

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year To Date 31.03.2019 RM'000
Revenue	62,316	53,057	132,655	116,395
Cost of Sales	<u>(58,267)</u>	<u>(48,920)</u>	<u>(113,911)</u>	<u>(103,606)</u>
Gross Profit	4,049	4,137	18,744	12,789
Other Operating Income	4,534	2,205	20,582	6,580
Operating Expenses	<u>(10,999)</u>	<u>(9,650)</u>	<u>(22,842)</u>	<u>(22,479)</u>
Operating Income/ (Loss)	(2,416)	(3,308)	16,484	(3,110)
Finance Costs	<u>(1,124)</u>	<u>(1,245)</u>	<u>(2,258)</u>	<u>(2,340)</u>
Profit/ (Loss) before taxation	(3,540)	(4,553)	14,226	(5,450)
Tax Income/ (Expense)	<u>(217)</u>	<u>362</u>	<u>(3,817)</u>	<u>(910)</u>
Profit/ (Loss) after taxation	(3,757)	(4,191)	10,409	(6,360)
Other Comprehensive income/ (expense)				
-currency translation differences	(2,146)	1,275	(4,314)	(270)
-fair value changes of intangible assets	-	-	(890)	-
Total comprehensive income/ (expense) for the financial period	<u>(5,903)</u>	<u>(2,916)</u>	<u>5,205</u>	<u>(6,630)</u>
Profit/ (Loss) after taxation attributable to:				
-Owners of the Company	(3,757)	(4,191)	10,409	(6,360)
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(3,757)</u>	<u>(4,191)</u>	<u>10,409</u>	<u>(6,360)</u>
Total comprehensive income/ (expense) for the financial period attributable to:				
-Owners of the Company	(5,903)	(2,916)	5,205	(6,630)
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(5,903)</u>	<u>(2,916)</u>	<u>5,205</u>	<u>(6,630)</u>
Earnings/ (Loss) Per Share (sen)	<u>(1.12)</u>	<u>(1.26)</u>	<u>3.09</u>	<u>(1.91)</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No. 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at End of Current Quarter 31.03.2020 RM'000	As at Preceding Year Ended 30.09.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	323,464	328,709
Intangible Assets	3,658	4,609
	<u>327,122</u>	<u>333,318</u>
Current assets		
Inventories	43,581	44,074
Trade receivables	71,856	64,934
Other receivables and prepayments	24,822	7,459
Current tax assets	11,751	9,727
Cash and cash equivalents	55,800	68,834
	<u>207,810</u>	<u>195,028</u>
Total assets	<u>534,932</u>	<u>528,346</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	202,393	200,023
Share Option Reserve	1,639	2,416
Currency Translation Reserve	9,089	13,403
Capital Reserve	4,800	4,800
Revaluation Reserve	62	952
Retained Profits	201,463	194,411
Equity attributable to owners of the Company	<u>419,446</u>	<u>416,005</u>
Non-controlling Interests	-	-
Total equity	<u>419,446</u>	<u>416,005</u>
Non-current liabilities		
Loans and borrowings	49,075	52,609
Retirement Benefits	517	537
Deferred Tax Liabilities	13,444	12,099
Deferred Income Government Grant	5,164	2,618
	<u>68,200</u>	<u>67,863</u>
Current Liabilities		
Loans and borrowings	16,403	13,345
Trade payables	10,182	10,493
Other payables	20,701	20,486
Dividend payable	-	-
Current Tax Liabilities	-	154
	<u>47,286</u>	<u>44,478</u>
Total Liabilities	<u>115,486</u>	<u>112,341</u>
TOTAL EQUITY AND LIABILITIES	<u>534,932</u>	<u>528,346</u>
Net assets per ordinary share (RM)	1.2460	1.2486

