

NOTION VTEC BERHAD
Company No: - 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|---|---|
| | Current Year Quarter 31.12.2015 RM'000 | Preceding Year Corresponding Quarter 31.12.2014 RM'000 | Current Year To Date 31.12.2015 RM'000 | Preceding Year To Date 31.12.2014 RM'000 |
| Revenue | 61,053 | 58,251 | 61,053 | 58,251 |
| Cost of Sales | <u>(49,105)</u> | <u>(43,408)</u> | <u>(49,105)</u> | <u>(43,408)</u> |
| Gross Profit | 11,948 | 14,843 | 11,948 | 14,843 |
| Other Operating Income | 8,908 | 6,313 | 8,908 | 6,313 |
| Operating Expenses | <u>(16,384)</u> | <u>(10,935)</u> | <u>(16,384)</u> | <u>(10,935)</u> |
| Operating Income | 4,472 | 10,221 | 4,472 | 10,221 |
| Derivative Gain/ (Loss) | 2,841 | (17,037) | 2,841 | (17,037) |
| Finance Costs | <u>(601)</u> | <u>(1,001)</u> | <u>(601)</u> | <u>(1,001)</u> |
| Profit/ (Loss) before taxation | 6,712 | (7,817) | 6,712 | (7,817) |
| Taxation | <u>(3,598)</u> | <u>2,569</u> | <u>(3,598)</u> | <u>2,569</u> |
| Profit/ (Loss) after taxation | 3,114 | (5,248) | 3,114 | (5,248) |
| Other Comprehensive income/ (loss): | | | | |
| -currency translation differences | <u>(69)</u> | <u>934</u> | <u>(69)</u> | <u>934</u> |
| Total comprehensive income/ (loss) for the year | <u>3,045</u> | <u>(4,314)</u> | <u>3,045</u> | <u>(4,314)</u> |
| Profit/ (Loss) after taxation attributable to: | | | | |
| -Owners of the Company | 3,114 | (5,248) | 3,114 | (5,248) |
| -Non-controlling Interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>3,114</u> | <u>(5,248)</u> | <u>3,114</u> | <u>(5,248)</u> |
| Total comprehensive income/ (loss) for the year attributable to: | | | | |
| -Owners of the Company | 3,045 | (4,314) | 3,045 | (4,314) |
| -Non-controlling Interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>3,045</u> | <u>(4,314)</u> | <u>3,045</u> | <u>(4,314)</u> |
| Earnings/ (Loss) Per Share (sen) | <u>1.16</u> | <u>(1.96)</u> | <u>1.16</u> | <u>(1.96)</u> |
| Proposed/ Declared Dividend Per Share (sen) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015 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 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at End of Current Quarter 31.12.2015 RM'000 | As at Preceding Year Ended 30.09.2015 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 223,670 | 232,379 |
| Investment in an Associate | - | - |
| | <u>223,670</u> | <u>232,379</u> |
| Current assets | | |
| Inventories | 41,500 | 45,194 |
| Trade receivables | 49,646 | 51,551 |
| Other receivables and deposits | 7,432 | 5,033 |
| Tax refundable | 3,621 | 1,761 |
| Short-term deposits with licensed banks | 420 | 417 |
| Cash and bank balances | <u>43,322</u> | <u>42,689</u> |
| | <u>145,941</u> | <u>146,645</u> |
| Total assets | <u>369,611</u> | <u>379,024</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 135,209 | 135,209 |
| Share Premium | 1 | 1 |
| Treasury Shares | (2,244) | (2,244) |
| Currency Translation Reserves | 6,345 | 6,414 |
| Retained Profits | 141,729 | 138,615 |
| Other Capital Reserve | <u>4,800</u> | <u>4,800</u> |
| Equity attributable to owners of the Company | <u>285,840</u> | <u>282,795</u> |
| Non-controlling Interests | - | - |
| Total equity | <u>285,840</u> | <u>282,795</u> |
| Non-current liabilities | | |
| Long-term borrowings | 19,729 | 20,898 |
| Deferred taxation | <u>9,473</u> | <u>5,851</u> |
| | <u>29,202</u> | <u>26,749</u> |
| Current Liabilities | | |
| Trade payables | 8,690 | 11,092 |
| Other payables and accruals | 15,659 | 15,889 |
| Derivative liabilities | 13,657 | 21,777 |
| Amount owing to a director | 3,698 | 3,698 |
| Short-term borrowings | 12,535 | 16,541 |
| Provision for taxation | 330 | 483 |
| | <u>54,569</u> | <u>69,480</u> |
| Total Liabilities | <u>83,771</u> | <u>96,229</u> |
| TOTAL EQUITY AND LIABILITIES | <u>369,611</u> | <u>379,024</u> |
| Net assets per ordinary share (RM) | <u>1.0655</u> | <u>1.0542</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD
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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015
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 | | |
| 3 months ended 31 December 2015 | | | | | | | | | |
| Balance as at 1 October 2015 | 135,209 | 1 | (2,244) | 6,414 | 4,800 | 138,615 | 282,795 | - | 282,795 |
| Profit after taxation | - | - | - | - | - | 3,114 | 3,114 | - | 3,114 |
| Currency translation differences | - | - | - | (69) | - | - | (69) | - | (69) |
| Balance as at 31 December 2015 | 135,209 | 1 | (2,244) | 6,345 | 4,800 | 141,729 | 285,840 | - | 285,840 |

