

NOTION VTEC BERHAD

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2010 RM'000	Preceding Year Corresponding Quarter 31.12.2009 RM'000	Current Year To Date 31.12.2010 RM'000	Preceding Year To Date 31.12.2009 RM'000
Revenue	59,981	56,329	59,981	56,329
Cost of Sales	(43,083)	(35,275)	(43,083)	(35,275)
Gross Profit	16,898	21,054	16,898	21,054
Other Operating Income	2,479	1,612	2,479	1,612
Operating Expenses	(4,160)	(3,923)	(4,160)	(3,923)
Operating Profit	15,217	18,743	15,217	18,743
Derivative gain	2,021	-	2,021	-
Finance Costs	(1,447)	(1,033)	(1,447)	(1,033)
Share of Profit in an Associate	-	391	-	391
Profit Before Taxation	15,791	18,101	15,791	18,101
Taxation	(2,342)	(4,108)	(2,342)	(4,108)
Profit After Taxation	13,449	13,993	13,449	13,993
Other Comprehensive Income: - Currency translation differences	(14)	229	(14)	229
Total Comprehensive Income for The Period	13,435	14,222	13,435	14,222
Total Comprehensive Income Attributable to :				
Owners of the parent	13,395	14,414	13,395	14,414
Non-controlling interest	40	(192)	40	(192)
	13,435	14,222	13,435	14,222
Basic Earnings Per Share (sen)	8.79	10.25	8.79	10.25
Dividend Paid Per Share (sen)	-	2.50	-	2.50

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at End of Current Quarter 31.12.2010 RM'000	As at Preceding Year Ended 30.09.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	252,025	251,530
Investment in an associate	-	-
	<u>252,025</u>	<u>251,530</u>
Current assets		
Inventories	36,414	35,490
Trade receivables	54,344	53,710
Other receivables and deposits	8,391	7,571
Tax refundable	11,427	8,889
Derivative financial instruments	627	-
Short term deposits with licensed banks	2,219	5,323
Cash and bank balances	35,005	31,678
	<u>148,427</u>	<u>142,661</u>
Total assets	<u>400,452</u>	<u>394,191</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	77,280	77,280
Share Premium	29,482	29,482
Treasury Shares	(4,819)	(4,039)
Currency Translation Reserves	495	509
Retained Profits	136,692	129,519
Equity attributable to owners of the Company	<u>239,130</u>	<u>232,751</u>
Non-controlling Interests	1,204	1,163
Total equity	<u>240,334</u>	<u>233,914</u>
Non-current liabilities		
Long term borrowings	78,331	69,467
Deferred taxation	13,508	12,246
	<u>91,839</u>	<u>81,713</u>
Current liabilities		
Trade payables	13,865	13,783
Other payables and accruals	14,380	30,641
Amount owing to an associate	-	-
Provision for taxation	-	-
Dividend payable	6,862	-
Short term borrowings	31,619	32,398
Bank overdrafts	1,553	1,742
	<u>68,279</u>	<u>78,564</u>
Total Liabilities	<u>160,118</u>	<u>160,277</u>
TOTAL EQUITY AND LIABILITIES	<u>400,452</u>	<u>394,191</u>
Net assets per ordinary share (RM)	<u>1.5472</u>	<u>1.5059</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 30 September 2010 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 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →					Total RM'000	Minortiy Interest RM'000	Total Equity RM'000
	← Non-distributable →	← Distributable →	Currency Translation Reserves RM'000	Retained Profits RM'000	Total RM'000			
	Ordinary Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Currency Translation Reserves RM'000	Retained Profits RM'000	Total RM'000	Minortiy Interest RM'000	Total Equity RM'000
3 months ended 31 December 2010								
As at 1 October 2010 - as previously stated	77,280	29,482	(4,039)	509	129,519	232,751	1,163	233,914
Effect of adopting FRS 139	-	-	-	-	626	626	-	626
- as restated	<u>77,280</u>	<u>29,482</u>	<u>(4,039)</u>	<u>509</u>	<u>130,145</u>	<u>233,377</u>	<u>1,163</u>	<u>234,540</u>
Total Comprehensive Income for the financial period	-	-	-	(14)	13,409	13,395	40	13,435
Interim tax-exempt dividend of 4.5 sen per ordinary share of RM0.50 each in respect of the financial year ended 30.9.2010	-	-	-	-	(6,862)	(6,862)	-	(6,862)
Purchase of own shares	-	-	(780)	-	-	(780)	-	(780)
As at 31 December 2010	<u>77,280</u>	<u>29,482</u>	<u>(4,819)</u>	<u>495</u>	<u>136,692</u>	<u>239,130</u>	<u>1,203</u>	<u>240,333</u>
3 months ended 31 December 2009								
As at 1 October 2009	70,358	166	(2,401)	98	95,334	163,555	1,134	164,689
Profit for the financial period	-	-	-	-	14,185	14,185	(192)	13,993
Currency translation differences	-	-	-	229	-	229	-	229
Purchase of own shares	-	-	(5,767)	-	-	(5,767)	-	(5,767)
Disposal of treasury shares	-	1,130	2,507	-	-	3,637	-	3,637
As at 31 December 2009	<u>70,358</u>	<u>1,296</u>	<u>(5,661)</u>	<u>327</u>	<u>109,519</u>	<u>175,839</u>	<u>942</u>	<u>176,781</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 2010 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 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To Date 31.12.2010 RM'000	Preceding Year To Date 31.12.2009 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	15,754	18,101
Adjustments for:		
Depreciation of property, plant and equipment	7,571	4,934
Interest expense	1,411	1,003
Inventories written off	-	-
Gain on disposal of plant and equipment	(88)	-
Unrealised foreign currency translation gain	(243)	-
Derivative gain	(1)	-
Interest income	(82)	(20)
Share of profit in an associate	-	(391)
Operating profit before working capital changes	24,322	23,627
(Increase)/Decrease in inventories	(924)	(8,632)
Increase in trade and other receivables	(1,869)	(6,011)
Increase/(Decrease) in trade and other payables	(15,407)	11,919
CASH FROM OPERATIONS	6,122	20,903
Interest paid	(1,411)	(1,003)
Tax refunded	4	-
Tax paid	(3,852)	(1,858)
NET CASH FROM OPERATING ACTIVITIES	863	18,042
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	82	20
Proceeds from disposal of plant and equipment	91	-
Purchase of property, plant and equipment	(7,837)	(19,484)
NET CASH FOR INVESTING ACTIVITIES	(7,664)	(19,464)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividends paid	-	(3,466)
Drawdown from hire-purchase and lease obligations	1,404	5,749
Repayment of hire-purchase and lease obligations	(4,203)	(3,892)
Drawdown of term loan	17,374	-
Repayment of term loan	(2,300)	(225)
Drawdown of bank borrowings	4,103	3,740
Repayment of bank borrowings	(8,141)	(1,091)
Proceeds from sale of treasury shares	-	3,637
Buy-back of shares	(780)	(5,766)
NET CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES	7,457	(1,314)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	656	(2,736)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	35,259	19,124
Currency translation differences		
- subsidiaries	(243)	231
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	35,672	16,619

