

NOTION VTEC BERHAD

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | Individual Quarter | | Cumulative Quarter | |
|---------------------------------|--|--|--|--|
| | Current Year Quarter 31.3.2010 RM'000 | Preceding Year Corresponding Quarter 31.3.2009 RM'000 | Current Year To Date 31.3.2010 RM'000 | Preceding Year To Date 31.3.2009 RM'000 |
| Revenue | 56,709 | 28,242 | 113,038 | 73,519 |
| Cost of Sales | (38,637) | (20,142) | (73,912) | (50,304) |
| Gross Profit | 18,072 | 8,100 | 39,126 | 23,215 |
| Other Operating Income | 2,146 | 479 | 3,758 | 1,551 |
| Operating Expenses | (3,784) | (2,698) | (7,707) | (9,550) |
| Operating Profit | 16,434 | 5,881 | 35,177 | 15,216 |
| Finance Costs | (1,407) | (917) | (2,440) | (1,791) |
| Share of Profit in an Associate | 481 | 228 | 872 | 404 |
| Profit Before Taxation | 15,508 | 5,192 | 33,609 | 13,829 |
| Taxation | (3,281) | (678) | (7,389) | (2,037) |
| Profit for the Period | 12,227 | 4,514 | 26,220 | 11,792 |
| Attributable to : | | | | |
| Equity holders of the Company | 12,252 | 4,607 | 26,387 | 11,850 |
| Minority Interests | (25) | (93) | (167) | (58) |
| | 12,227 | 4,514 | 26,220 | 11,792 |
| Basic Earnings Per Share (sen) | 8.06 | 3.27 | 18.04 | 8.42 |
| Dividend Per Share (sen) | - | - | - | - |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 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 31 MARCH 2010

CONDENSED CONSOLIDATED BALANCE SHEETS

| | As at End of Current Quarter 31.3.2010 RM'000 | As at Preceding Year Ended 30.09.2009 RM'000 |
|---|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 195,330 | 161,761 |
| Investment in an associate | 2,606 | 1,939 |
| | <u>197,936</u> | <u>163,700</u> |
| Current assets | | |
| Inventories | 37,872 | 20,058 |
| Trade receivables | 47,404 | 45,761 |
| Other receivables and deposits | 9,377 | 5,144 |
| Tax refundable | 58 | 255 |
| Short term deposits with licensed banks | 2,167 | 2,149 |
| Cash and bank balances | 55,431 | 18,321 |
| | <u>152,309</u> | <u>91,688</u> |
| Total assets | <u>350,245</u> | <u>255,388</u> |
| EQUITY AND LIABILITIES | | |
| Share Capital | 77,280 | 70,358 |
| Share Premium | 29,482 | 166 |
| Treasury Shares | (755) | (2,401) |
| Currency Translation Reserves | 210 | 98 |
| Retained Profits | 117,904 | 95,334 |
| Total shareholders' equity | <u>224,121</u> | <u>163,555</u> |
| Minority Interests | 967 | 1,134 |
| Total equity | <u>225,088</u> | <u>164,689</u> |
| Non-current liabilities | | |
| Long term borrowings | 52,277 | 40,072 |
| Deferred taxation | 6,985 | 7,263 |
| | <u>59,262</u> | <u>47,335</u> |
| Current liabilities | | |
| Trade payables | 14,203 | 9,838 |
| Other payables and accruals | 10,919 | 7,333 |
| Amount owing to an associate | 4,451 | 2,554 |
| Provision for taxation | 5,851 | 1,972 |
| Dividend payable | 3,817 | 3,466 |
| Short term borrowings | 25,904 | 16,855 |
| Bank overdrafts | 750 | 1,346 |
| | <u>65,895</u> | <u>43,364</u> |
| Total Liabilities | 125,157 | 90,699 |
| TOTAL EQUITY AND LIABILITIES | <u>350,245</u> | <u>255,388</u> |
| Net assets per ordinary share (RM) | <u>1.4500</u> | <u>1.1623</u> |

