

NOTION VTEC BERHAD

Company No:- 637546-D

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2011 RM'000	Preceding Year Corresponding Quarter 30.6.2010 RM'000	Current Year To Date 30.6.2011 RM'000	Preceding Year To Date 30.6.2010 RM'000
Revenue	60,891	60,812	174,801	173,850
Cost of Sales	(43,934)	(52,756)	(127,671)	(126,668)
Gross Profit	16,957	8,056	47,130	47,182
Other Operating Income	375	1,510	5,082	5,268
Operating Expenses	(4,205)	(4,454)	(13,033)	(12,161)
Operating Profit	13,127	5,112	39,179	40,289
Derivative gain	1,869	-	6,653	-
Finance Costs	(1,859)	(1,246)	(4,813)	(3,686)
Share of Profit in an Associate	-	108	-	980
Profit Before Taxation	13,137	3,974	41,019	37,583
Taxation	(2,952)	(885)	(6,560)	(8,274)
Profit After Taxation	10,185	3,089	34,459	29,309
Other comprehensive (loss) / income:				
- currency translation differences	(255)	(37)	(335)	75
Total comprehensive income for the period	9,930	3,052	34,124	29,384
Profit after taxation attributable to :				
- Owners of the parent	10,127	2,969	34,361	29,356
- Minority Interest	58	120	98	(47)
	10,185	3,089	34,459	29,309
Total comprehensive income for the period attributable to :				
- Owners of the parent	9,872	2,932	34,026	29,431
- Minority Interest	58	120	98	(47)
	9,930	3,052	34,124	29,384
Basic Earnings Per Share (sen)	6.56	1.94	22.24	19.87
Proposed/Declared Dividend Per Share (sen)	-	-	3.00	-

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 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at End of Current Quarter 30.6.2011 RM'000	As at Preceding Year Ended 30.09.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	259,619	251,530
Investment in an associate	-	-
	<u>259,619</u>	<u>251,530</u>
Current assets		
Inventories	38,732	35,490
Trade receivables	57,199	53,710
Other receivables and deposits	9,364	7,571
Tax refundable	8,852	8,889
Derivative financial instruments	1,210	-
Short term deposits with licensed banks	2,240	5,323
Cash and bank balances	14,340	31,678
	<u>131,937</u>	<u>142,661</u>
Total assets	<u>391,556</u>	<u>394,191</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	77,280	77,280
Share Premium	25,193	29,482
Treasury Shares	(198)	(4,039)
Currency Translation Reserves	174	509
Retained Profits	153,782	129,519
Equity attributable to owners of the Company	<u>256,231</u>	<u>232,751</u>
Minority Interests	1,261	1,163
Total equity	<u>257,492</u>	<u>233,914</u>
Non-current liabilities		
Long term borrowings	64,863	69,467
Deferred taxation	14,447	12,246
	<u>79,310</u>	<u>81,713</u>
Current liabilities		
Trade payables	10,276	13,783
Other payables and accruals	12,271	30,641
Provision for taxation	167	-
Short term borrowings	31,678	32,398
Bank overdrafts	362	1,742
	<u>54,754</u>	<u>78,564</u>
Total Liabilities	134,064	160,277
TOTAL EQUITY AND LIABILITIES	<u>391,556</u>	<u>394,191</u>
Net assets per ordinary share (RM)	<u>1.6587</u>	<u>1.5216</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 30 JUNE 2011
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
	Ordinary Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Currency Translation Reserves RM'000	Retained Profits RM'000			
9 months ended 30 June 2011								
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	-	-	-	(335)	34,361	34,026	98	34,124
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)
Interim dividend in respect of the financial year ending 30.9.2011								
- 2.0 sen less 25% tax per ordinary share of RM0.50 each					(2,317)	(2,317)	-	(2,317)
- tax-exempt dividend of 1.0 sen ordinary share of RM0.50 each					(1,545)	(1,545)	-	(1,545)
Purchase of own shares	-	-	(782)	-	-	(782)	-	(782)
Distribution of share dividend on the basis of 13 treasury shares for every 1,000 shares held	-	(4,623)	4,623	-	-	-	-	-
Expenses in respect of the Bonus Issue and transfer to Main Board in FYE30.9.2008	-	334	-	-	-	334	-	334
As at 30 June 2011	<u>77,280</u>	<u>25,193</u>	<u>(198)</u>	<u>174</u>	<u>153,782</u>	<u>256,231</u>	<u>1,261</u>	<u>257,492</u>
9 months ended 30 June 2010								
As at 1 October 2009	70,358	166	(2,401)	98	95,334	163,555	1,134	164,689
Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost arising from acquisition of a subsidiary	-	-	-	-	632	632	-	632
Profit for the financial period	-	-	-	-	29,356	29,356	(47)	29,309
Currency translation differences	-	-	-	75	-	75	-	75
Final tax-exempt dividend of 2.5 sen per ordinary share in respect of the financial year ended 30.9.2008	-	-	-	-	(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	-	-	(9,014)	-	-	(9,014)	-	(9,014)
Disposal of treasury shares	-	2,641	7,932	-	-	10,573	-	10,573
As at 30 June 2010	<u>77,280</u>	<u>29,482</u>	<u>(3,483)</u>	<u>173</u>	<u>121,505</u>	<u>224,957</u>	<u>1,087</u>	<u>226,044</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 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Note	Current Year To Date 30.6.2011 RM'000	Preceding Year To Date 30.6.2010 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	41,019	37,583
Adjustments for:		
Depreciation of property, plant and equipment	23,411	16,551
Interest expense	4,162	3,304
Gain on disposal of plant and equipment	(194)	-
Unrealised foreign currency translation gain	(1,433)	-
Derivative gain	(585)	-
Interest income	(212)	(260)
Expenses in connection with Bonus Issue and transfer to Main Board	334	-
Share of profit in an associate	-	(980)
Operating profit before working capital changes	66,502	56,198
Increase in inventories	(3,243)	(15,437)
Increase in trade and other receivables	(4,848)	(16,596)
Increase/(Decrease) in trade and other payables	(21,159)	17,839
CASH FROM OPERATIONS	37,252	42,004
Interest paid	(4,162)	(3,304)
Tax refunded	29	41
Tax paid	(4,369)	(6,360)
NET CASH FROM OPERATING ACTIVITIES	28,750	32,381
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	212	260
Proceeds from disposal of plant and equipment	819	-
Purchase of property, plant and equipment	(32,399)	(74,569)
Net cash outflow for acquisition of subsidiary	-	(1,640)
NET CASH FOR INVESTING ACTIVITIES	(31,368)	(75,949)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividends paid	(10,724)	(7,283)
Drawdown from hire-purchase and lease obligations	2,376	11,625
Repayment of hire-purchase and lease obligations	(11,826)	(11,843)
Drawdown of term loan	17,374	27,000
Repayment of term loan	(8,448)	(1,980)
Drawdown of bank borrowings	10,646	19,896
Repayment of bank borrowings	(14,999)	(10,303)
Proceeds from issuance of shares	-	33,781
Expenses in connection with new shares issued	-	(184)
Proceeds from sale of treasury shares	-	10,573
Buy-back of shares	(782)	(9,014)
NET CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES	(16,383)	62,268
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(19,001)	18,700
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		
Currency translation differences	35,259	19,124
- subsidiaries	(41)	270
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	16,217	38,094

