

NOTION VTEC BERHAD

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2009

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2009 RM'000	Preceding Year Corresponding Quarter 30.06.2008 RM'000	Current Year To Date 30.06.2009 RM'000	Preceding Year To Date 30.06.2008 RM'000
Revenue	44,709	32,494	118,228	98,436
Cost of Sales	(28,424)	(23,596)	(78,728)	(66,209)
Gross Profit	16,285	8,898	39,500	32,227
Other Operating Income	877	2,300	2,428	5,798
Operating Expenses	(3,856)	(2,594)	(13,406)	(7,552)
Operating Profit	13,306	8,604	28,522	30,473
Finance Costs	(896)	(435)	(2,687)	(1,227)
Share of Profit of Associate	288	158	692	421
Profit Before Taxation	12,698	8,327	26,527	29,667
Taxation	(1,591)	(894)	(3,628)	(5,558)
Profit for the Period	11,107	7,433	22,899	24,109
Attributable to :				
Equity Holders of the Company	11,087	7,642	22,937	24,040
Minority Interests	20	(209)	(38)	69
	11,107	7,433	22,899	24,109
Basic Earnings Per Share (sen)	1.58	1.09	3.26	3.42
Dividend Per Share (sen)	0.5	-	0.5	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2009

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at End of Current Quarter 30.06.2009 RM'000	As at Preceding Year Ended 30.09.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	158,563	151,862
Investment in associate	1,728	1,190
	<u>160,291</u>	<u>153,052</u>
Current assets		
Inventories	22,437	22,336
Trade receivables	38,902	39,374
Other receivables and deposits	3,246	4,978
Tax refundable	57	246
Short term deposits with licensed banks	2,139	8,873
Cash and bank balances	11,484	8,715
	<u>78,265</u>	<u>84,522</u>
Total assets	<u>238,556</u>	<u>237,574</u>
EQUITY AND LIABILITIES		
Share Capital	70,358	70,358
Share Premium	-	-
Currency Translation Reserves	8	(4)
Retained Profits	85,839	66,420
Treasury Shares	(1,803)	-
Total shareholders' equity	<u>154,402</u>	<u>136,774</u>
Minority Interests	1,019	1,057
Total equity	<u>155,421</u>	<u>137,831</u>
Non-current liabilities		
Long term borrowings	38,924	31,320
Deferred taxation	7,066	7,934
	<u>45,990</u>	<u>39,254</u>
Current liabilities		
Trade payables	8,068	10,019
Other payables and accruals	10,292	26,290
Provision for taxation	1,205	1,302
Dividend payable	-	3,518
Short term borrowings	16,601	18,402
Bank overdrafts	979	958
	<u>37,145</u>	<u>60,489</u>
Total Liabilities	<u>83,135</u>	<u>99,743</u>
TOTAL EQUITY AND LIABILITIES	<u>238,556</u>	<u>237,574</u>
Net assets per ordinary share (RM)	<u>0.2195</u>	<u>0.1944</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 30 September 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD
 Company No:- 637546-D
 UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2009
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable				
	Ordinary Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Currency Translation Reserves RM'000	Retained Profits RM'000			
9 months ended 30 June 2009								
As at 1 October 2008	70,358	-	-	(4)	66,420	136,774	1,057	137,831
Final tax-exempt dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 September 2008	-	-	-	-	(3,518)	(3,518)	-	(3,518)
Profit for the financial period	-	-	-	-	22,937	22,937	(38)	22,899
Currency translation differences	-	-	-	12	-	12	-	12
Purchase of own shares	-	(1,803)	-	-	-	(1,803)	-	(1,803)
As at 30 June 2009	70,358	(1,803)	-	8	85,839	154,402	1,019	155,421
9 months ended 30 June 2008								
As at 1 October 2007	58,632	-	7,971	-	47,260	113,863	1,512	115,375
Final tax-exempt dividend of 1.1 sen per ordinary share in respect of financial year ended 30 September 2007	-	-	-	-	(6,450)	(6,450)	-	(6,450)
Profit for the financial period	-	-	-	-	24,040	24,040	69	24,109
As at 30 June 2008	58,632	-	7,971	-	64,850	131,453	1,581	133,034