3 months ended 31 December 2014

| | | | | | | | | | |
|----------------------------------|---------|---|---------|-------|-------|---------|---------|---|---------|
| Balance as at 1 October 2014 | 135,209 | * | (2,244) | 409 | 4,800 | 151,637 | 289,811 | - | 289,811 |
| Loss after taxation | - | - | - | - | - | (5,248) | (5,248) | - | (5,248) |
| Currency translation differences | - | - | - | 934 | - | - | 934 | - | 934 |
| Balance as at 31 December 2014 | 135,209 | * | (2,244) | 1,343 | 4,800 | 146,389 | 285,497 | - | 285,497 |

*denotes RM 57.50

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 2015 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 DECEMBER 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| | Current Year-To-Date 31.12.2015 RM'000 | Preceding Year-To-Date 31.12.2014 RM'000 |
|--|---|---|
| CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES | | |
| Profit/ (Loss) before taxation | 6,712 | (7,817) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 8,996 | 9,818 |
| Interest expense | 574 | 936 |
| Inventories written back | (23) | - |
| Inventories written off | 1,643 | 2,171 |
| (Gain) on disposal of property, plant and equipment | (39) | (161) |
| Unrealised (gain) on foreign currency translation | (6,589) | (4,056) |
| Fair value (gain)/ loss on derivatives | (8,119) | 12,568 |
| Interest income | (107) | (30) |
| Operating profit before working capital changes | 3,048 | 13,429 |
| (Increase)/ Decrease in inventories | 2,068 | (9,728) |
| (Increase)/ Decrease in trade and other receivables | 1,387 | (5,960) |
| Increase/ (Decrease) in trade and other payables | (739) | 5,303 |
| CASH FROM OPERATIONS | 5,764 | 3,044 |
| Interest paid | (574) | (936) |
| Tax refunded | - | - |
| Tax paid | (1,926) | (825) |
| NET CASH FROM OPERATING ACTIVITIES | 3,264 | 1,283 |
| CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES | | |
| Interest received | 107 | 30 |
| Proceeds from disposal of plant and equipment | 326 | 1,705 |
| Purchase of property, plant and equipment | (2,587) | - |
| NET CASH FROM/ (FOR) INVESTING ACTIVITIES | (2,154) | 1,735 |
| CASH FLOWS (FOR) / FROM FINANCING ACTIVITIES | | |
| Repayment of hire-purchase and lease obligations | (939) | (960) |
| Repayment of term loan | (3,582) | (6,175) |
| Repayment of bank borrowings | - | (407) |
| Buy-back of shares | - | 1 |
| NET CASH FLOWS FOR FINANCING ACTIVITIES | (4,521) | (7,543) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | (3,411) | (4,525) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 43,075 | 23,125 |
| Currency translation differences – subsidiaries | 4,078 | (1,432) |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | 43,742 | 17,168 |
| Note (A) | | |
| Cash and cash equivalents at the end of the financial year comprise the following: | | |
| Short term deposits with licensed banks | 420 | 2,482 |
| Cash and bank balances | 43,322 | 14,686 |
| | 43,742 | 17,168 |

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

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 2015.

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 2015.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2015 was not subject to any qualification.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

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

A5. MATERIAL CHANGES IN ESTIMATES

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

A6. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayments of debts and equity securities during the quarter under review.

As at 31 December 2015, the Company held 2,150,273 repurchased shares as treasury shares out of its total issued and paid up share capital of 270,418,983 ordinary shares of RM 0.50 each. The treasury shares are held at a carrying amount of RM 2,244,383.