Note (A)

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

Short term deposits with licensed banks	2,219	2,158
Cash and bank balances	34,626	16,608
Bank overdrafts	(1,173)	(2,147)
	35,672	16,619

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

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 2010.

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

Other than for the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

FRS 101 (Revised) : Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consist of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The exchange difference on translation of foreign operations that was recognised in equity in the preceding year corresponding period is presented as components in the other comprehensive income in the statement of comprehensive income. The total comprehensive income for the preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity. Comparative information had been re-presented so that it is in conformity with the revised standard. The standard does not have any impact on the financial position and results of the Group.

FRS 139 : Financial Instruments : Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Group become a party to the contractual provision of the instruments.

At the initial recognition, all financial assets and financial liabilities which were not at fair value through profit and loss, are measured at their value plus transaction costs directly attributable to the acquisition or issuance of the instruments.

With the adoption of FRS 139, the classification of categories and subsequent measurement of the financial assets and financial liabilities are as follows :-

Category	Measurement basis
Financial instrument at fair value through profit and loss	At fair value through profit and loss
Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
Held-to-Maturity investments	At amortised cost effective interest method
Loans and receivables	At amortised cost effective interest method
Loans and other financial liabilities	At amortised cost effective interest method

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives are accounted for using the specified hedge accounting requirements for FRS 139. All financial assets other than those classified as at fair value through profit and loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively and the comparatives are not restated. The effects of the remeasurement on 1 October 2010 of the financial assets and liabilities brought forward from previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity.

The application of the above policy has the following effect:

	Retained earnings
	(RM'000)
At 1 October 2010, as previously stated	129,519
Adjustment arising from adoption of FRS139 - derivative gain previously not recognised	626
At 1 October 2010, as restated	<u>130,145</u>

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Group for the FYE 30 September 2010 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 21 February 2011, 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 468,000 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 RM1.67 per ordinary share. The total consideration paid for acquisition of the shares was RM779,862 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.