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Note	Current Year To Date 30.06.2009 RM'000	Preceding Year To Date 30.06.2008 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	26,527	29,667
Adjustments for:		
Depreciation of property, plant and equipment	13,541	9,427
Interest expenses	2,656	1,152
Plant and equipment written off	-	1
(Gain)/Loss on disposal of plant and equipment	(6)	4
Share of profit of associate	(692)	(421)
Interest income	(171)	(196)
Operating profit before working capital changes	41,855	39,634
Increase in inventories	(100)	(9,998)
Decrease/(Increase) in receivables	2,427	(7,136)
(Decrease)/Increase in payables	(18,070)	10,800
NET CASH FROM OPERATIONS	26,112	33,300
Interest paid	(2,656)	(1,152)
Tax refunded	90	79
Tax paid	(4,443)	(1,936)
NET CASH FROM OPERATING ACTIVITIES	19,103	30,291
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	171	196
Proceeds from disposal of plant and equipment	43	82
Purchase of property, plant and equipment	(20,280)	(59,153)
NET CASH FOR INVESTING ACTIVITIES	(20,066)	(58,875)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Drawdown from hire-purchase and lease obligations	20,548	41,495
Repayment of hire-purchase and lease obligations	(10,471)	(15,277)
Net (repayment)/drawdown of bank borrowings	(4,272)	6,072
Treasury shares	(1,803)	-
Dividend paid	(7,036)	(12,313)
NET CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES	(3,034)	19,977
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,997)	(8,607)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		
Currency translation differences	16,629	19,629
- subsidiaries	12	-
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	(A) 12,644	11,022

Note (A)

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

Cash and bank balances	11,484	8,689
Short term deposits with licensed banks	2,139	3,275
Bank overdrafts	(979)	(942)
	12,644	11,022

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTION VTEC BERHAD ("Notion" or "The Company")

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2009

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 : Interim Financial Reporting and Paragraph 9.22 of the 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 2008.

The accounting policies and methods of computations adopted in this interim financial statements are consistent with those adopted in the financial statements for the FYE 30 September 2008.

A2. CHANGES IN ACCOUNTING POLICIES

The following Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations have been issued by the MASB but are not yet effective:

FRS 139	Financial Instruments: Recognition and Measurement
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 1	First-time Adoption of Financial Reporting Standard and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

All the new FRSs, amendments to FRSs and IC Interpretations above are effective from 1 January 2010 with the exception of FRS 8, which is effective from 1 July 2009.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2008 was not subject to any qualification.

A4. 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.

A5. 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.

A6. MATERIAL CHANGES IN ESTIMATES

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

A7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities other than the following:-

During the Annual General Meeting held on 19 February 2009, the shareholders of the Company approved the Company's plan to repurchase its own ordinary shares of up to 10% of the issued and paid-up share capital of the Company.

During the current quarter, the Company repurchased 6,562,400 of its issued ordinary shares from the open market at an average price of RM0.27 per share. The total consideration paid for the repurchase including transaction costs was RM1.803 million and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Company Act 1965.

A8. DIVIDEND PAID

The Company paid a final tax-exempt dividend of 0.5 sen per ordinary share totalling RM3,517,917 in respect of FYE 30 September 2008 on 13 April 2009.

A9. SEGMENTAL INFORMATION

Segmental information is not presented as the Group is primarily engaged in only one business segment which is in the design and volume production of high precision metal manufacturing of hard disk drive ("HDD"), computer, consumer electronic and electrical and automotive industries' components, and its related research and development activities.

The Group's operations are conducted in Malaysia.

