

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2021 RM'000	Preceding Year To Date 31.03.2020 RM'000
Revenue	84,613	62,316	149,957	132,655
Cost of Sales	<u>(67,457)</u>	<u>(58,267)</u>	<u>(118,004)</u>	<u>(113,911)</u>
Gross Profit	17,156	4,049	31,953	18,744
Other Operating Income	354	4,534	2,349	20,582
Operating Expenses	<u>(12,488)</u>	<u>(10,999)</u>	<u>(25,131)</u>	<u>(22,842)</u>
Operating Income/ (Loss)	5,022	(2,416)	9,171	16,484
Finance Costs	<u>(1,181)</u>	<u>(1,124)</u>	<u>(2,240)</u>	<u>(2,258)</u>
Profit/ (Loss) before taxation	3,841	(3,540)	6,931	14,226
Tax Expense	<u>(684)</u>	<u>(217)</u>	<u>(747)</u>	<u>(3,817)</u>
Profit/ (Loss) after taxation	3,157	(3,757)	6,184	10,409
Other Comprehensive income/ (expense)				
-currency translation differences	1,726	(2,146)	1,851	(4,314)
-fair value changes of intangible assets	(2,236)	-	1,007	(890)
Total comprehensive income/ (expense) for the financial period	<u>2,647</u>	<u>(5,903)</u>	<u>9,042</u>	<u>5,205</u>
Profit/ (Loss) after taxation attributable to:				
-Owners of the Company	3,157	(3,757)	6,184	10,409
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,157</u>	<u>(3,757)</u>	<u>6,184</u>	<u>10,409</u>
Total comprehensive income for the financial period attributable to:				
-Owners of the Company	2,647	(5,903)	9,042	5,205
-Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,647</u>	<u>(5,903)</u>	<u>9,042</u>	<u>5,205</u>
Earnings/ (Loss) Per Share (sen)	<u>0.61</u>	<u>(0.74) ^</u>	<u>1.20</u>	<u>2.06 ^</u>
Proposed/ Declared Dividend Per Share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

^ Restated to reflect the Bonus Issue

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31.03.2021 RM'000	As at Preceding Year Ended 30.09.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	315,610	290,141
Right-of-use assets	46,549	47,675
Intangible Assets	-	5,931
	<u>362,159</u>	<u>343,747</u>
Current assets		
Inventories	79,406	46,913
Trade receivables	78,437	70,542
Other receivables and prepayments	18,522	11,820
Current tax assets	11,327	10,971
Cash and cash equivalents	<u>33,280</u>	<u>82,712</u>
	<u>220,972</u>	<u>222,958</u>
Total assets	<u>583,131</u>	<u>566,705</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	210,992	208,850
Share Option Reserve	4,995	5,630
Currency Translation Reserve	10,223	8,372
Capital Reserve	4,800	4,800
Revaluation Reserve	-	1,960
Retained Profits	<u>206,813</u>	<u>197,662</u>
Equity attributable to owners of the Company	<u>437,823</u>	<u>427,274</u>
Non-controlling Interests	-	-
Total equity	<u>437,823</u>	<u>427,274</u>
Non-current liabilities		
Loans and borrowings	37,244	46,467
Lease Liabilities	3,304	-
Retirement Benefits	632	627
Deferred Tax Liabilities	8,893	8,622
Deferred Income Government Grant	<u>4,875</u>	<u>5,019</u>
	<u>54,948</u>	<u>60,735</u>
Current Liabilities		
Loans and borrowings	34,517	17,800
Lease Liabilities	333	-
Trade payables	15,295	9,493
Other payables	40,214	51,036
Current Tax Liabilities	-	367
	<u>90,359</u>	<u>78,696</u>
Total Liabilities	<u>145,307</u>	<u>139,431</u>
TOTAL EQUITY AND LIABILITIES	<u>583,130</u>	<u>566,705</u>
Net assets per ordinary share (RM)	<u>0.8493</u>	<u>0.8328</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the parent-----→						Total Equity
	Share Capital	Share Option Reserve	←-----Non-distributable-----→		←-Distributable-→		
			Currency Translation Reserve	Capital Reserve	Revaluation Reserve	Retained Profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 months ended 31 March 2021							
Balance at 1 October 2020	208,850	5,630	8,372	4,800	1,960	197,662	427,274
Profit after taxation	-	-	-	-	-	6,184	6,184
Fair value changes of intangible assets	-	-	-	-	1,007	-	1,007
Realisation of revaluation reserve	-	-	-	-	(2,967)	2,967	-
Currency translation differences	-	-	1,851	-	-	-	1,851
Issuance of shares	2,142	(635)	-	-	-	-	1,507
Balance at 31 March 2021	210,992	4,995	10,223	4,800	-	206,813	437,823
6 months ended 31 March 2020							
Balance 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	2,370	(777)	-	-	-	-	1,593
Interim single tier tax exempt dividend of 1 sen per share paid on 15 January 2020 in respect of financial year ended 30 September 2019	-	-	-	-	-	(3,357)	(3,357)
Balance at 31 March 2020	202,393	1,639	9,089	4,800	62	201,463	419,446

