

NOTIONVTEC

NOTION VTEC BERHAD

(Company No. 637546-D)

(Incorporated in Malaysia under the Companies Act, 1965)

ANNUAL REPORT 2009



Vision & Mission

To be a leader and world class specialist in high precision components for the data storage, consumer electronics, digital imaging and automotive industries and an outsourcing provider using state of the art high precision technology.



6th Annual General Meeting

Place : Dillenia Room, Sime Darby Convention Centre,
1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur
Time : 9.30 am, Tuesday, 23 February 2009



Contents 2009

02 Corporate Information

03 Corporate Structure

04 Financial Highlights

06 Chairman's Statement

10 Board of Directors

12 Key Management

15 Corporate Social Responsibility Statement

17 Corporate Governance Statement

24 Audit Committee Report

28 Internal Control Statement

29 Financial Statements

76 List of Properties

77 Analysis of Shareholdings

80 Additional Information

82 Notice of Annual General Meeting

• Proxy Form

Corporate Information

BOARD OF DIRECTORS

Thoo Chow Fah
Executive Chairman

William Choo Wing Hong
Managing Director

John Choo Wing Onn
Executive Director

Lee Tian Yoke
Executive Director

Jerry Choo Wing Yew
Executive Director

Saw Tat Loon
Independent Non-Executive Director

Alwin Yike Chee Wah
Independent Non-Executive Director

Anita Chew Cheng Im
Independent Non-Executive Director

AUDIT COMMITTEE

Saw Tat Loon (Chairman)
Alwin Yike Chee Wah
Anita Chew Cheng Im

REMUNERATION COMMITTEE

Alwin Yike Chee Wah (Chairman)
Saw Tat Loon
Thoo Chow Fah
Anita Chew Cheng Im

NOMINATION COMMITTEE

Saw Tat Loon (Chairman)
Alwin Yike Chee Wah
Anita Chew Cheng Im

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Liew Irene (MAICSA 7022609)

HEAD / MANAGEMENT OFFICE

Lot 6123 Jalan Haji Salleh
Batu 5½, Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel : (603) 3361 5615
Fax : (603) 3361 5618

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7720 1188
Fax : (603) 7720 1111

WEBSITE

www.notionvtec.com

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (603) 2264 3883
Fax : (603) 2282 1886

AUDITORS

Crowe Horwath
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : (603) 2166 0000
Fax : (603) 2166 1000

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad
Level 15, Menara Standard Chartered
30 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2781 7013
Fax : (603) 2142 8933

HSBC Bank Malaysia Berhad
2, Jalan Tiara 2A, Bandar Baru Klang
41150 Klang, Selangor Darul Ehsan
Tel : (603) 3343 6111
Fax : (603) 3344 4249

OCBC Bank (Malaysia) Berhad
18 Jalan Tun Perak
50050 Kuala Lumpur
Tel : (603) 2783 3539
Fax : (603) 2698 1919

AmBank (M) Berhad
Wisma SH NG, No. 42-44
Persiaran Sultan Ibrahim
41300 Klang, Selangor Darul Ehsan
Tel : (603) 3344 3778
Fax : (603) 3344 3779

RHB Bank Berhad
147 & 149, 1½ Miles, Jalan Meru
41050 Klang, Selangor Darul Ehsan
Tel : (603) 3344 2752
Fax : (603) 3344 2755