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the parent-----→						Total Equity
	Share Capital	Share Option Reserve	←-----Non-distributable-----→		Revaluation Reserve	Retained Profits	
			Currency Translation Reserve	Capital Reserve			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 months ended 31 March 2020							
Balance as at 1 October 2019	200,023	2,416	13,403	4,800	952	194,411	416,005
Profit after taxation	-	-	-	-	-	10,409	10,409
Fair value changes of intangible assets	-	-	-	-	(890)	-	(890)
Currency translation differences	-	-	(4,314)	-	-	-	(4,314)
Issuance of shares pursuant to ESOS	2,370	(777)	-	-	-	-	1,593
Interim single tier tax-exempt dividend of 1 sen per share payable on 15 January 2020 in respect of financial year ended 30 September 2019	-	-	-	-	-	(3,357)	(3,357)
Balance as at 31 March 2020	202,393	1,639	9,089	4,800	62	201,463	419,446
6 months ended 31 March 2019							
Balance as at 1 October 2018	199,791	2,492	11,551	4,800	-	190,199	408,833
Loss after taxation	-	-	-	-	-	(6,360)	(6,360)
Currency translation differences	-	-	(270)	-	-	-	(270)
Issuance of shares	155	-	-	-	-	-	155
Interim single tier tax exempt dividend of 1 sen per share paid on 17 January 2019 in respect of financial year ended 30 September 2018	-	-	-	-	-	(3,331)	(3,331)
Balance as at 31 March 2019	199,946	2,492	11,281	4,800	-	180,508	399,027

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 31.03.2020 RM'000	Preceding Year-To-Date 31.03.2019 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	14,226	(5,450)
Adjustments for:		
Amortization of deferred income on government grant	(21)	(47)
Depreciation of property, plant and equipment	15,574	16,253
Gain on disposal of plant and equipment	(66)	(211)
Interest expense	2,156	2,227
Interest income	(735)	(1,261)
Inventories written down	-	3,279
Loss on fair value adjustment of intangible assets	-	634
Reversal of inventories written down	(97)	-
Reversal of impairment loss on plant and equipment	(268)	(1,246)
Unrealised (gain)/ loss on foreign currency translation	(99)	611
Operating profit before working capital changes	30,670	14,789
(Increase)/ Decrease in inventories	590	(10,367)
(Increase)/ Decrease in trade and other receivables	(22,339)	91,181
Decrease in trade and other payables	(276)	(18,447)
CASH FROM OPERATIONS	8,645	77,156
Interest paid	(2,156)	(2,201)
Tax refunded	530	141
Tax paid	(5,176)	(8,445)
NET CASH FROM OPERATING ACTIVITIES	1,843	66,651
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Interest received	735	1,261
Proceeds from disposal of plant and equipment	820	2,479
Purchase of property, plant and equipment	(13,599)	(42,581)
Grant received	2,567	2,805
NET CASH FOR INVESTING ACTIVITIES	(9,477)	(36,036)
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,593	155
Drawdown of hire purchase	6,239	30,503
Repayment of hire-purchase and lease obligations	(4,063)	(3,470)
Drawdown of term loan	-	5,414
Repayment of term loan	(2,651)	(2,961)
Repayment of short-term borrowings	-	(3,135)
Repayment to a director	-	(2,853)
Dividend paid	(3,357)	(3,331)
NET CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES	(2,239)	20,322
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,873)	50,937
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	68,834	41,864
Currency translation differences – subsidiaries	(3,161)	97
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	55,800	92,898

Note (A)

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

Short term deposits with licensed banks	29,456	73,897
Cash and bank balances	26,344	19,001
	55,800	92,898

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD**Registration No. 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020****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 2019.

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 2019.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2019 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 March 2020, 182,600 and 736,300 new ordinary shares were issued and allotted pursuant to the exercise of the ESOS at an exercise price of RM 0.80 and RM 0.44 respectively, details of the issued and paid-up capital of the Company are as follows:

	No of shares	RM
As at 31 December 2019	335,728,353	201,698,220
Ordinary shares issued pursuant to the ESOS 182,600 @ RM 0.80	182,600	146,080
Ordinary shares issued pursuant to the ESOS 736,300 @ RM 0.44	736,300	323,972
Total no.of shares issued and proceeds from the issuance of shares during the quarter	918,900	470,052
Transfer from Share Option Reserve 182,600 @ RM 0.3557	-	64,951
Transfer from Share Option Reserve 736,300 @ RM 0.2165	-	159,409
Total amount transfer from Share Option reserve during the quarter	-	224,360
As at 31 March 2020	336,647,253	202,392,632

As at 31 March 2020, there are 6,445,900 outstanding ESOS Options (comprising of 1,749,400 ESOS Options which were offered on 27 February 2017 at an exercise price of RM 0.80 per Share and 4,696,500 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 save for that mentioned in Note B6.