As at 31 December 2010, the Company held 2,065,840 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 RM4,819,075.

A8. DIVIDEND PAID

	Cumulative Quarter	
	Current Year To Date 31.12.2010	Preceding Year To Date 31.12.2009

In respect of financial year ended 30 September 2009:

- Interim tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each (paid on 11.11.2009)#

- 2.5

- 2.5

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.

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.

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 December 2010, the outstanding hire purchase balance stood at RM46,782,869.

b) The Group has also provided corporate guarantees for bank facilities granted for a total amount of RM276,268,740. As at 31 December 2010, the utilisation of the bank facilities stood at RM64,720,243.

On 10 December 2010, NVB has been served with a Writ and Statement of Claim dated 1 November 2010 and 26 October 2010 respectively from the solicitors acting for Foo Kee Pack, Yong Kim Seng and Woi See Khoon (hereinafter collectively referred to as the "Plaintiffs") for alleged breach by NVB of the Share Sale Agreement dated 10 December 2009 entered into by NVB and the Plaintiffs in connection with the disposal of 350,000 ordinary shares of RM1.00 each in Swiss Impression Sdn Bhd, a subsidiary of NVB, to the Plaintiffs.

The Plaintiffs are seeking for, inter alia, a declaration that NVB had breached the Share Sale Agreement dated 10 December 2009, damages of RM4,500,000, general damages, punitive damages, interests, costs and such further relief and/or other relief as deemed fit and just.

Based on legal advice, the directors are of the opinion that the claim has no merits. Accordingly, no provision has been made in respect of the claim in the financial statements.

The Company has filed a counter-claim against the Plaintiffs for losses that have been caused to the Company, secret profits or benefits made by the Plaintiffs, and other related losses suffered by the Company.

A14. CAPITAL COMMITMENTS

As at End of Current Quarter 31.12.2010 RM'000	As at End of Preceding Quarter 30.9.2010 RM'000	As at Preceding Year's Corresponding Quarter 31.12.2009 RM'000
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Approved and contracted for :
- purchase of plant and equipment

12,765 7,936 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 a 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 DECEMBER 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 RM60.0 million and RM13.4 million respectively for the quarter ended 31 December 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 1Q of FY2011 the Group recorded revenue of RM60.0 million (4QFY2010 : RM53.0 million) and PAT of RM13.4 million (4QFY2010 : RM8.2 million) and earnings per share of 8.65 sen (4QFY2010 : 5.23 sen). The improvement in PAT of about RM5.3 million is mainly attributable to the higher revenue contributed from camera segment.

The Group recorded PBT of RM15.8 million as compared to the immediate preceding quarter of RM6.7 million, an increase of 136%.

For the current year to date, total revenue of RM60.0 million and PAT of RM13.4 million is 6.6% higher and 4.3% lower respectively compared to the corresponding period of the preceding year revenue of RM56.3 million and PAT of RM14.0 million.

Product mix:

In 4QFY2010, HDD parts revenue recorded RM20.8 million (Q4FY2010: RM18.3 million), camera parts recorded RM29.9 million (Q4FY2010: RM25.6 million) whilst the industrial/automotive revenue was at RM9.3 million (Q4FY2010: RM9.1 million). The product mix for Q1FY2011 was HDD:Camera:Industrial/Automotive of 35%:50%:15% compared to previous quarter's mix of 35%:48%:17%.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**Business Outlook for FY2011**

The Group's financial performance for Q1 FY2011 was encouraging as the Group has fully recovered from the set-back experienced in Q3 FY2010 earlier than the 9 months as estimated in our previous quarterly announcement.

Q2 FY2011 revenue will be quite static considering the shorter month of February and inventory reduction by the camera customers at March end which coincides with their financial year ending.

Management is quite optimistic of the Group's business prospects in the 2nd half as contribution from the newer camera projects, Ijok aluminium plant and 2.5" HDD baseplate orders start kicking in.

The foreign currency and aluminium hedging positions have been quite satisfactory thus far and we hope it will stabilize the effect of a strong ringgit.

It is expected that FY2011 will turn out to a good year and the foundations have been laid for better years ahead.