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : NOTION
Stock Code : 0083

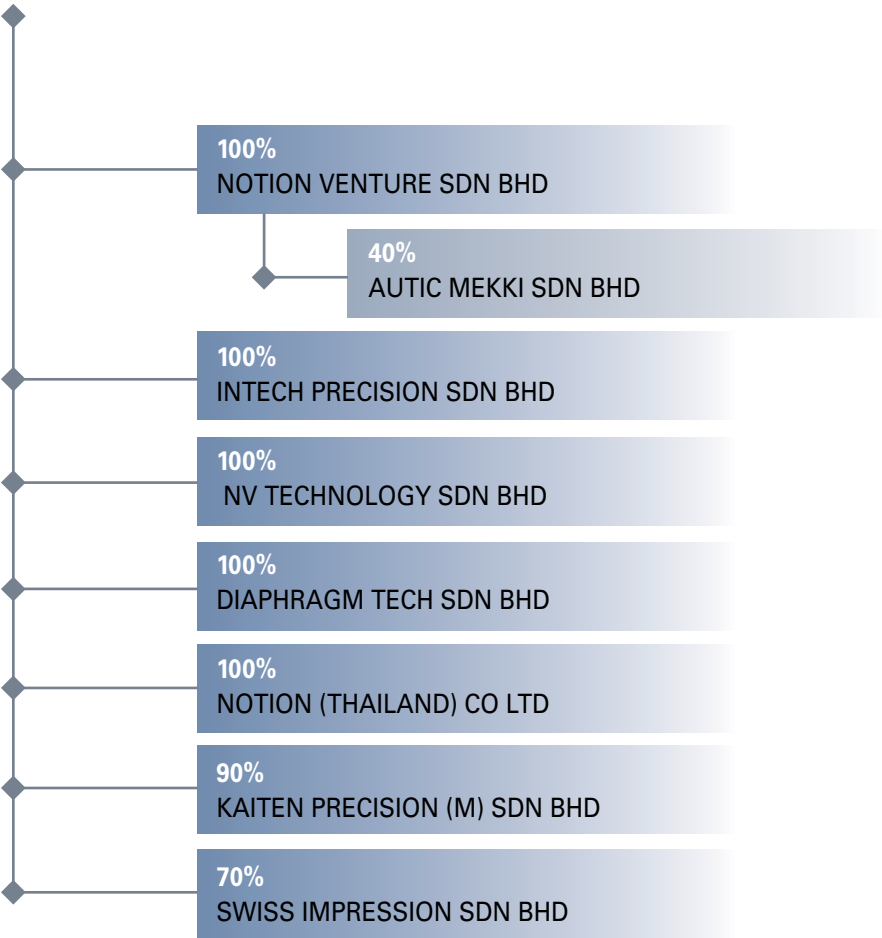
Corporate Structure

NOTIONVTEC

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Financial Highlights

The table below sets out a summary of the audited consolidated results of the Notion Group for the financial years ended 30 September 2006 to 2009 and the proforma consolidated results of the Group, based on the audited financial statements of NVB and its subsidiaries prepared on the assumption that the current structure of the Group has been in existence throughout the financial year ended 30 September 2005.

		2009	2008	2007	2006	2005
Revenue	(RM'000)	172,703	146,104	104,491	89,912	79,288
Profit before Tax (PBT)	(RM'000)	42,963	40,859	30,884	25,076	22,311
Profit after Tax	(RM'000)	35,975	33,073	27,243	20,983	18,848
Profit attributable to equity holders of the Company	(RM'000)	35,898	32,919	26,620	20,657	18,644
No. of shares in issue		703,583,424	703,583,424	703,583,424*	703,583,424*	703,583,424*
Net Earnings per share (EPS)**	(Sen)	5.1	4.7	3.8	2.9	2.6
Proforma EPS***	(Sen)	25.5	23.5	19.0	14.5	13.0

* The number of shares in issue has been restated as a result of the bonus issue made in year 2008.

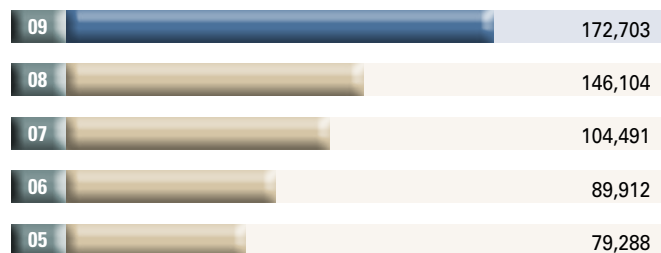
** EPS is based on the Group's latest enlarged share capital and restated on assumed same share capital for FYE 2005 to FYE 2007 for comparison purposes.

