>      | <u>RM'000</u>       | <u>RM'000</u>   |

**3 months ended 31 December 2018**

|  |         |       |         |       |         |         |
|--|---------|-------|---------|-------|---------|---------|
| Balance as at 1 October 2018   | 199,791 | 2,492 | 11,551  | 4,800 | 190,199 | 408,833 |
| Loss after taxation  | -       | -     | -       | -     | (2,169) | (2,169) |
| Currency translation differences   | -       | -     | (1,545) | -     | -       | (1,545) |
| Issuance of shares   | 142     | -     | -       | -     | -       | 142     |
| Interim single tier tax-exempt dividend of 1 sen per share payable on 17 January 2019 in respect of financial year ended 30 September 2018 | -       | -     | -       | -     | (3,331) | (3,331) |
| Balance as at 31 December 2018   | 199,933 | 2,492 | 10,006  | 4,800 | 184,699 | 401,930 |

**3 months ended 31 December 2017**

|                                  |         |       |         |       |          |          |
|----------------------------------|---------|-------|---------|-------|----------|----------|
| Balance as at 1 October 2017     | 197,793 | 687   | 10,797  | 4,800 | 143,176  | 357,253  |
| Loss after taxation              | -       | -     | -       | -     | (28,908) | (28,908) |
| Currency translation differences | -       | -     | (2,585) | -     | -        | (2,585)  |
| Share based payments             | -       | 2,279 | -       | -     | -        | 2,279    |
| Balance as at 31 December 2017   | 197,793 | 2,966 | 8,212   | 4,800 | 114,268  | 328,039  |

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

**NOTION VTEC BERHAD**

**Company No: - 637546-D**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

|   | Current<br>Year-To-Date<br>31.12.2018<br>RM'000 | Preceding<br>Year-To-Date<br>31.12.2017<br>RM'000 |
|---|---|---|
| <b>CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES</b>                    |   |   |
| Loss before taxation  | (897)   | (26,742)  |
| Adjustments for:  |   |   |
| Depreciation of property, plant and equipment                         | 7,959   | 6,824   |
| Interest expense  | 1,045   | 183   |
| Inventories written down  | 1,874   | 47  |
| Reversal of impairment loss on property, plant and equipment          | (1,092)   | (108)   |
| Plant and equipment written off                                       | -   | 40,660  |
| Inventories written off   | -   | 8,053   |
| Gain on disposal of plant and equipment                               | (80)  | (40)  |
| Unrealised (gain)/ loss on foreign currency translation               | 883   | (475)   |
| Interest income   | (563)   | (510)   |
| Share-based payments  | -   | 2,279   |
| Loss on fair value adjustment of intangible assets                    | 830   | -   |
| Operating profit before working capital changes                       | 9,959   | 30,171  |
| (Increase)/ Decrease in inventories                                   | (10,503)  | 2,278   |
| (Increase)/ Decrease in trade and other receivables                   | 74,831  | (30,675)  |
| Increase/ (Decrease) in trade and other payables                      | (14,773)  | 1,088   |
| <b>CASH FROM OPERATIONS</b>   | 59,514  | 2,862   |
| Interest paid   | (1,019)   | (183)   |
| Tax paid  | (5,248)   | (1,441)   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                             | 53,247  | 1,238   |
| <b>CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES</b>                    |   |   |
| Interest received   | 563   | 510   |
| Proceeds from disposal of plant and equipment                         | 2,269   | 40  |
| Purchase of property, plant and equipment                             | (15,968)  | (12,801)  |
| <b>NET CASH FOR INVESTING ACTIVITIES</b>                              | (13,136)  | (12,251)  |
| <b>CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES</b>                    |   |   |
| Proceeds from issuance of shares                                      | 142   | -   |
| Drawdown of hire purchase   | 30,503  | -   |
| Repayment of hire-purchase and lease obligations                      | (1,635)   | (138)   |
| Drawdown of term loan   | 5,414   | -   |
| Repayment of term loan  | (1,462)   | (1,965)   |
| Drawdown of bank borrowings   | 2,291   | 3,139   |
| Repayment of bank borrowings  | (9,306)   | (3,227)   |
| Repayment to a director   | (2,853)   | -   |
| <b>NET CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES</b>                | 23,094  | (2,191)   |
| <b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>          | 63,205  | (13,204)  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b> | 41,864  | 86,358  |
| Currency translation differences – subsidiaries                       | (616)   | (1,046)   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>       | <b>104,453</b>                                  | <b>72,108</b>                                     |

**Note (A)**

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

Short term deposits with licensed banks

Cash and bank balances

84,986

40,117

19,467

31,991

**104,453**

**72,108**

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

## NOTION VTEC BERHAD

Company No: - 637546-D

### UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

#### NOTES TO THE QUARTERLY FINANCIAL REPORT

##### A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("The Group"). This interim financial report should be read in conjunction with the Group's annual audited financial report for the financial year ended ("FYE") 30 September 2018.