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 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 31 MARCH 2010
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 | Share Premium RM'000 | Treasury Shares RM'000 | Currency Translation Reserves RM'000 | Retained Profits RM'000 | | | |
| 6 months ended 31 March 2010 | | | | | | | | |
| As at 1 October 2009 | 70,358 | 166 | (2,401) | 98 | 95,334 | 163,555 | 1,134 | 164,689 |
| Currency translation differences | - | | - | 112 | - | 112 | - | 112 |
| Profit for the financial period | - | - | - | - | 26,387 | 26,387 | (167) | 26,220 |
| Final tax-exempt dividend of 2.5 sen per ordinary share in respect of the financial year ended 30.9.2009 | - | - | - | - | (3,817) | (3,817) | - | (3,817) |
| Shares Issuance | 6,922 | 26,859 | - | - | - | 33,781 | - | 33,781 |
| Expenses in connection with new shares issued | - | (184) | - | - | - | (184) | - | (184) |
| Purchase of own shares | - | - | (6,286) | - | - | (6,286) | - | (6,286) |
| Disposal of treasury shares | - | 2,641 | 7,932 | - | - | 10,573 | - | 10,573 |
| As at 31 March 2010 | <u>77,280</u> | <u>29,482</u> | <u>(755)</u> | <u>210</u> | <u>117,904</u> | <u>224,121</u> | <u>967</u> | <u>225,088</u> |
| 6 months ended 31 March 2009 | | | | | | | | |
| As at 1 October 2008 | 70,358 | - | - | (4) | 66,420 | 136,774 | 1,057 | 137,831 |
| Currency translation differences | - | - | - | 8 | - | 8 | - | 8 |
| Profit for the financial period | - | - | - | - | 11,850 | 11,850 | (58) | 11,792 |
| Final tax-exempt dividend of 0.5 sen per ordinary share in respect of the financial year ended 30.9.2008 | - | - | - | - | (3,518) | (3,518) | - | (3,518) |
| As at 31 March 2009 | <u>70,358</u> | <u>-</u> | <u>-</u> | <u>4</u> | <u>74,752</u> | <u>145,114</u> | <u>999</u> | <u>146,113</u> |

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 2009 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 31 MARCH 2010

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| Note | Current Year To Date 31.3.2010 RM'000 | Preceding Year To Date 31.3.2009 RM'000 |
|---|--|--|
| CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES | | |
| Profit before taxation | 33,609 | 13,829 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 10,438 | 8,951 |
| Gain on disposal of plant and equipment | - | (6) |
| Interest expense | 2,083 | 1,781 |
| Share of profit in an associate | (872) | (404) |
| Interest income | (134) | (152) |
| Operating profit before working capital changes | 45,124 | 23,999 |
| Increase in inventories | (17,814) | (2,358) |
| (Increase)/Decrease in receivables | (5,728) | 17,214 |
| (Decrease)/Increase in payables | 9,860 | (19,502) |
| CASH FROM OPERATIONS | 31,442 | 19,353 |
| Interest paid | (2,083) | (1,781) |
| Tax refunded | - | 40 |
| Tax paid | (3,423) | (3,350) |
| NET CASH FROM OPERATING ACTIVITIES | 25,936 | 14,262 |
| CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES | | |
| Interest received | 134 | 152 |
| Proceeds from disposal of plant and equipment | - | 43 |
| Purchase of property, plant and equipment | (44,130) | (16,782) |
| NET CASH FOR INVESTING ACTIVITIES | (43,996) | (16,587) |
| CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | 33,781 | - |
| Expenses in connection with new shares issued | (184) | - |
| Dividends paid | (3,466) | (3,518) |
| Drawdown from hire-purchase and lease obligations | 7,436 | 15,064 |
| Repayment of hire-purchase and lease obligations | (7,870) | (6,680) |
| Drawdown of term loan | 16,393 | - |
| Repayment of term loan | (682) | (450) |
| Drawdown of bank borrowings | 11,811 | - |
| Repayment of bank borrowings | (5,834) | (4,910) |
| Proceeds from sale of treasury shares | 10,573 | - |
| Buy-back of shares | (6,286) | - |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | 55,672 | (494) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 37,612 | (2,819) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | |
| | 19,124 | 16,629 |
| Currency translation differences | | |
| - subsidiaries | 112 | 8 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 56,848 | 13,818 |

Note (A)

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

| | | |
|---|---------------|---------------|
| Short term deposits with licensed banks | 2,167 | 2,131 |
| Cash and bank balances | 55,431 | 12,700 |
| Bank overdrafts | (750) | (1,013) |
| | 56,848 | 13,818 |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 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 31 MARCH 2010

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 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 2009.