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 FINANCIAL PERIOD ENDED 31 DECEMBER 2015****NOTES TO THE QUARTERLY FINANCIAL REPORT (continued)****A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

A12. CONTINGENT LIABILITIES

- a) The Company has provided corporate guarantees for hire purchase facilities granted to subsidiaries for total amount of RM 37,059,086. As at 31 December 2015, the outstanding hire purchase balance stood at RM 5,960,523.
- b) The Group has also provided corporate guarantees for bank facilities granted for a total amount of RM 262,410,949. As at 31 December 2015, the utilisation of the bank facilities stood at RM 26,303,997.

A13. CAPITAL COMMITMENTS

| | As at End of Current Quarter 31.12.2015 <u>RM'000</u> | As at End of Preceding Quarter 30.09.2015 <u>RM'000</u> |
|--|--|--|
| Approved and contracted for: | | |
| -purchase of property, plant and equipment | <u>704</u> | <u>834</u> |

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

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 61.1 million and RM 3.1 million respectively for the quarter ended 31 December 2015 ("Q1FY2016"). 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 FY2016, the Group recorded revenue of RM 61.1 million (Q4FY2015: RM 54.8 million) and PAT of RM 3.1 million (Q4FY2015: Loss after tax (LAT) of RM 11.0 million) and earnings per share of 1.16 sen (Q4FY2015: loss per share of 4.09 sen). Revenue is 11.5% higher in the current quarter under review compared to the preceding quarter as all segments recorded higher orders in anticipation of the year end season. Gross profit was lower compared to the previous quarter as some production lines were down to facilitate the shifting to "Haji Manan Factory" and moving costs incurred following the disposal of "Meru Factory". The quarter also benefited from the write back of provision for mark to market losses of USD foreign exchange hedging contracts amounting to about RM 8.1 million. The EBITDA for Q1FY2016 was a positive RM 16.2 million compared to a loss of RM 2.2 million in Q4FY2015 (preceding year Q1FY2015: RM 2.9 million positive).

Product mix:

In Q1FY2016, HDD parts revenue recorded RM 28.1 million (Q4FY2015: RM 24.6 million), camera parts recorded RM 15.8 million (Q4FY2015: RM 14.8 million) whilst the industrial/ automotive revenue was at RM 17.2 million (Q4FY2015: RM 15.4 million). The product mix for Q1FY2016 was HDD: Camera: Industrial/Automotive of 46%: 26%: 28% compared to previous quarter's mix of 45%: 27%: 28%. On a yearly comparison, the product mix had remained the same (YTD FY2016 at 46%: 26%: 28% and YTD FY2015 47%:28%:25%).

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Business Review and Outlook

The sales for Q1FY16 showed an increase to RM61.1 mil compared to previous quarter of RM54.8 mil and a return to profitability of RM3.1 mil PAT. The effect of the gradual unwinding of the remnant foreign exchange structures is evident.

The product mix of HDD: Camera: Auto of 46%: 26%: 28% continues to reflect the sales composition of the Group's current business orders with increasing emphasis on the Auto parts segment while the other 2 segments are main stays.

On the cash position, the Group's cash and cash equivalent remains at RM43.7 mil reflecting the year end payouts for employee benefits. Cash preservation remains a top priority in the light of uncertainties in the market conditions.

The combined total loans of short and long term tenure, is RM32 mil compared to previous quarter of RM37 mil, which sees a paring down of about RM5 mil loans per quarter. Assuming no fresh loans, the borrowings will be mostly paid up by end of calendar year 2017.

The capex of RM2.3 mil in the quarter was for mostly replacement type CNCs and equipment and paid for by cash.

For the remaining financial year 2016 the Board is cautiously optimistic of the Group's prospects as there are concerns for rising labour costs, USD exchange rate volatility and further economic and financial market uncertainties causing consumers to be cautious as well.

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

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 Quarter 31.12.2015 RM'000 | Preceding Year Corresponding Quarter 31.12.2014 RM'000 | Current Year To Date 31.12.2015 RM'000 | Preceding Year To Date 31.12.2014 RM'000 |
| Company and Subsidiaries | | | | |
| Taxation | | | | |
| - current | 229 | 2,058 | 229 | 2,058 |
| Deferred taxation | 3,369 | (4,627) | 3,369 | (4,627) |
| | <u>3,598</u> | <u>(2,569)</u> | <u>3,598</u> | <u>(2,569)</u> |

The provision for the current year tax is mainly due to tax on the profits of a subsidiary and claw back of reinvestment allowances on assets disposed. The deferred tax liability is due to reversal of unrealised foreign exchange losses.