Note (A)

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

Short term deposits with licensed banks	2,239	2,176
Cash and bank balances	14,340	36,540
Bank overdrafts	(362)	(622)
	16,217	38,094

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 30 JUNE 2011

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 quarter, the Company purchased from the open market 1,000 units of its own shares of RM0.50 each through purchase on the Main Market of Bursa Securities at an average buy-back price of RM2.12 per ordinary share. The total consideration paid for acquisition of the shares was RM2,164 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 30 June 2011, the Company held 84,948 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 RM197,993.

A8. DIVIDEND PAID

	Cumulative Quarter	
	Current Year To Date 30.6.2011	Preceding Year To Date 30.6.2010
In respect of financial year ending 30 September 2011: - First interim dividend of 2.0 sen less tax of 25%, and tax-exempt dividend of 1.0 sen per ordinary share of RM0.50 each (paid on 10.6.2011)	3.0	-
In respect of financial year ended 30 September 2010: - Interim tax-exempt dividend of 4.5 sen per ordinary share of RM0.50 each (paid on 13.1.2011)	4.5	-
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)# - Final tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each (paid on 5.4.2010)	- -	2.5 2.5
	7.5	5.0

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. Breakdown 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 30 June 2011, the outstanding hire purchase balance stood at RM40,073,258.
- b) The Group has also provided corporate guarantees for bank facilities granted for a total amount of RM276,268,740. As at 30 June 2011, the utilisation of the bank facilities stood at RM56,829,980.

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 Pak, 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 30.6.2011 RM'000	As at End of Preceding Quarter 31.3.2011 RM'000	As at Preceding Year's Corresponding Quarter 30.6.2010 RM'000
Approved and contracted for : - purchase of plant and equipment	13,449	16,859	45,193

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 30 JUNE 2011

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 RM60.9 million and RM10.2 million respectively for the quarter ended 30 June 2011. Refer Notes B2. and B3. below for a detailed review of the Group's performance.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**Financials:**

For 3Q of FY2011 the Group recorded revenue of RM60.9 million (2QFY2011 : RM53.9 million) and PAT of RM10.2 million (2QFY2011 : RM10.8 million) and earnings per share of 6.56 sen (2QFY2011 : 7.01 sen). The lower PAT of about RM0.6 million is mainly attributable to higher costs and a weaker USD. The EBITDA for 3Q of FY2011 was RM22.7 million compared to RM21.2 million recorded in 2Q.