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 2009.

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:

| FRSs/IC Interpretations | Effective date |
|--|-----------------------------|
| Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards | 1 July 2010 |
| Revised FRS 3 (2010) Business Combinations | 1 July 2010 |
| FRS 4 Insurance Contracts | 1 January 2010 |
| FRS 7 Financial Instruments: Disclosures | 1 January 2010 |
| FRS 8 Operating Segments | 1 July 2009 |
| Revised FRS 101 (2009) Presentation of Financial Statements | 1 January 2010 |
| Revised FRS 123 (2009) Borrowing Costs | 1 January 2010 |
| Revised FRS 127 (2010) Consolidated and Separate Financial Statements | 1 July 2010 |
| Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement | 1 January 2010 |
| Amendments to FRS 1 and FRS 127 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | 1 January 2010 |
| Amendment to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters | 1 January 2011 |
| Amendments to FRS 2 Vesting Conditions and Cancellations | 1 January 2010 |
| Amendments to FRS 2 Scope of FRS 2 and Revised FRS 3 (2010) | 1 July 2010 |
| Amendments to FRS 5 Plan to Sell the Controlling Interest in a Subsidiary | 1 July 2010 |
| Amendments to FRS 7, FRS 139 and IC Interpretation 9 | 1 January 2010 |
| Amendments to FRS 7 Improving Disclosures about Financial Instruments | 1 January 2011 |
| Amendments to FRS 132 Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments | 1 January 2010/1 March 2010 |
| Amendments to FRS 138 Consequential Amendments Arising from Revised FRS 3 (2010) | 1 July 2010 |
| IC Interpretation 9 Reassessment of Embedded Derivatives | 1 January 2010 |
| IC Interpretation 10 Interim Financial Reporting and Impairment | 1 January 2010 |
| IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions | 1 January 2010 |
| IC Interpretation 12 Service Concession Arrangements | 1 July 2010 |
| IC Interpretation 13 Customer Loyalty Programmes | 1 January 2010 |
| IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 1 January 2010 |
| IC Interpretation 15 Agreements for the Construction of Real Estate | 1 July 2010 |
| IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation | 1 July 2010 |
| IC Interpretation 17 Distributions of Non-cash Assets to Owners | 1 July 2010 |
| Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010) | 1 July 2010 |
| Annual Improvements to FRSs (2009) | 1 January 2010 |

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2009 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:-

- a) On 22 October 2009, the Board of Directors announced that the Company proposed to issue new ordinary shares of RM0.50 each in NVB, not exceeding ten percent (10%) of the issued and paid-up share capital of the Company through a private placement exercise ("Proposed Private Placement").

On 28 October 2009, the Company submitted to Bursa Securities the additional listing application for the listing of up to 13,884,694 new ordinary shares of RM0.50 each in NVB to be issued pursuant to the Proposed Private Placement. Bursa Securities has approved the said application on 5 November 2009 and has given the Company 6 months to complete the transaction.

On 6 January 2010, the Board of Directors announced that the Company has fixed the issue price for the new 13,844,694 ordinary shares of RM0.50 each in NVB ("NVB Shares") to be issued pursuant to the Private Placement ("Placement Shares") at RM2.44 per Placement Share. The issue price of RM2.44 per Placement Share represents a discount of approximately 10% to the volume weighted average market price of NVB Shares for the five (5) market days immediately preceding 6 January 2010 of RM2.7066. The Placement Shares were listed on 18 January 2010.

The issued and paid up capital after the Proposed Private Placement is RM77,280,689 comprising 154,561,378 ordinary shares of RM0.50 each.