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 2015 are as follows:

| | <u>RM'000</u> |
|---|---------------|
| Long-term | |
| Secured | |
| Hire purchase and lease payables | 2,198 |
| Term loan | <u>17,531</u> |
| | <u>19,729</u> |
| Short-term | |
| Secured | |
| Portion of hire purchase and lease payables due within one year | 3,763 |
| Portion of term loan due within one year | 8,772 |
| Unsecured | |
| Bank overdraft | - |
| Other short term borrowings | <u>-</u> |
| | <u>12,535</u> |
| | <u>32,264</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. RETAINED PROFITS

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

| | As at End of Current Quarter 31.12.2015 <u>RM'000</u> | As at Preceding Year Quarter 31.12.2014 <u>RM'000</u> |
|-------------------------|--|--|
| Total retained profits: | | |
| -realised | 165,931 | 168,853 |
| -unrealised | <u>(24,202)</u> | <u>(22,464)</u> |
| | <u>141,729</u> | <u>146,389</u> |

B9. 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 Quarter 31.12.2015 <u>RM'000</u> | Preceding Year Corresponding Quarter 31.12.2014 <u>RM'000</u> | Current Year To Date 31.12.2015 <u>RM'000</u> | Preceding Year To Date 31.12.2014 <u>RM'000</u> |
| a) Interest income | (107) | (30) | (107) | (30) |
| b) Other income | (1,338) | (741) | 1,338 | (741) |
| c) Interest expense | 574 | 936 | 574 | 936 |
| d) Depreciation and amortisation | 8,996 | 9,818 | 8,996 | 9,818 |
| e) (Gain)/ Loss on disposal of property, plant and equipment | (39) | (161) | (39) | (161) |
| f) Foreign exchange loss / (gain) | 338 | (5,024) | 338 | (5,024) |
| g) Loss/ (Gain) from derivatives (please refer to Note B10) | (2,841) | 17,037 | (2,841) | 17,037 |
| h) Inventories written off | 1,643 | 2,171 | 1,643 | 2,171 |
| i) Bad debts written off | 1 | - | 1 | - |

B10. DERIVATIVE GAIN/ (LOSS)

Derivative gain/ (loss) consists of realised gain/ (loss) 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 2015 which comprised the following:

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|--|--|
| | Current Year Quarter 31.12.2015 <u>RM'000</u> | Preceding Year Corresponding Quarter 31.12.2014 <u>RM'000</u> | Current Year To Date 31.12.2015 <u>RM'000</u> | Preceding Year To Date 31.12.2014 <u>RM'000</u> |
| Loss from foreign currency hedging contracts: | | | | |
| -settlement of hedging contracts | (5,278) | (4,469) | (5,278) | (4,469) |
| -fair value changes due to movement in MTM position on non-designated hedging contracts | <u>8,119</u> | <u>(12,568)</u> | <u>8,119</u> | <u>(12,568)</u> |
| Loss from derivative contracts | <u>2,841</u> | <u>(17,037)</u> | <u>2,841</u> | <u>(17,037)</u> |

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

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

B11. DERIVATIVE FINANCIAL INSTRUMENTS

| Type of derivatives | Notional Value as at 31.12.2015 RM'000 | Fair Value as at 31.12.2015 Assets / (Liabilities) RM'000 |
|------------------------------------|--|--|
| Foreign Currency Hedging Contracts | | |
| -Less than 1 year | 55,142 | (13,657) |
| -1 year to 2 years | - | - |
| TOTAL | 55,142 | (13,657) |

The foreign currency contracts were entered into as hedges for sales denominated in US Dollars to limit the exposure to potential changes in foreign exchange rates with respect to the subsidiary company's foreign currencies denominated estimated receipts.

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 quarter ended 31 December 2015 (Q1FY2015: Nil).

B14. EARNINGS/ (LOSS) PER SHARE

The earnings/ (loss) per share is calculated by dividing profit/ (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 31.12.2015 (Unaudited) | Preceding Year Corresponding Quarter 31.12.2014 (Unaudited) | Current Year To Date 31.12.2015 (Unaudited) | Preceding Year To Date 31.12.2014 (Unaudited) |
| Profit/ (Loss) attributable to owners of the Company (RM'000) | 3,114 | (5,248) | 3,114 | (5,248) |
| Number of ordinary shares in issue (excluding the treasury shares held by the Company) ('000) | 268,269 | 268,268 | 268,269 | 268,268 |
| Earnings/ (Loss) per share (sen) | <u>1.16</u> | <u>(1.96)</u> | <u>1.16</u> | <u>(1.96)</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 18 February 2016.

By Order of the Board

Petaling Jaya

18 February 2016