For the current year to date, total revenue of RM174.8 million and PAT of RM34.5 million is 0.5% and 17.6% respectively higher compared to the corresponding period of the preceding year revenue of RM173.9 million and PAT of RM29.4 million. The current year to date EBITDA of RM68.6 million is higher than preceding year to date of RM57.4 million.

Product mix:

In Q3FY2011, HDD parts revenue recorded RM21.7 million (Q2FY2011: RM20.5 million), camera parts recorded RM29.2 million (Q2FY2011: RM24.4 million) whilst the industrial/automotive revenue was at RM9.9 million (Q2FY2011: RM9.0 million). The product mix for Q3FY2011 was HDD:Camera:Industrial/Automotive of 36%:48%:16% compared to previous quarter's mix of 38%:45%:17%.

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

Consumer confidence for digital products seems to be affected by both the weak US and Euro zone economies. Consequently producers are less optimistic of growth prospects which translates to slower orders.

The Group continues to search for new business from existing customers as well as new and there has been some success in gaining some new customers which will then be potential growth drivers in the coming quarters and longer term.

The camera and auto/industrial segments will be the main focus whilst the HDD sector is in consolidation mode and appears in transition.

The USD remains weak and volatile and is currently at 3.00 to the Ringgit when 2 years ago the exchange rate was 3.50 and this currency problem remains a major issue. The Group is able to exchange at a range of 3.12 to 3.22 through hedging.

Notwithstanding a less optimistic outlook and uncertainties in the markets, the Group will still perform better when compared to preceding year.

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 30.6.2011 RM'000	Preceding Year Corresponding Quarter 30.6.2010 RM'000	Current Year To Date 30.6.2011 RM'000	Preceding Year To Date 30.6.2010 RM'000
Company and Subsidiaries				
Taxation	1,588	(4,223)	4,359	3,238
Deferred taxation	1,364	5,082	2,201	4,805
	2,952	859	6,560	8,043
Associate				
Taxation	-	26	-	231
	-	26	-	231
	2,952	885	6,560	8,274

The effective tax rate of approximately 16% 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 30 June 2011, the Company has utilised approximately RM16.0 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. The timeframe to implement the private placement has lapsed on 9 June 2011. On the same date it was announced the Company does not intend to seek any further extension of time for the implementation of the private placement.

B9. BORROWINGS AND DEBTS SECURITIES

The Group's borrowings as at 30 June 2011 are as follows:

	RM'000
Long - term	
Secured	
Hire purchase and lease payables	24,661
Term loan	40,202
	<u>64,863</u>
Short - term	
Secured	
Portion of hire purchase and lease payables due within one year	15,413
Portion of term loan due within one year	12,477
Unsecured	
Bank Overdraft	362
Other short term borrowings	3,788
	<u>32,040</u>
	<u>96,903</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 30.6.2011 RM'000	As at End of Current Quarter 31.3.2011 RM'000	As at Preceding Year Ended 30.09.2010 RM'000
Total retained profits:			
- realised	166,568	158,742	142,358
- unrealised	(12,787)	(11,225)	(12,839)
	<u>153,781</u>	<u>147,517</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 30 June 2011 as compared to 1 October 2010 which comprised the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2011 RM'000	Preceding Year Corresponding Quarter 30.6.2010 RM'000	Current Year To Date 30.6.2011 RM'000	Preceding Year To Date 30.6.2010 RM'000
Gain / (Loss) from foreign currency hedging contracts:				
- settlement of hedging contracts	1,849	-	6,068	-
- fair value changes due to movement in MTM position on non-designated hedging contracts	20	-	585	-
	<u>1,869</u>	<u>-</u>	<u>6,653</u>	<u>-</u>

B12. DERIVATIVE FINANCIAL INSTRUMENTS

Type of derivatives	Notional Value as at 30/6/2011 RM'000	Fair Value as at 30/6/2011 Assets/(Liabilities) RM'000
	Foreign Currency Hedging Contracts	
- Less than 1 year	226,253	1,210
- 1 year to 2 years	215,188	-
	<u>441,441</u>	<u>1,210</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

No dividend has been proposed for the third quarter ended 30 June 2011 (current year to date: 3.0 sen).

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 30.6.2011 (Unaudited)	Preceding Year Corresponding Quarter 30.6.2010 (Unaudited)	Current Year To Date 30.6.2011 (Unaudited)	Preceding Year To Date 30.6.2010 (Unaudited)
Profit attributable to owners of the Company (RM'000)	10,127	2,969	34,361	29,356
Weighted Average Number of ordinary shares in issue (excluding the treasury shares held by the Company ('000))	154,476	153,263	154,476	147,736
Basic and diluted earnings per share (sen)	<u>6.56</u>	<u>1.94</u>	<u>22.24</u>	<u>19.87</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 11 August 2011.

By Order of the Board

Petaling Jaya
11 August 2011