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 2018.

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

The auditors' report on the financial statements of the Group for the FYE 30 September 2018 was not subject to any qualification.

##### A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the quarter under review.

##### A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE.

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review.

##### A5. MATERIAL CHANGES IN ESTIMATES

There were no other changes in estimates that have had a material effect in the current quarter results.

##### A6. DEBT AND EQUITY SECURITIES

For the quarter ended 31 December 2018, a total of 323,800 new ordinary shares were issued and allotted pursuant to the exercise of the ESOS at an exercise price of RM 0.44, details of the issued and paid-up capital of the Company are as follows:

|   | No of shares | RM          |
|---|--------------|-------------|
| As at 30 September 2018                     | 332,822,653  | 199,790,627 |
| Ordinary shares issued pursuant to the ESOS | 323,800      | 142,472     |
| As at 31 December 2018                      | 333,146,453  | 199,933,099 |

As at 31 December 2018, there are 9,946,700 outstanding ESOS Options (comprising of 1,932,000 ESOS Options which were offered on 27 February 2017 at an exercise price of RM 0.80 per Share and 8,014,700 ESOS Options which were offered on 12 December 2017 at an exercise price of RM 0.44 per Share).

Other than the above, there were no issuance and repayment of debt and equity securities, as well as share cancellations and resale of treasury shares during the current reporting quarter.

##### A7. DIVIDEND PAID

The Board has on 26 November 2018, declared and approved an interim single tier tax-exempt dividend of 1.00 sen per share in respect of the financial year ended 30 September 2018. The entitlement date and payment date has been fixed on 18 December 2018 and 17 January 2019, respectively.

##### 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"), automotive industries' components and engineered products. Camera components are now classified under engineered products. Breakdown of segmental revenue and product mix is found in Note B2.

The Group's operations are conducted in Malaysia and Thailand.

**NOTION VTEC BERHAD**

**Company No: - 637546-D**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

**NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)**

**A9. VALUATION OF ASSETS**

There was no revaluation of property, plant and equipment for the quarter under review.

**A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER**

There were no material events between the end of the reporting quarter and the date of announcement.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A12. CONTINGENT LIABILITIES**

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM 122,000,000. The total utilisation of these credit facilities as at 31 December 2018 amounted to approximately RM 69,741,000.

**A13. CAPITAL COMMITMENTS**

|  | <b>As at End of<br/>Current Quarter<br/>31.12.2018<br/><u>RM'000</u></b> |
|--|--|
| Approved and contracted for:               |  |
| -purchase of property, plant and equipment | <u>10,115</u>  |

**A14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Directors of Notion are of the opinion that there is no related party transaction which would have a material impact on the financial position and the business of the Group during the financial quarter.

**NOTION VTEC BERHAD****Company No: - 637546-D****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018****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 63.3 million and RM 2.2 million respectively for the quarter ended 31 December 2018 ("Q1FY2019"). 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 FY2019, the Group recorded revenue of RM 63.3 million (Q4FY2018: RM 70.1 million) and LAT of RM 2.2 million (Q4FY2018: Profit after tax RM 36.5 million) and loss per share of 0.65 sen (Q4FY2018: EPS 10.96 sen). Revenue is 10% lower in the current quarter compared to the preceding quarter is mainly due to drop in sales order and weak USD contributed much to the losses. Other factors include the higher expenses in the amortization of newly acquired machineries, incidental financing cost of these machineries and factory expenses incurred as we recover from the fire incident. The reconstruction of our fire affected Factory is in its final phase and expected to be operational by middle of the year. There is no adjustment for insurance claim in the current quarter as the final tranche of the Material Damage Insurance claim of RM 79 million has been taken up in the preceding quarter, i.e. Q4FY2018. The Business Interruption insurance claim is still in progress and we expect the claim to be finalised in the current financial year.