*** Based on the issued and paid-up capital of 140,716,684 ordinary shares of RM0.50 each.

Note: As at 5 November 2009, the issued and paid-up share capital of Notion which comprised 703,583,424 ordinary shares of RM0.10 each including its treasury shares have been consolidated into 140,716,684 ordinary shares of RM0.50 each.

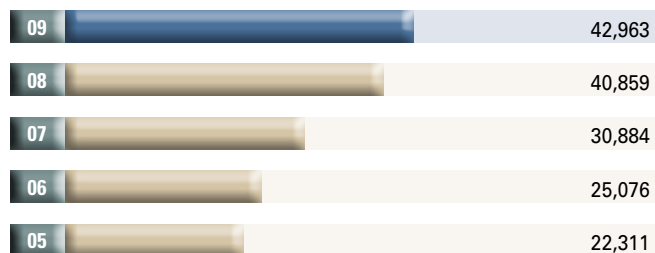
5-Years Group Revenue

(RM Million)



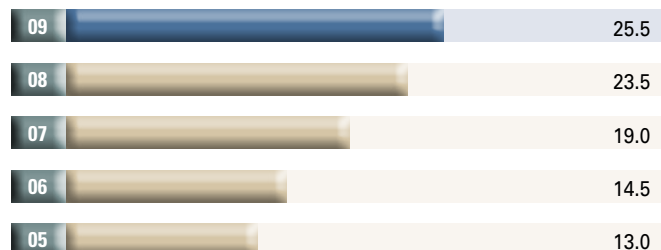
5-Years Group PBT

(RM Million)



5-Years Group Proforma EPS

(Sen)





Enhanced

Capability & Capacity

Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, it is my pleasure to present the annual report and audited financial statements of Notion VTec Berhad for the year ended 30 September 2009.

A MOST SURPRISING YEAR OF CONTRADICTIONS

The Financial Year 2009 for our group was indeed a roller coaster year mirroring the very difficult financial crisis in late 2008 followed by the economic crisis and an extended period of recovery. Some economists described it as the worse recession since the depression years of the 1930's.

The dip was felt most during January to March 2009 (Q2 '09) quarter when the camera and automotive part orders simply dropped off the table. The hard disk drive segment was least affected and surprisingly the orders were steadier. But the fear of losing orders was a constant concern and cost cutting measures were implemented immediately.

Fortunately, when the economic contraction began to subside, the return to sustainable orders began to flow back and that was how our group quickly re-organized to meet the rising demand for our parts. Q3 and Q4 were surprisingly very strong when the camera/lens segment resumed back to normal.

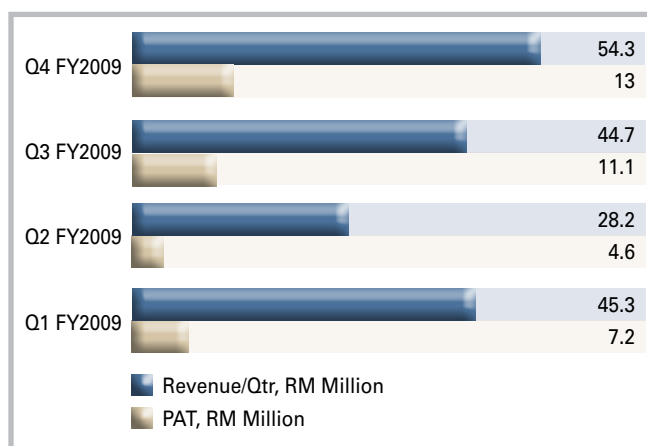
The year started on a very sharp downturn followed by a quick turn around and a strong upswing: all happening in a 12 month period. It was an initial period of shock, then a little hope and finally followed by bright optimism.

The strength of our people, the faith of never losing hope, diligence and a persevering positive attitude were some of the attributes that saw us through some of the darkest periods of our business life.