- b) During the Annual General Meeting held on 23 February 2010, 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 quarter, the Company purchased from the open market 166,500 units of its own shares of RM0.50 each through purchases on the Main Market of Bursa Securities at an average buy-back price of RM3.12 per ordinary share. The total consideration paid for acquisition of the shares was RM520,192 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act 1965 in Malaysia. During the quarter, the Company had also disposed of 2,138,500 units of its treasury shares of RM0.50 each in the market for RM6,936,045.

As at 31 March 2010, the Company held 297,740 repurchased shares as treasury shares out of its total issued and paid up share capital of 154,561,378 ordinary shares of RM0.50 each. The treasury shares are held at a carrying amount of RM755,388.

A8. DIVIDEND PAID

No dividend was paid during the quarter under review.

A9. 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. Analysis of segmental revenue and product mix is found in Notes B2.

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

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, save for the following:

Notion Venture Sdn Bhd ("NVSB"), a wholly-owned subsidiary of the Company has on 27 April 2010 entered into two separate Sale and Purchase Agreements for the purchase of 1,200,000 ordinary shares of RM1.00 each, representing 60% of the issued and paid-up share capital in Autic Mekki Sdn Bhd for a total purchase consideration of RM3.4 million.

Upon completion of the Proposed Acquisition, Autic Mekki Sdn Bhd will become a wholly-owned subsidiary of NVSB, which in turn is a wholly-owned subsidiary of the Company.

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 RM103,297,137. As at 31 March 2010, the outstanding hire purchase balance stood at RM49,896,710.

- b) The Group has also provided corporate guarantees for bank facilities granted for a total amount of RM144,400,000. As at 31 March 2010, the utilisation of the bank facilities stood at RM29,034,585.

A14. CAPITAL COMMITMENTS

Approved and contracted for :
- purchase of plant and equipment

| As at End of Current Quarter 31.3.2010 RM'000 | As at End of Preceding Quarter 31.12.2009 RM'000 | As at Preceding Year's Corresponding Quarter 31.3.2009 RM'000 |
|--|---|--|
| 67,509 | 30,662 | - |

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 31 MARCH 2010
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 RM56.7 million and RM12.2 million respectively for the quarter ended 31 March 2010. Refer Notes B2. and B3. below for a detailed review of the Group's performance.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financials:

For 2Q of FY2010 the Group recorded revenue of RM56.7 million (1QFY2010: RM56.3 million) and PAT of RM12.2 million (1QFY2010: RM14.0 million) and earnings per share of 8.06 sen (1QFY2010: 10.08 sen). The lower earnings is mainly attributable to initial start up cost of new projects such as the Thailand operations and base plate projects of which the earnings will only come on stream in the following quarters.

The Group recorded PBT of RM15.5 million as compared to the immediate preceding quarter of RM18.1 million, a decrease of 14.3%.

For the current year to date, total revenue was RM113.0 million and PAT was RM26.2 million compared to the corresponding period of the preceding year of RM73.5 million and RM11.8 million respectively. Yoy the revenue and profit after tax was 54% and 122% higher respectively. The strong growth in revenue and PAT is mainly attributable to the recovery in all the business segments.

Product mix:

In Q2FY2010, HDD parts revenue recorded RM26.9 million (Q1FY2010: RM19.1 million), camera parts recorded RM20.4 million (Q1FY2010: RM26.7 million) whilst the industrial/automotive revenue was at RM9.2 million (Q1FY2010: RM10.5 million). The product mix for the Q2FY2010 was HDD:Camera:Industrial/Automotive of 48%:36%:16% compared to previous quarter's mix of 34%:47%:19%. The HDD revenue increased by 40% whilst the camera sector was lower by 24% compared to Q1FY2010.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Business Outlook:

For the Notion Group, FY2010 is a transition year as it invests heavily in the 2.5" HDD space as the main growth driver for the next 2 years. The portable applications and external storage segment is driving up demand for the 2.5" HDDs and there is a capacity shortage in critical components such as the glass media substrate, baseplate, spindle motor, etc.