We started FY2018 with the unexpected fire incident on 20 October 2017 and the effect of it had significantly impacted our operations and quarterly results throughout the whole of FY2018. As reported in our previous quarterly results and Annual Report 2018, the amount of property, plant and equipment and inventories written off amounted to RM 41.1 million and RM 6.8 million, respectively versus the insurance claim of RM 159.4 million received and the related taxation effects. For comparison purposes, the results for Q1FY2019 and Q1FY2018, the events that happened in FY2018 need to be noted. FY2018 results was a year affected by write-offs, impairment losses and insurance claims. The EBITDA for Q1FY2019 was RM 7.5 million compared to RM 62.6 million in Q4FY2018 (preceding year Q1FY2018: loss RM 20.2 million).

**Product mix:**

| <b>REVENUE</b>                    | <b>Individual Quarter</b> |                 |                 | <b>Cumulative Quarter</b> |                 |                 |
|-----------------------------------|---------------------------|-----------------|-----------------|---------------------------|-----------------|-----------------|
|                                   | <b>Q1FY2019</b>           | <b>Q4FY2018</b> | <b>% change</b> | <b>Q1FY2019</b>           | <b>Q1FY2018</b> | <b>% change</b> |
|                                   | <b>RM'000</b>             | <b>RM'000</b>   |                 | <b>RM'000</b>             | <b>RM'000</b>   |                 |
| HDD                               | 31,752                    | 34,396          | - 8%            | 31,752                    | 26,910          | 18%             |
| Automotive                        | 20,322                    | 21,924          | - 7%            | 20,322                    | 17,680          | 15%             |
| <b><u>Engineered Products</u></b> |                           |                 |                 |                           |                 |                 |
| Camera                            | 4,537                     | 6,720           | - 32%           | 4,537                     | 9,125           | - 50%           |
| Others                            | 6,727                     | 7,098           | - 5%            | 6,727                     | 4,573           | 47%             |
| <b>TOTAL</b>                      | <b>63,338</b>             | <b>70,138</b>   | <b>- 10%</b>    | <b>63,338</b>             | <b>58,288</b>   | <b>9%</b>       |

In Q1FY2019, HDD parts revenue recorded RM 31.8 million (Q4FY2018: RM 34.4 million), Automotive RM 20.3 million (Q4FY2018: RM 21.9 million) whilst the Engineered Products' revenue was at RM 11.3 million (Q4FY2018: RM 13.8 million). The product mix for Q1FY2019 was HDD: Automotive: Engineered Products of 50%: 32%: 18% compared to previous quarter's mix of 49%: 31%: 18%. Comparing with FY2018, all sectors posted lower sales which is a result of the current economic situation affecting most business segments of our industry.

**NOTION VTEC BERHAD**

Company No: - 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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

**B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**Business Review and Outlook:

Comparing the results year on year, which also corresponded with the fire affected quarter of Q1FY2018, there is evidence of growth recovery in HDD and Automotive versus a sharp decline of 50% in the Camera segment. The increase in the other Engineered Products was insufficient to replace the decline in Camera sales.

For HDD, we expect increased orders in HDD spacers in the near future and a move to either stainless steel or titanium material for the Enterprise drives. The Auto braking segment will be strong in FY2019.

We saw a sharply lower export orders in December 2018 and likely also slow quarter in Q2FY2019 and delays in the internal renovation, facilities installation work until June 2019, will delay full recovery in the main factory in Klang. The reason for reduction in orders in December 2018 arose from a weak Euro zone as well as the effects of the tariff war.

The cash and cash equivalent of RM 104 million with total bank borrowings of RM 69 million, is comforting. The Group continues to invest in automation and new technology as we get more requests for quotations (RFQ) from many MNCs and expect some of them to turn into significant orders in the coming months.

We are also exploring an opportunity in powdered metal sintering project with machining potential. In good and bad times, we continue to finetune our business model and hopefully some of these seeds will bear fruit.