THOO CHOW FAH
Executive Chairman

FINANCIALS AND OPERATIONS REVIEW



Despite an extremely challenging business environment, FY2009 was another record breaking year for our group. We recorded a revenue of RM172.7 million representing a growth of 18.5% and net profit attributable to the shareholders grew by 9% from RM33 million in FY2008 to RM36 million. Proforma net earnings per share for FY2009 was 25.5 sen based on the new 50 sen per share.

As at 30 September 2009, net cash from operating activities amounted to RM41.9 million and cash and cash equivalent totalled RM19.1 million.

Chairman's Statement



In the 1st quarter of FY 2009, revenue recorded was lower than the revenue for the corresponding quarter in the previous year. Anticipating a difficult year ahead, our group intensified our efforts in implementing certain cost cutting measures such as reducing overtime, shortening the work week, reducing employees' perks and allowances. 2nd quarter was not much better. Revenue took another dive in this quarter although we remained profitable, benefiting from the earlier cost cutting measures. The automotive segment was severely affected followed by lower sales in the SLR camera segment. Surprisingly, the sales orders from the HDD segment remained stable.

Economic activities in the manufacturing sector picked up in the 3rd and 4th quarters. Sales from the SLR camera and automotive segments grew at record levels. The HDD segment also recorded a double digit growth. In the 4th quarter, we saw the entrance of 2 new multinational customers, one in the HDD (2.5" base-plates) segment and the other in the automotive sector.

Overall, we were cautious in terms of our expansion plan for FY2009. Total capital expenditure for the year amounted to RM28 million, sharply down from the previous year of RM76 million. The product mix ratio for the FY2009 of the different segments HDD: SLR camera: automotive/ industrial was 40%: 43%: 17%.

MOVING UP THE VALUE CHAIN

Our Board and management are always looking at investing and developing new technologies in order to manufacture higher valued products in all the targeted spaces.

The data storage industry, being fueled by demand for storage due to the expanding data universe, will continue to drive the HDD industry. Another growing trend in the HDD space is the portable applications in netbooks and laptop computers and thus the 2.5" HDD comprise more than 50% of the total available market.

Our group intends to invest in die-casting, precision moulds and later E-coating surface treatment for the production of 2.5" base-plates which are currently in short supply.

In addition, we are looking at developing knowledge and skills in the manufacture of fluid dynamic bearings which is a vital component in the manufacture of spindle motor. The spindle motor is the drive engine of the HDD and there are only a handful of makers in the world, numbering not more than 5. This will require investment in sub-micron machining, precision grinding and electro-chemical machining. The spindle motor is expected to be a mid-term project.

Chairman's Statement



SHARE CONSOLIDATION

We had on 18 August 2009 announced the proposal to consolidate every 5 ordinary shares of 10 sen each in our company into 1 ordinary share of 50 sen each. The aim was to enable the investors to better evaluate and benchmark our company against other companies listed on the main market and also to address the perception of being a penny stock company. Our Board believes that this will be in the best interest of the company in the long term as we hope to attract more institutional investors. This exercise was completed on 5 November 2009.

PRIVATE PLACEMENT AND THAILAND EXPANSION

Subsequent to FY2009, our company placed out 13,844,964 ordinary shares of 50 sen each representing 9.09% of equity interest in the company to Nikon Corporation at an issue price of RM2.44 per share. The private placement was approved by Bursa on 3 November 2009. Upon completion of the placement, the issued and paid up capital increased from 140.7 million to 154.5 million shares.

We are very honoured to have a strategic investor in Nikon Corporation, a company listed on the Tokyo Stock Exchange with global sales of Japanese Yen 879.7 billion (equivalent to RM33.4 billion) for the year ended 31 March 2009. This relationship will certainly strengthen the strong ties between the 2 companies and should create further business opportunities for both parties in the near future.

The proceeds raised of approximately RM33.78 million will be used for our expansion in Thailand. On 2 October 2009, we signed a sale and purchase agreement to purchase land and factory in the Ayutthaya Province. The factory has commenced operations in January 2010.

ACTIVE INVESTOR RELATIONS HELPED

In line with Bursa's requirement for every listed company to have a corporate web site, we revamped and redesigned a new web site found at <http://www.notionvtec.com> which was launched in July 2009 to better communicate with new business clients, our investors and also other stakeholders.