A7. DIVIDEND PAID

The Board has on 26 November 2019, 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 2019, which was paid on 15 January 2020.

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NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)

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.

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 saved for that mentioned in Note B6.

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 134,400,000. The total utilisation of these credit facilities as at 31 March 2020 amounted to approximately RM 65,478,000.

A13. CAPITAL COMMITMENTS

	As at End of Current Quarter 31.03.2020 <u>RM'000</u>
Approved and contracted for:	
-purchase of property, plant and equipment	<u>7,916</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**Registration No. 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020****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 62.3 million and RM 3.8 million respectively for the quarter ended 31 March 2020 ("Q2FY2020"). Refer Notes B2 and B3 below for a detailed review of the Group's performance.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**Financials:**

For Q2 of FY2020, the Group recorded revenue of RM 62.3 million (Q1FY2020: RM 70.3 million) and LAT of RM 3.8 million (Q1FY2020: Profit after tax RM 14.2 million) and loss per share of 1.12 sen (Q1FY2020: EPS 4.22 sen). The loss in Q2FY2020 is mainly attributable to the lower revenue arising from the COVID 19 pandemic which caused disruption to businesses globally.

Product mix:

REVENUE	Individual Quarter			Cumulative Quarter		
	Q2FY2020	Q1FY2020	% change	Q2FY2020	Q2FY2019	% change
	RM'000	RM'000		RM'000	RM'000	
HDD	24,927	27,652	-10%	52,579	51,629	2%
Automotive	22,489	25,430	-12%	47,918	44,656	7%
Engineered Products						
Camera	3,037	5,016	-39%	8,053	7,271	11%
Electronic Manufacturing Services (EMS) & Others	11,863	12,241	- 3%	24,105	12,839	88%
TOTAL	62,316	70,339	-11%	132,655	116,395	14%

In Q2FY2020, HDD parts revenue recorded RM 24.9 million (Q1FY2020: RM 27.6 million), Automotive RM 22.5 million (Q1FY2020: RM 25.4 million) whilst the Engineered Products' revenue was at RM 14.9 million (Q1FY2020: RM 17.3 million). The product mix for Q2FY2020 was HDD: Automotive: Engineered Products of 40%: 36%: 24% compared to previous quarter's mix of 39%: 36%: 25%.

The EBITDA for Q2FY2020 was RM 4.9 million compared to RM 26.3 million in Q1FY2020 (preceding year Q2FY2020: RM 4.3 million).

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

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Q2 FY2020: Business Outlook:

What happened in Q2 was not unexpected as Wuhan started the lockdown in Jan 2020 and as China went into pre Lunar New Year holidays and subsequent national lockdown due to Covid-19 outbreak and followed by transmission of the virus globally resulting in a pandemic of a global proportion last experienced during the Spanish Flu pandemic of 1918 to 1920.

Chinese manufacturers form the largest hub of supply chain for the Electrical & Electronics sector besides other important industrial and metals sectors. Once this supply chain was disrupted, there was utter chaos and immediate global search for alternative sources and change of suppliers from other hubs but the delays and capacity to replace this vital Chinese supply chain was an impossible task.

The missing of a component or a surface treatment process or delays in shipment or inadequate inventories by any supplier to the final assembler will result in an incomplete production of the end product. Even if you have the capacity to manufacture a certain component but a disruption of other suppliers can cause your components to be held back.

A public health issue has become an economic challenge as every affected country began to shut its borders and locked down with social distancing and personal healthcare becoming priority over economic activities deemed able to transmit the virus.