We have rented an existing factory ("Factory 3") located 2 km from the main Klang factory with floor space of 150,000 sq. ft. which will be refurbished starting May 2010 for production of 2.5" baseplate with designed capacity of 84 million pcs per year. The project will stretch over 2 financial years. The earlier guidance of 2 million pieces per month by December 2010 is still on schedule for a HDD maker customer. The total production in Factory 3 will be shared between the HDD maker customer and another new spindle motor maker customer.

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. However, the Company has in November 2009, provided internal management targets for revenue of between RM220 million to RM240 million and profit after tax of between RM50 million to RM55 million for the financial year ending 30 September 2010, barring unforeseen circumstances. The guidance is an internal management target and is not an estimate, forecast or projection. The internal targets has not been reviewed by the external auditors. The results for the period under review is in line with the management targets.

B5. TAXATION

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------|--|--|--|--|
| | Current Year Quarter 31.3.2010 RM'000 | Preceding Year Corresponding Quarter 31.3.2009 RM'000 | Current Year To Date 31.3.2010 RM'000 | Preceding Year To Date 31.3.2009 RM'000 |
| Company and Subsidiaries | | | | |
| Taxation | 3,110 | 607 | 7,461 | 2,249 |
| Deferred taxation | 51 | 18 | (277) | (298) |
| | 3,161 | 625 | 7,184 | 1,951 |
| Associate | | | | |
| Taxation | 120 | 53 | 205 | 86 |
| | 120 | 53 | 205 | 86 |
| | 3,281 | 678 | 7,389 | 2,037 |

The effective tax rate of approximately 22% 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 save as disclosed in Note A7.

B8. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but pending completion as at date of this report save as disclosed in Note A11.

The Share Sale Agreement to dispose of a 70% equity interest in Swiss Impression Sdn Bhd comprising 350,000 ordinary shares of RM1 each for a cash consideration of RM420,000 entered and announced on 10 December 2009 by the Company has lapsed due to unfulfilled conditions precedent.

B9. BORROWINGS AND DEBTS SECURITIES

The Group's borrowings as at 31 March 2010 are as follows:

| | RM'000 |
|---|---------------|
| Long - term | |
| Secured | |
| Hire purchase and lease payables | 35,222 |
| Term loan | <u>17,055</u> |
| | <u>52,277</u> |
| Short - term | |
| Secured | |
| Portion of hire purchase and lease payables due within one year | 14,675 |
| Portion of term loan due within one year | 3,780 |
| Unsecured | |
| Bank Overdraft | 750 |
| Other short term borrowings | <u>7,449</u> |
| | <u>26,654</u> |
| | <u>78,931</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.

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 | USD50.5 million | Apr 2010 up to May 2011 |

The above 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 contract was entered into with reputable banks.

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

No dividend has been proposed for the second quarter ended 31 March 2010.

A final tax-exempt dividend of 2.50 sen per ordinary share of RM0.50 each for the financial year ended 30 September 2009 was approved by the shareholders at the Annual General Meeting held on 23 February 2010. The dividend was paid on 5 April 2010.

B13. EARNINGS PER SHARE

The earnings per share is calculated by dividing profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue (FYE2009 comparative - has been restated to take into account the share consolidation undertaken in FYE 2010).

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|--|
| | Current Year Quarter 31.3.2010 (Unaudited) | Preceding Year Corresponding Quarter 31.3.2009 (Restated #) | Current Year To Date 31.3.2010 (Unaudited) | Preceding Year To Date 31.3.2009 (Restated #) |
| Profit attributable to equity holders of the Company (RM'000) | 12,252 | 4,607 | 26,387 | 11,850 |
| Weighted Average Number of ordinary shares in issue ('000) | 151,946 | 140,717 | 146,270 | 140,717 |
| Basic and diluted earnings per share (sen) | <u>8.06</u> | <u>3.27</u> | <u>18.04</u> | <u>8.42</u> |

Restated as to take into effect the consolidation of every five (5) ordinary shares of RM0.10 each into one (1) ordinary share of RM0.50 each.

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 April 2010.

By Order of the Board

Petaling Jaya
29 April 2010