On 19 August 2009, we held a Q3 '09 briefing for analysts, bankers, fund managers and retail investors at a local hotel in Kuala Lumpur and the response was overwhelming.

It was immediately followed by an intense period of presentations to interested local and even Singaporean fund managers which helped to create interest among analysts and the media. Notion was picked for the fact it was one of the few growth stock stories even in such trying times.

As for our share price, the year's low was RM0.80 (adjusted for the consolidation exercise) while the high was RM2.85, so it was quite a dramatic year.

Chairman's Statement

Our Investor Relations programme is targeted at obtaining the maximum sustainable stock price for the company given the fundamentals of the stock using effective means of communication.

In line with that, our Board has decided to provide internal management targets for both revenue and profits as guidance for shareholders. We view that regular target guidance will further assist the investors in making informed decisions.

One of the key benefits of the Q3 '09 briefing was the overwhelming response from the bankers in supporting the funding for the Group's expansion plans in both Malaysia and Thailand.

DIVIDEND

We will continue paying dividend from our unutilised earnings. Our Board has declared and paid a tax exempt interim dividend of 0.5 sen per RM0.10 share and further recommended a final tax exempt dividend of 2.5 sen per RM0.50 share resulting in a total tax exempt dividend of 5 sen per RM0.50 share for FY2009.

However, we should be mindful that our group is currently operating in a 'high growth' mode and therefore we need to strike a balance between having sufficient resources for expansion and paying regular dividends to our shareholders. Moving forward, our Board proposes to pay dividend amounting to at least 20% of net earnings for each financial year.

OUTLOOK AND PROSPECTS

Most predict that the global economy will continue to expand in 2010. We share the same view and expect our performance will continue to be robust in this FY. Based on customers' feed back and visibility of orders, we are looking at aggressively expanding our operations in Malaysia and Thailand. Our capital expenditure will total approximately RM70 million to be allocated almost equally between Malaysia and Thailand. The expansion plans in Thailand will create an additional floor space of 200,000 sq ft. This plant will initially cater for Nikon (Thailand) Co Ltd which has indicated that there will be additional orders for camera parts and also the possibility of sub assembly work in the near future. Besides serving Nikon, we hope to be able to procure some of the business from other HDD and consumer electronics companies with plants in the vicinity.



With a larger capacity and enhanced capability, our group will continue to actively expand our range of products for the existing customers and to increase our customer base. In addition to growing organically, we are also looking for suitable investments both locally and regionally, should the opportunities arise.

THANK YOU

Our Board wishes to thank all the stakeholders and our dedicated employees who have persevered, stayed on and contributed to the continuing success of our group even in the most difficult of times.

Board of Directors

THOO CHOW FAH

Executive Chairman, Malaysian, aged 57

Mr Thoo Chow Fah was first appointed to the Board on 8 February 2005. In his capacity as Executive Chairman, Mr Thoo's key role is the macro management and investors' relation of the Group. Mr Thoo is also a member of the Remuneration Committee.

He commenced his career with Sime Darby Plantations in 1978.

Subsequently, in 1990 he joined Sinar Mas group, one of the largest private plantation groups in Indonesia.

He left the group in 1995 before setting up his own palm oil factory engineering consultancy.

He also has a passive investment in an Indonesian company, PT Kwala Mas Sawit Abadi, with palm oil fruit processing factories in Sumatra.

Mr Thoo graduated from the University of Strathclyde, Glasgow, Scotland with a Bachelor's degree in Mechanical Engineering. He also has a Master's degree in Management Science from Imperial College, University of London.

JOHN CHOO WING ONN

Executive Director, Malaysian, aged 43

Mr John Choo Wing Onn was first appointed to the Board on 8 February 2005. His key role is in maintaining key disk drive manufacturer accounts and the constant monitoring and satisfying customer's need of quality components.

He has worked at American Express Malaysia Sdn Bhd, Kuala Lumpur and Schering AG Petaling Jaya and subsequently joined Schering Plough Sdn Bhd in various sales capacity.