Compared to previous quarter, HDD was down 10%, Automotive down 12%, Camera down 39% and EMS down 3% resulting on overall sales down 11%. All sectors were negatively affected even though internet usage surged which means data storage in HDD will benefit but disruption by suppliers and the MCO lockdown took effect on production due to limited capacity allowed and in some cases no work for a period of time.

The lower scale of production and sales with a lower gross profit was not sufficient to cover the other Overheads and Selling & Administration cost resulting in a loss of RM 3.8 million.

Outlook for Q3 (April – June):

April and May months performance is sharply down due to the extended MCO and only the HDD sector held up well but we expect June to recover from both Automotive and EMS sectors albeit at a lower level. The safety of our workers, staff and management took centre stage as we implemented work from home for non-essential personnel, temperature checking, sanitizing of hands, periodic disinfection and social distancing.

Q3 results will be negative reflecting the true state of business disruption.

Outlook for Q4 (July-Sept):

We do not know how long this pandemic will last and whether there will be subsequent waves and when a cure and a vaccine is made available. Most reports do indicate a period of 12 to 18 months to realistically get a tested and approved vaccine ready. Although Europe and USA have started to reopen after a long lockdown, it is still not back to normal pre-Covid time and the recovery can be prolonged and challenged by further flareups of the pandemic. The good thing is China has reopened earlier and the virus seems well under control and the supply chain has recovered.

But the shutting of borders, quarantine of 14 days, limited air travel and fear of catching the virus continues to bear on every country and its economic health.

Health consciousness, use of face mask, social distancing and hand washing have become a global trend.

New Paradigm Shift:

The Group has after much brain storming, decided in March to make a strategic move into the Healthcare sector in production of surgical/medical face mask, production of the face mask filter barrier, PP polypropylene meltblown (MB) fabric and later the inner and outer layers of face mask, PP polypropylene spunbond (SB) fabric and also the PP resins needed for the fabric production.

The business will kickstart in the month of June and gradually increase in scale as we develop the market and iron out the kinks of manufacture.

The Group will provide the new guidance for FY2020 and 2021 in the next quarter when the production and business is made clearer.

The total investment thus far is RM7.5 million in capex with 4 lines of face mask production of output 10 million face mask per month, 5 lines of PP MB production of 50 tons each month which is sufficient for 50 million face mask production a month. The excess of PP MB will be sold to other face mask makers locally and overseas. We have not yet invested in PP SB machinery as yet but soon.

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

To have an idea of the sales value of these new products, the face mask selling price is assumed at RM1 a piece and the PP MB selling price at USD50,000 or RM215,000 a ton.

Finally, barring any unforeseen circumstances, the Board is cautiously optimistic that FY2020 will end up profitable once the new business grows. The Group is still in the metals business and developing new products in EMS as well as HDD, Automotive and using extrusion technology to further add depth to the engineering capabilities while awaiting the full recovery of the global markets.

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 Quarter 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year To Date 31.03.2019 RM'000
Company and Subsidiaries				
Taxation				
- current	(1,043)	264	2,431	657
- under/ (over) provision in prior year	-	-	-	-
Deferred taxation (income)/ expense	1,260	(626)	1,386	253
	<u>217</u>	<u>(362)</u>	<u>3,817</u>	<u>910</u>

The reconciling difference between the applicable tax rate, which is the statutory income tax rate and the effective tax rate is mainly attributable to the utilisation of tax credits brought forward from prior year.

B6. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but pending completion as at the date of this report save for the following:-

As announced on 16 January 2020, the Company proposes to undertake a Proposed Bonus Issue of up to 188,078,269 new ordinary shares in NVB ("Bonus Issue") on the basis of 1 Bonus Share for every 2 existing ordinary share in NVB ("Shares") held on an entitlement date to be determined and announced later ("Proposed Bonus Issue").

The Bonus Issue has been completed following the listing of and quotation for the following on the Main Market of Bursa Securities on 18 May 2020.

- i) 168,325,033 Bonus Shares pursuant to the Bonus Issue; and
- ii) 16,529,337 additional Warrant-C arising from the Adjustments made pursuant to the Bonus Issue.