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-To-Date 31.03.2021 RM'000	Preceding Year-To-Date 31.03.2020 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit before taxation	6,931	14,226
Adjustments for:		
Amortization of deferred income on government grant	(144)	(21)
Depreciation of property, plant and equipment	16,644	15,574
Gain on disposal of plant and equipment	(388)	(66)
Insurance claims	(85)	-
Interest expense	1,917	2,156
Interest income	(188)	(735)
Inventories written down	(19)	-
Gain on fair value adjustment of intangible assets	(114)	-
Reversal of inventories written down	-	(97)
Reversal of impairment loss on plant and equipment	-	(268)
Unrealised (gain)/ loss on foreign currency translation	(368)	(99)
Operating profit before working capital changes	24,186	30,670
(Increase)/ Decrease in inventories	(31,199)	590
(Increase)/ Decrease in trade and other receivables	(15,412)	(22,339)
Increase/ (Decrease) in trade and other payables	(4,745)	(276)
CASH FROM/ (FOR) OPERATIONS	(27,170)	8,645
Interest paid	(1,848)	(2,156)
Tax paid	(1,525)	(4,646)
NET CASH FROM/ (FOR) OPERATING ACTIVITIES	(30,543)	1,843
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Decrease in intangible assets	7,051	-
Grant received	-	2,567
Interest received	188	735
Insurance claims received	85	-
Proceeds from disposal of plant and equipment	889	820
Purchase of property, plant and equipment	(39,592)	(13,599)
NET CASH FOR INVESTING ACTIVITIES	(31,379)	(9,477)
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,507	1,593
Drawdown of hire-purchase	-	6,239
Repayment of hire-purchase and lease obligations	(5,677)	(4,063)
Repayment of term loan	(2,834)	(2,651)
Increase in of short-term loans and borrowings	17,000	-
Dividend paid	-	(3,357)
NET CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES	9,996	(2,239)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(51,926)	(9,873)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	84,660	68,834
Currency translation differences – subsidiaries	546	(3,161)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	33,280	55,800
Note (A)		
Cash and cash equivalents at the end of the period comprise the following:		
Short term deposits with licensed banks	2,871	29,456
Cash and bank balances	30,409	26,344
	33,280	55,800

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD (“Notion” or “The Company”)**Registration No: - 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021****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 2020.

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 2020.

A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements of the Group for the FYE 30 September 2020 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 2021, 450,116 new ordinary shares were issued and allotted as follows: -

	No.of shares	RM
As at 31 December 2020	515,033,586	210,632,365
Ordinary shares issued pursuant to the ESOS 32,490 @ RM 0.53	32,490	17,220
Ordinary shares issued pursuant to the ESOS 127,926 @ RM 0.29	127,926	37,099
Ordinary shares issued pursuant to the ESOS 289,700 @ RM 0.68	289,700	196,996
Total issuance of shares during the quarter	450,116	251,315
Transfer from Share Option Reserve 32,490 @ RM 0.2371	-	7,703
Transfer from Share Option Reserve 127,926 @ RM 0.1443	-	18,460
Transfer from Share Option Reserve 289,700 @ RM 0.282475	-	81,833
Total transferred from Share Option Reserve during the quarter	-	107,995
As at 31 March 2021	515,483,702	210,991,674

As at 31 March 2021, the total number of unexercised ESOS Options are as follows: -

Date of offer ESOS Options	Option Price (RM)	Total no.of unexercised ESOS Options
27/2/2017	0.53	1,625,650
12/12/2017	0.29	3,967,633
28/5/2020	0.68	13,859,100
	TOTAL	19,452,383

As at 31 March 2021, the number of Warrant-C in issue is 49,588,723 with an exercise price of RM 0.56.