He obtained his Certificate in Marketing from the Chartered Institute of Marketing, United Kingdom, in 1993.

WILLIAM CHOO WING HONG

Managing Director, Malaysian, aged 45

Mr William Choo Wing Hong was first appointed to the Board on 8 February 2005. In his capacity as Managing Director, Mr William Choo plays a key role in executing the strategic growth and development plans of the Group. He is the key technical person of the Group.

Prior to setting up Notion Venture Sdn Bhd, the principal manufacturing arm of the Group in 1995, he has garnered more than 21 years of CNC precision machining experience at Fujitsu Electronics Sdn Bhd, Johor, TPK Engineering Pte Ltd, Singapore, Motorola (M) Sdn Bhd, Sungei Way, Yamazen Sdn Bhd, Selangor and Preciturn Sdn Bhd, Bangi.

He also heads the R&D division of the Notion Group which provides technical research on and development of new machining methods, new production methods and engineering processes.

Mr William Choo obtained his Diploma in Mechanical Engineering from the Federal Institute of Technology, Kuala Lumpur in 1985.

LEE TIAN YOKE

Executive Director, Malaysian, aged 39

Mr Lee Tian Yoke was first appointed to the Board on 8 February 2005. He heads the marketing team of the Notion Group, where his concentration is on non-HDD projects.

Mr Lee commenced his sales career in Mechcraft Trading Sdn Bhd, Kuala Lumpur. During his tenure with Mechcraft, he had made valuable contacts with many MNCs wanting to localise the manufacture and supply of component parts. In 1995, he moved to Preciturn Sdn Bhd where he was in charge of customer relations and new project development.

He received his Certificate in Marketing from HELP Institute, Kuala Lumpur in 1994.

Board of Directors

JERRY CHOO WING YEW

Executive Director, Malaysian, aged 48

Jerry Choo was appointed to the Board on 10 November 2009.

He is a member of the Chartered Institute of Management Accountants, United Kingdom and the Malaysian Institute of Accountants. He started his professional career with Deloitte Kassim Chan & Co., a public accounting firm in 1983. Later in 1990, he moved into financial management positions in various corporations including public companies.

Mr Jerry Choo joined the Notion Group as Financial Controller in May 2005 and is the key financial person of the Group.

SAW TAT LOON

Independent Non-Executive Director, Malaysian, aged 39

Mr Saw Tat Loon was first appointed to the Board on 9 February 2005. He is also Chairman of the Audit and Nomination Committees as well as a member of the Remuneration Committee.

He was previously with Horwath, Chartered Accountants for 4 years in which he undertook a variety of audit assignments. He was also extensively involved in a successful public listing exercise on Hong Kong Stock Exchange in 1999. Subsequently, he joined a global media specialist in 2000 as a Finance Manager, overseeing the group financial reporting, Sarbane-Oxley's compliance and treasury functions. In 2008, he continued his career with a petrochemical company as a Finance Manager, responsible for the group financial and treasury management.

He is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants.

ALWIN YIKE CHEE WAH

Independent Non-Executive Director, Malaysian, aged 62

Mr Alwin Yike Chee Wah was first appointed to the Board on 9 February 2005. Mr Alwin Yike is Chairman of the Remuneration Committee as well as a member of the Audit and Nomination Committees.

He started work at Shook Lin & Bok from 1967 and then Ng Ek Teong & Partners before joining Amanah Butler (M) Sdn Bhd, Kuala Lumpur as a foreign exchange and money broker. In 1991, he joined TA Securities Sdn Bhd as a dealer's representative. He has had more than 20 years of experience in investment and financial matters, with exposure to foreign exchange transactions. In 1996, he became a Pastor with Community Baptist Church, Petaling Jaya for a period of 5 years.

ANITA CHEW CHENG IM

Independent Non-Executive Director, Malaysian, aged 43

Ms Anita Chew Cheng Im was first appointed to the Board on 29 June 2007. She is a member of the Audit, Remuneration and Nomination Committees.