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 31.12.2010 RM'000	Preceding Year Corresponding Quarter 31.12.2009 RM'000	Current Year To Date 31.12.2010 RM'000	Preceding Year To Date 31.12.2009 RM'000
Company and Subsidiaries				
Taxation	1,080	4,351	1,080	4,351
Deferred taxation	1,262	(328)	1,262	(328)
	2,342	4,023	2,342	4,023
Associate				
Taxation	-	85	-	85
	-	85	-	85
	2,342	4,108	2,342	4,108

The effective tax rate of approximately 14.9% was lower than the statutory tax rate of 25% 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 for the following:

As announced on 13 January 2011, an amount of RM23.60 million (arising from the private placement which was completed on 18 January 2010 and allocated towards capital expenditure for the Company's new operations in Thailand) has yet to be fully utilised for its intended purposes. As of 31 December 2010, the Company has utilised approximately RM10.0 million for capital expenditure and RM0.18 million to defray expenses in connection with the private placement. The BOD has resolved and approved an extension of time of one year until 17 January 2012 for the utilisation of the remaining proceeds.

In respect of the Proposals announced on 29 April 2010, the proposed issue of 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; Bursa Malaysia Securities Berhad had vide its letter dated 13 December 2010, approved the application for an extension of time of 6 months from 10 December 2010 until 9 June 2011 for NVB to implement the proposal.

B9. BORROWINGS AND DEBTS SECURITIES

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

	RM'000
Long - term	
Secured	
Hire purchase and lease payables	31,981
Term loan	<u>46,350</u>
	<u>78,331</u>
Short - term	
Secured	
Portion of hire purchase and lease payables due within one year	14,801
Portion of term loan due within one year	12,715
Unsecured	
Bank Overdraft	1,553
Other short term borrowings	<u>4,103</u>
	<u>33,172</u>
	<u>111,503</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. RETAINED PROFITS

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

	As at End of Current Quarter 31.12.2010 RM'000	As at Preceding Year Ended 30.09.2010 RM'000
Total retained profits:		
- realised	149,330	142,358
- unrealised	<u>(12,638)</u>	<u>(12,839)</u>
	<u>136,692</u>	<u>129,519</u>

B11. DERIVATIVE GAIN

Derivative gain consists of realised gain 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 2010 as compared to 1 October 2010 which comprised the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2010 RM'000	Preceding Year Corresponding Quarter 31.12.2009 RM'000	Current Year To Date 31.12.2010 RM'000	Preceding Year To Date 31.12.2009 RM'000
Gain / (Loss) from foreign currency hedging contracts:				
- settlement of hedging contracts	2,020	-	2,020	-
- fair value changes due to movement in MTM position on non-designated hedging contracts	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>2,021</u>	<u>-</u>	<u>2,021</u>	<u>-</u>

B12. DERIVATIVE FINANCIAL INSTRUMENTS

Type of derivatives	Notional Value as at 31/12/2010 RM'000	Fair Value as at 31/12/2010 Assets/(Liabilities) RM'000
Foreign Currency Hedging Contracts		
- Less than 1 year	139,261	627
- 1 year to 2 years	<u>104,162</u>	<u>-</u>
	<u>243,423</u>	<u>627</u>

The above contracts were entered into as hedges for sales denominated in US Dollars and Euro 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.

B13. MATERIAL LITIGATION

Saved as disclosed in Note A13, there were no material litigations that might adversely and materially affect the position of the Group as at date of this report.

B14. DIVIDENDS PER SHARE

The Board has on 23 November 2010 declared an interim tax-exempt dividend of 4.5 sen per ordinary share of RM0.50 each in respect of the financial year ended 30 September 2010 and paid on 13 January 2011. (FY2009 - 5.0 sen).

The Board has on even date approved a distribution of share dividend on the basis of 13 Notion VTec Berhad ("NVB") treasury shares listed and quoted on the Main Market of Bursa Malaysia Securities Berhad for every 1000 ordinary shares of RM0.50 each held in NVB, fractions of a treasury share to be disregarded ("Share Dividend").

The Share Dividend will be credited into the depositors' securities account on 22 March 2011 to depositors whose name appear in the Record of Depositors on 8 March 2011 ("Entitlement Date").

B15. EARNINGS PER SHARE

The earnings per share is calculated by dividing profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue (excluding the treasury shares held by the Company).

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2010 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2009 (Unaudited)	Current Year To Date 31.12.2010 (Unaudited)	Preceding Year To Date 31.12.2009 (Unaudited)
Profit attributable to owners of the Company (RM'000)	13,409	14,185	13,409	14,185
Weighted Average Number of ordinary shares in issue (excluding the treasury shares held by the Company ('000))	152,495	138,447	152,495	138,447
Basic and diluted earnings per share (sen)	<u>8.79</u>	<u>10.25</u>	<u>8.79</u>	<u>10.25</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 21 February 2011.

By Order of the Board

Petaling Jaya
21 February 2011