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.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)

A7. DIVIDEND PAID

No dividend was paid during the quarter under review.

A8. SEGMENTAL INFORMATION

The Group is primarily engaged in four business segment which is in the design and volume production of high precision metal manufacturing of hard disk drive (“HDD”), automotive industries’ components, electronic manufacturing services (“EMS”) and health care products. Breakdown of segmental revenue and product mix is 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

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review saved for the following: -

As announced on 4 March 2021, the Company has incorporated a wholly owned subsidiary known as Notion Pacific Ltd in the United Arab Emirates under Ras Al Khaimah International Corporate Centre Business Companies Regulations 2018 with an initial paid up capital of USD 10,000 comprising 10,000 ordinary shares of USD 1.00 each.

The proposed principal activity is to trade metals and metal ores and sales of Liquefied Natural Gas (LNG) and other energy products in the international market.

As at date of report, Notion Pacific Ltd is dormant.

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 196,966,500. The total utilisation of these credit facilities as at 31 March 2021 amounted to approximately RM 71,760,000.

A13. CAPITAL COMMITMENTS

	As at End of Current Quarter
	31.03.2021
	<u>RM'000</u>
Approved and contracted for:	
-purchase of property, plant and equipment	<u>23,805</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 (“Notion” or “The Company”)**Registration No: - 200301035125 (637546-D)****UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021****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 RM 84.6 million and RM 3.2 million respectively for the quarter ended 31 March 2021 (“Q2FY2021”). 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 FY2021, the Group recorded revenue of RM 84.6 million (Q1FY2021: RM 65.3 million) and PAT of RM 3.2 million (Q1FY2021: RM 3.0 million) and earnings per share of 0.61 sen (Q1FY2021: 0.59 sen). Comparing with Q1FY2021, all segments posted positive sales in particular Personal Protective Equipment (“PPE”) segment which posted 138% growth generated from our trade of gloves. PAT is flattish compared with the immediate preceding quarter due to startup expenses of our glove production lines. The first two lines started production in May 2021 and July 2021, respectively and with the sales of our own produce, we shall see better contribution to bottom line from Q4FY2021. The other segments like HDD and Automotive remain stable and on the road to recovery but are still below pre pandemic levels.

Product mix:

REVENUE	Individual Quarter			Cumulative Quarter		
	Q2FY2021	Q1FY2021	% change	Q2FY2021	Q2FY2020	% change
	RM’000	RM’000		RM’000	RM’000	
HDD	23,827	21,283	12%	45,110	52,579	-14%
Automotive	24,610	21,071	17%	45,681	47,918	-5%
Engineered Products						
Camera	3,471	2,007	73%	5,478	8,053	-32%
EMS & Others	18,728	15,100	24%	33,828	23,378	45%
PPE	13,976	5,883	138%	19,860	-	-
TOTAL	84,612	65,344	29%	149,957	131,928	14%

In Q2FY2021, HDD parts revenue recorded RM 23.8 million (Q1FY2021: RM 21.3 million), Automotive RM 24.6 million (Q1FY2021: RM 21.1 million) whilst the Engineered Products’ revenue was at RM 22.2 million (Q1FY2021: RM 17.1 million) and PPE RM 14.0 million (Q1FY2021: RM 5.9 million). The product mix for Q2FY2021 was HDD: Automotive: Engineered Products: PPE of 28%: 29%: 26%: 17% compared to previous quarter’s mix of 33%: 32%: 26%: 9%. PPE is expected to be a major contributor to the Group performance in the coming quarters.

The EBITDA for Q2FY2021 was RM 12.9 million compared to RM 12.4 million in Q1FY2021 (preceding year Q2FY2020: RM 4.95 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 FY2021: Business Review and Outlook:

1. All sectors gained in sales revenue quarter on quarter especially camera, EMS and PPE rose by 73%, 24% and 138% respectively. The quarter Q2 rose in revenue to RM84.6 million from previous RM65.3 million.
2. Gross Profit was RM17.2 million (20% GP margin) but Operational Expenses were higher at RM12.5 million mainly due to startup costs of new glove lines and CNY expenses.
3. EBITDA in Q2 remained steady at RM12.9 million compared to previous RM12.4 million.
4. The capital expenditure for the new glove lines amounted to RM54 million, mainly funded from internal resources. We are in the process of applying to banks to finance for the balance and for working capital requirements. Our cash position as at end of Q2 was RM33.3 million compared to RM55.8 million for the previous quarter.