She started her career as an audit assistant at KPMG, Melbourne in 1989. In 1992, she joined the corporate finance department of Bumiputra Merchant Bankers Berhad and subsequently worked at Alliance Investment Bank Berhad and HwangDBS Investment Bank Berhad. She was involved in most related areas of corporate finance work during her 15 year tenure in the various investment banks, having advised clients on IPO, fund raising and corporate restructuring exercises. Her last held position at HwangDBS was senior vice president, equity capital market.

She also sits on the Board of MK Land Berhad and Ni Hsin Resources Berhad.

Ms Anita Chew graduated from Monash University, Australia with a Bachelor of Economics degree majoring in Accounting.

Notes to Directors' profile :

1. Family Relationships

William Choo Wing Hong, John Choo Wing Onn and Jerry Choo Wing Yew are siblings. They are also brothers-in-law of Mr Thoo Chow Fah.

The other Directors do not have any family relationship with any Director and/or major shareholders of the Company.

2. Conflict of Interest

None of the Directors has any conflict of interest with the Company.

3. Conviction of Offences

None of the Directors have any conviction for offences within the past 10 years.

4. Attendances at Board Meetings

The details of the Directors' attendance at Board Meetings are set out on page 19 of this Annual Report.

5. Shareholdings

The details of the Directors' interest in the securities of the Company are set out on page 79 of this Annual Report.

Key Management

EE MENG PIN, aged 47
General Manager, Kaiten Precision (M) Sdn Bhd

He joined the Notion Group in 2002 and is a key member of the R&D team of the Group, initiating new processes, new product and process development in order to improve manufacturing efficiency. He reports directly to the Managing Director and coordinates the R&D activities of the Group. Since August 2002, he has also been appointed a Director of Kaiten Precision, a company specialising in the production of micro precision parts utilising CNC auto-lathe technology.

His career spanning more than 20 years included holding many manufacturing positions in MNCs in precision machining components for aerospace, electrical and electronic, automotive, aluminium die-casting and other general industries. He is very knowledgeable in CNC machines and modern manufacturing systems.

He obtained his Diploma in Mechanical Engineering from the Federal Institute of Technology, Kuala Lumpur in 1984 and holds a Certificate in Industrial Management conducted by Sanno Institute Technology, Japan.

JOE CHOO WING LEONG, aged 42
QA Manager, Notion Venture Sdn Bhd

He is the Quality Assurance Manager of Notion Venture Sdn Bhd, the main manufacturing arm of the Group and has been with the Group since 1996.

He reports directly to the Managing Director and is the principal officer in charge of implementing the quality management system of Notion Venture in compliance with BS EN ISO 9001:2000 specifications. All the inspection processes, data collection and analyses are reviewed by him. Training inspection staff on the correct usage of measurement equipment is an important part of his work. He identifies and trouble shoots problem prone processes in respect of quality, and carries out regular Internal Quality Audits to ensure good manufacturing practices.

He has worked in maintenance and technical functions in major companies in Singapore and locally, specialising in electronics and electrical engineering. Mr Choo obtained a Diploma in Electrical/Electronic Engineering from Institute Megatech, Kuala Lumpur in 1989 and a Diploma in Computer Studies issued by the National Computer Council, United Kingdom in 1992. He also holds a Certificate in Electrical/Electronic Engineering from City & Guilds, United Kingdom.

DAVID CHOO WING KIN, aged 36
Purchasing Manager, Notion Venture Sdn Bhd

David has more than 19 years of experience in manufacturing industries. He joined the Notion Group in 1996. Prior to that he was a Factory Manager in a precision manufacturing company. Presently, his primary function includes supply chain management, inventory turnover, sourcing and supplier management, plant productivity, cost and quality assurance.

Key Management

CHEAH KING YOONG, aged 43
Business Development Manager, Notion Venture Sdn Bhd

He joined the Group in September 2005 and assists the marketing team in developing new business opportunities. Also he manages Intech Precision Sdn Bhd, a company catering to the production of customised jigs and fixtures which support the Group's volume manufacturing. His current primary focus is in the manufacture of very fine turned components for the digital camera segment.