**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<br>Quarter<br>31.12.2018<br>RM'000 | Preceding Year<br>Corresponding Quarter<br>31.12.2017<br>RM'000 | Current Year<br>To Date<br>30.09.2018<br>RM'000 | Preceding Year<br>To Date<br>30.09.2017<br>RM'000 |
| Company and Subsidiaries                  |   |   |   |   |
| Taxation                                  |   |   |   |   |
| - current                                 | 393   | 7,023   | 393   | 7,023   |
| - (over)/ under provided in<br>prior year | -   | -   | -   | -   |
| Deferred taxation                         | 879   | (4,857)   | 879   | (4,857)   |
|   | <u>1,272</u>                                    | <u>2,166</u>  | <u>1,272</u>                                    | <u>2,166</u>                                      |

The current year tax is mainly attributable to disallowance of certain expenses for taxation.

**B6. STATUS OF CORPORATE PROPOSALS**

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



**NOTION VTEC BERHAD**

Company No: - 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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

**B7. BORROWINGS AND DEBTS SECURITIES**

The Group's borrowings as at 31 December 2018 are as follows:

|   | <u>RM'000</u> |
|---|---------------|
| <b>Long-term</b>  |               |
| Secured   |               |
| Hire purchase and lease payables                                | 33,192        |
| Term loan   | <u>20,665</u> |
|   | <u>53,857</u> |
| <b>Short-term</b>   |               |
| Secured   |               |
| Portion of hire purchase and lease payables due within one year | 7,558         |
| Portion of term loan due within one year                        | 6,765         |
| Unsecured   |               |
| Other short-term borrowings                                     | <u>1,561</u>  |
|   | <u>15,884</u> |
|   | <u>69,741</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. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT**

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

|  | Individual Quarter          |  | Cumulative Quarter          |                             |
|--|-----------------------------|--|-----------------------------|-----------------------------|
|  | Current Year<br>Quarter     | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To Date     | Preceding Year<br>To Date   |
|  | 31.12.2018<br><u>RM'000</u> | 31.12.2017<br><u>RM'000</u>                | 31.12.2018<br><u>RM'000</u> | 31.12.2017<br><u>RM'000</u> |
| a) Interest income   | (563)                       | (510)                                      | (563)                       | (510)                       |
| b) Interest expense  | 1,045                       | 183  | 1,045                       | 183                         |
| c) Depreciation and amortisation                                   | 7,959                       | 6,824                                      | 7,959                       | 6,824                       |
| d) Gain on disposal of property,<br>plant and equipment            | (80)                        | (40)                                       | (80)                        | (40)                        |
| e) Unrealised (Gain)/ Loss on foreign<br>exchange                  | 841                         | (848)                                      | 841                         | (848)                       |
| f) Loss/(Gain) on foreign exchange-realised                        | (1,011)                     | 537  | (1,011)                     | 537                         |
| g) Share-based payments  | -                           | 2,279                                      | -                           | 2,279                       |
| h) Plant and equipment written off                                 | -                           | 40,660                                     | -                           | 40,660                      |
| i) Inventories written off   | -                           | 8,053                                      | -                           | 8,053                       |
| j) Inventories written down  | 1,874                       | -  | 1,874                       | -                           |
| k) Reversal of impairment loss on<br>property, plant and equipment | (1,092)                     | -  | (1,092)                     | -                           |
| l) Loss on fair value adjustment of intangible<br>assets           | 830                         | -  | 830                         | -                           |

**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 PER SHARE**

No dividend has been proposed for the quarter ended 31 December 2018 (Q1FY2018: Nil).

**NOTION VTEC BERHAD**

Company No: - 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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

**B11. EARNINGS PER SHARE**

The earnings/ (loss) per share is calculated by dividing profit attributable to the owners of the Company by the number of ordinary shares in issue.

|  | Individual Quarter  |   | Cumulative Quarter  |   |
|--|---|---|---|---|
|  | Current Year<br>Quarter<br>31.12.2018<br><u>(Unaudited)</u> | Preceding Year<br>Corresponding Quarter<br>31.12.2017<br><u>(Unaudited)</u> | Current Year<br>To Date<br>31.12.2018<br><u>(Unaudited)</u> | Preceding Year<br>To Date<br>31.12.2017<br><u>(Unaudited)</u> |
| Loss attributable to owners<br>of the Company (RM'000) | (2,169)   | (28,908)  | (2,169)   | (28,908)  |
| Number of ordinary shares in issue<br>(‘000)           | 333,147   | 330,634   | 333,147   | 330,634   |
| Loss per share (sen)                                   | <u>(0.65)</u>   | <u>(8.74)</u>   | <u>(0.65)</u>   | <u>(8.74)</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 26 February 2019.

**By Order of the Board**

Petaling Jaya

26 February 2019