A10. VALUATION OF ASSETS

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

A11. 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.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

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

A13. CONTINGENT LIABILITIES

- a) The Company has provided corporate guarantees for hire purchase facilities granted to subsidiaries for total amount of RM 87,099,295. As at 30 June 2009, the said hire purchase total balance stood at RM48,223,256.
- b) The Company has also provided corporate guarantees for bank facilities granted to subsidiaries for a total amount of RM 56,400,000. As at 30 June 2009, the utilisation of the bank facilities stood at RM8,280,924.

A14. CAPITAL COMMITMENTS

	As at End of Current Quarter 30.06.2009 RM'000	As at End of Preceding Quarter 31.03.2009 RM'000	As at Preceding Year's Corresponding Quarter 30.06.2008 RM'000
Approved and contracted for :			
- purchase of plant and equipment	1,727	-	9,053
Approved but not contracted for :			
- purchase of plant and equipment	-	-	6,024
	<u>1,727</u>	<u>-</u>	<u>15,077</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

NOTION VTEC BERHAD ("Notion" or "The Company")

Company No:- 637546-D

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2009
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 approximately RM44.71 million and RM11.11 million respectively for the third quarter ended 30 June 2009. Refer Notes B2. and B3. below for a detailed review of the Group's performance.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financials:

For Q3, the Group recovered strongly and recorded revenue of RM44.7 million (Q2 : RM28.2 million) and PAT of RM11.1 million (Q2 : RM4.5 million) and earnings per share of 1.6 sen (Q2 : 0.65 sen).

With the Q3 performance, Notion achieved record profitability in any single quarter since listing in 2005. The SLR camera/Lens parts sales jumped 128% and Industrial/Automotive parts sales also rose significantly compared to Q2 while the hard disk drive parts grew modestly by 11%. Improved business orders helped to increase capacity utilization and cost cutting program also contributed to enhanced profitability.

For the current nine months period to date, total revenue was RM118.2 million and PAT was RM22.9 million compared to the previous corresponding period of RM98.4 million and RM 24.1 million respectively. Yoy the cumulative Q3 revenue was 20% higher than the corresponding period and profit after tax lower by 5%. The lower nine months period profit after tax to date is attributable to the lower profits margin recorded in Q2.

Product mix:

In the Q3, HDD parts revenue rose to RM18.8 million (an increase of 11% from previous quarter), camera parts revenue rose to RM20.5 million (an increase of 128% from previous quarter) whilst the industrial/automotive revenue was at RM5.4 million (an increase of 139%). The product mix for June quarter was HDD:Camera:Industrial/Automotive of 42%:46%:12% compared to previous quarter's mix of 60%:38%:8%.

HDD segment continued to be resilient as sales improved by 11% from previous quarter. The camera segment outshone the rest during this quarter as SLR camera/Interchangeable Lens shipment recovered sharply starting from April 2009. The electronic braking system parts started mass production from April, thus the automotive segment also benefited.

Cash & Capital Expenditure:

The Group continued to focus its attention on cash management and control.

For the nine months to date, the net cash from operating activities amounted to RM19.1 million while the cash and cash equivalent totalled RM12.6 million.

For the Q3, the depreciation expenses amounted to RM4.59 million.

In Q3, the capital expenditure outlay was RM3.5 million due to the renewed demand in the camera segment and additional purchase of 14 CNC tap & drill machines.

For the full year ending 30 September 2009, we expect the total capital expenditure to be RM25 million (down 76% year on year) which is sharply lower compared to previous year's RM76 million.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Business Outlook:

Based on the nine months results and visibility of orders, management targets the FYE2009 revenue to be approximately RM165 million and earnings per share of between 4.8 and 5.0 sen. It was assumed that there will be no major change to exchange rates, raw material prices and other costs of production.

The Company intends to proceed with its expansion plans in Thailand, to cater for the camera segment .