5. mil	Q2FY2021	Q2FY2020	Improvement
PBT	3.8	(3.5)	7.3
PAT	3.1	(3.7)	6.8

Both PBT and PAT improved by RM7.3 million and RM6.8 million respectively compared to Q2FY2020 due to higher revenue sales.

6. Status of new Glove Lines:
The 1st line was operational since 1 June 2021 and 2nd line is starting in July and 3rd line in August 2021 with each line target at 20 million gloves per line per month.

The 4th to 6th lines is currently work in progress and expected to be operational from September to November.

7. Trading of Gloves Status:
Despite of some aborted deals, we have completed partial deliveries and are working on orders to fulfil up to 2 million boxes (100 pieces per box) to European customers by Q4FY2021.

We are working on longer-term contracts and will only announce at appropriate time of certainty and agreements signed.

Overall, the nitrile glove business is expected to contribute positively to the Group for the next few years even though competition is high and Average Selling Price (“ASP”) may taper off.

8. The Board is of the opinion that this pandemic will last longer than what is expected due to new infectious variants and delays and disparity in global vaccination process and hence, we are confident that the PPE business is sustainable in the middle term.
9. Hence, the Board is optimistic that our performance will be better for the remaining quarters of FY2021 and beyond, barring any unforeseen circumstances.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

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
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Tax based on results for the year				
- Current tax	306	(1,043)	476	2,431
- Deferred tax	378	1,260	271	1,386
	<u>684</u>	<u>217</u>	<u>747</u>	<u>3,817</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 allowances brought forward.

B6. STATUS OF CORPORATE PROPOSALS

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

B7. BORROWINGS AND DEBTS SECURITIES

The Group's borrowings as at 31 March 2021 are as follows:

	<u>RM'000</u>
Long-term	
Secured	
Hire purchase and lease payables	19,765
Term loan	<u>17,479</u>
	<u>37,244</u>
Short-term	
Secured	
Portion of hire purchase and lease payables due within one year	10,609
Portion of term loan due within one year	6,908
Unsecured	
Other short-term borrowings	<u>17,000</u>
	<u>34,517</u>
	<u>71,761</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
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
i) Depreciation and amortisation	8,351	7,776	16,644	15,574
ii) Interest expense	825	1,063	1,917	2,156
iii) Gain on fair value adjustment of intangible assets	-	-	(114)	-
iv) Unrealised gain on foreign exchange	(328)	(928)	(368)	(99)
v) Amortization of deferred income on government grant	(72)	(61)	(144)	(21)
vi) Loss/ (gain) on disposal of property, plant and equipment	55	(29)	(388)	(66)
vii) Insurance claims income	-	-	(85)	(12,217)
viii) Interest income	(70)	(349)	(188)	(735)
ix) Realised (gain)/ loss on foreign exchange	254	(808)	501	(2,621)
x) Reversal of impairment loss on property, plant and equipment	-	-	-	(268)
xi) Reversal of inventories written down	(22)	(85)	(22)	(97)
xii) Inventories written down	22	-	22	-

B9. MATERIAL LITIGATION

There were 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.

On 27 July 2020, the Court has granted a stay of proceedings for the defendants and the case be referred to arbitration. On 29 January 2021, the hearing dates have been fixed on 12 October to 15 October 2021 and 18 October 2021.

B10. DIVIDENDS PER SHARE

No dividend has been proposed for the quarter ended 31 March 2021 (Q2FY2020: Nil).

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

Registration No: - 200301035125 (637546-D)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

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

B11. EARNINGS PER SHARE

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2021 <u>(Unaudited)</u>	Preceding Year Corresponding Quarter 31.03.2020 <u>(Unaudited)</u>	Current Year To Date 31.03.2021 <u>(Unaudited)</u>	Preceding Year To Date 31.03.2020 <u>(Unaudited)</u>
Profit/ (Loss) attributable to owners of the Company (RM'000)	3,157	(3,757)	6,184	10,409
Based on the weighted average number of ordinary shares in issue ('000)	515,484	504,971	515,484	504,971
Earnings/ (Loss) per share (sen)	<u>0.61</u>	<u>(0.74) ^</u>	<u>1.20</u>	<u>2.06 ^</u>

^ Restated to reflect the 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 29 June 2021.

By Order of the Board

Petaling Jaya
29 June 2021