B7. BORROWINGS AND DEBTS SECURITIES

The Group's borrowings as at 31 March 2020 are as follows:

	<u>RM'000</u>
Long-term	
Secured	
Hire purchase and lease payables	28,320
Term loan	<u>20,755</u>
	<u>49,075</u>
Short-term	
Secured	
Portion of hire purchase and lease payables due within one year	9,495
Portion of term loan due within one year	6,908
Unsecured	
Other short-term borrowings	-
	<u>16,403</u>
	<u>65,478</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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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		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	To Date
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
i) Depreciation and amortisation	7,776	8,294	15,574	16,253
ii) Interest expense	1,063	1,182	2,156	2,227
iii) Inventories written down	-	1,405	-	3,279
iv) Loss/ (Gain) on fair value adjustment of intangible assets	-	(196)	-	634
v) Unrealised loss/ (gain) on foreign exchange (928)	-	(272)	(99)	611
vi) Amortization of deferred income on government grant	(61)	(47)	(21)	(47)
vii) Gain on disposal of property, plant and equipment	(29)	(131)	(66)	(211)
viii) Insurance claims income	-	-	(12,217)	-
ix) Interest income	(349)	(698)	(735)	(1,261)
x) Realised (Gain)/ Loss on foreign exchange	(808)	325	(2,621)	(727)
xi) Reversal of impairment loss on property, plant and equipment	-	(154)	(268)	(1,246)
xii) Reversal of inventories written down	(85)	-	(97)	-

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 save for the following:

The Company had announced that AXA Affin General Insurance Berhad ("AXA") had made a payment on account (interim claim payment) of RM 10,000,000.00 for the Business Interruption claims, and subsequently the Company announced that AXA had made a full and final offer in the sum of RM 22,216,549.00 to settle the claims, but the offer was not agreed as full and final settlement by the wholly-owned subsidiaries of the Company, Notion Venture Sdn Bhd ("NVSB"), Kaiten Precision (M) Sdn Bhd ("KPSB") and Autic Mekki Sdn Bhd ("AMSB").

NVSB, KPSB and AMSB had, on 13 March 2020 filed a Writ of Summons ("the Writ") and Statement of Claim ("SOC") for due service on AXA and two other co-insurers, QBE Insurance (Malaysia) Berhad ("QBE") and MSIG Insurance (Malaysia) Berhad ("MSIG") through their solicitors in relation to a claim on an additional payment on account of RM 12,216,549.00 which AXA, QBE and MSIG have refused to pay in the instance of the offer not being accepted as full and final settlement.

NVSB, KPSB and AMSB have via the SOC, sought the following claims in the proportion of 55% from AXA, 35% from QBE and 15% from MSIG:-

- 1) The sum of RM 12,216,549.00 under the Business Interruption Loss;
- 2) Interest at 5% per annum on the sum of RM 12,216,549.00 calculated from 20 October 2017 (date of the fire incident) till full settlement.
- 3) Costs; and
- 4) Other reliefs which the Honourable Court deems fit and proper.

B10. DIVIDENDS PER SHARE

No dividend has been proposed for the quarter ended 31 March 2020 (Q2FY2019: Nil).

NOTION VTEC BERHAD

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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 Quarter 31.03.2020 <u>(Unaudited)</u>	Preceding Year Corresponding Quarter 31.03.2019 <u>(Unaudited)</u>	Current Year To Date 31.03.2020 <u>(Unaudited)</u>	Preceding Year To Date 31.03.2019 <u>(Unaudited)</u>
Profit/ (Loss) attributable to owners of the Company (RM'000)	(3,757)	(4,191)	10,409	(6,360)
Number of ordinary shares in issue (‘000)	336,647	333,176	336,647	333,176
Earnings/ (Loss) per share (sen)	<u>(1.12)</u>	<u>(1.26)</u>	<u>3.09</u>	<u>(1.91)</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 3 June 2020.

By Order of the Board

Petaling Jaya

3 June 2020