All the three segments are expected to perform well as the world continues to recover amidst the better sentiments and renewed consumer confidence.

Dividend:

The Board has on 18 August 2009 declared an interim tax-exempt dividend of 0.5 sen per ordinary share for the financial year ending 30 September 2009 to be payable on 11 November 2009. The entitlement date has been fixed on 30 October 2009.

The Board also wishes to point out that the Notion business model is a high growth one which necessitates sometimes high capital expenditure in order to attain this growth objective and at the same time the Board seeks to balance the need for regular dividend payment to shareholders as well.

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 30.06.2009 RM'000	Preceding Year Corresponding Quarter 30.06.2008 RM'000	Current Year To Date 30.06.2009 RM'000	Preceding Year To Date 30.06.2008 RM'000
Company and Subsidiaries				
Taxation	2,094	1,338	4,343	5,228
Deferred taxation	(570)	(431)	(868)	312
	1,524	907	3,475	5,540
Associate				
Taxation	67	(13)	153	18
	67	(13)	153	18
	1,591	894	3,628	5,558

The effective tax rate of approximately 14% was lower than the statutory tax rate of 25% which was mainly due to the benefits from unutilised reinvestment allowances brought forward.

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no disposal of investments and/or properties for the current quarter and financial year-to-date.

B7. DEALINGS IN QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the current quarter under review saved as disclosed in Note A7.

B8. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but pending completion for the quarter under review.

B9. BORROWINGS AND DEBTS SECURITIES

The Group's borrowings as at 30 June 2009 are as follows:

<u>Secured</u>	Current RM'000	Non-Current RM'000	Total RM'000
Bank Overdraft	979	-	979
Bills payable	1,952	-	1,952
Hire purchase and lease creditors	13,749	34,474	48,223
Term loan	900	4,450	5,350
	<u>17,580</u>	<u>38,924</u>	<u>56,504</u>

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Structured foreign exchange contracts entered into by a subsidiary company and outstanding as at date of this report is as follows :

Description	Notional Amount	Effective Period
Forward Contracts - to hedge USD receivables	USD39.45 million	Aug 2009 up to Apr 2011
Forward Contracts - to hedge USD payables	USD1.5 million	Aug 2009 to Sep 2009
Forward Contracts - to hedge Euro receivables	Euro1.0 million	Aug 2009 to Dec 2009

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

There is minimal credit risk as the contract was entered into with reputable banks.

The Group has not adopted FRS 139 - Financial Instruments : Recognition and Measurement and the consequential amendments resulting from FRS 139 as the effective date is deferred to a date to be announced by the MASB. FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under Paragraph 103AB of FRS 139, the impact of applying FRS 139 on its financial statements upon first adoption of the standard as required by Paragraph 30(b) of FRS 108 is not disclosed.

B11. MATERIAL LITIGATION

There were no material litigations that might adversely and materially affect the position of the Group as at date of this report.

B12. DIVIDENDS

There was no dividend declared during the quarter under review.

B13. EARNINGS PER SHARE

The earnings per share is calculated by dividing profit attributable to the equity holders of the Company by the total number of ordinary shares in issue (2007 - has been restated to take into account the bonus issue undertaken in FYE 2008).

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2009 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2008 (Restated #)	Current Year To Date 30.06.2009 (Unaudited)	Preceding Year To Date 30.06.2008 (Restated #)
Profit attributable to equity holders of the Company (RM'000)	11,087	7,642	22,937	24,040
Number of ordinary shares in issue ('000)	703,583	703,583	703,583	703,583
Basic and diluted earnings per share (sen)	<u>1.58</u>	<u>1.09</u>	<u>3.26</u>	<u>3.42</u>

Restated as to take into effect the bonus shares issued on 7 August 2008 of which 117,263,904 shares were issued on the basis of one bonus share for every five existing shares held in the Company.

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 August 2009.

By Order of the Board

Kuala Lumpur
18 August 2009