He started his career as a CNC machinist with a local SME firm making and fabricating high precision tools and dies/ moulds for the semiconductor industry after graduating from a vocational institute in 1985. He subsequently joined Motorola (M) Sdn Bhd, Sungai Way in the tooling department.

After leaving Motorola, he began his marketing profession with a local machine tools trading company for a period of about 10 years. During which, he was responsible for the sales and service of CNC wire-cut EDM machines. He was the Deputy General Manager at the time he left the company.

JOHN CHUA HENG SIANG, aged 51
Business Development Manager, Notion Venture Sdn Bhd

He is in charge of establishing contacts with potential overseas customers in key industries. For the last 4 years, he has worked in China with Spindex Precision Engineering (Suzhou) Co Ltd and also MCE Industries (Shanghai) Co Ltd in operational and senior management positions. He also has work experience in metal stamping, tool fabrication and CNC machining in his previous employment in Singapore.

John had attended supervisory management courses in the National Productivity Board of Singapore and also inventory management courses in the Singapore Institute of Material Management.

GRACE TAN SOOK WANG, aged 43
Production Planning Manager, Notion Venture Sdn Bhd

She is a degree holder in Business and Administration from Southern Illinois University of Carbondale, USA. Upon her graduation in 1992, she worked with a Japanese MNC as a Production Planning Supervisor. She joined the Group in 1998 as a Production Planning and Control Executive. Her key responsibilities include overseeing the sales function, managing customers accounts and requirements as well as resource planning to meet production orders.



Continuing Efforts

Corporate Social Responsibility Statement

At Notion, we recognise corporate social responsibility (CSR) commitments based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders.

We have defined CSR as follows :

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and the safety of people;
- Supporting human rights; and
- Engaging, learning from, respecting and supporting the communities and cultures with which we work.

At Notion, all matters of CSR are considered and supported in our operations and administrative matters, which are consistent with Notion's stakeholder's best interest. We are working towards demonstrating responsibility in our relationships with the world and communities, whether in business or socially. The Board and the management of Notion recognise that in doing so, it will add significant value for our shareholders.

We have adopted a CSR policy which could be applied into our operational activities and our employees day-to-day work activities. The Board and Management will act as role models by incorporating CSR considerations and values into decision-making in all business activities and will ensure that appropriate organisational structures and systems are in place to effectively identify, monitor and manage CSR issues and performance relevant to the Group's businesses.

OUR VALUES

Our CSR policy is built on the values that reflect existing and emerging standards of CSR, which are as follows:

Business Ethics and Transparency

We are committed to maintaining the highest standards of integrity and corporate governance practices in order to maintain excellence in our daily operations, and to promote confidence in our management and governance systems.

We will advise our business partners, customers and suppliers of our CSR policy and look forward towards working with them to achieve consistency with our policy.

Environment Health & Safety

We believe in protecting the health and safety of all individuals affected by our activities, including our employees and contractors and the public. We provide a safe and healthy working environment and will not compromise the health and safety of our employees.

Our management and employees are responsible and accountable for contributing towards a safe working environment including fostering safe working attitudes and operating in an environmentally responsible manner.

We value the importance of pollution prevention, biodiversity, environmental protection and also resource conservation, which are essential to a sustainable environment. To this end, we have complied with the European Union's policy on the restriction use of hazardous substance in electrical and electronic equipment which came to effect in June 2007. We shall continue to work with industry peers and suppliers to identify technologies and processes that will help reduce hazardous substances in our manufacturing processes and products. We will further ensure that our suppliers understand and are also committed to comply with the policy.

Reusing and recycling of office stationery and paper, switching off the lights and air conditioners when they are not in use are among some of the conservation measures taken by our Group.

Corporate Social Responsibility Statement

OUR VALUES (Cont'd)

Stakeholder Relations

We are committed to timely and meaningful dialogues with all stakeholders, including shareholders, customers, employees, regulators, etc.

Employee Relations

Our management apply fair labour practices, while respecting the national laws of the country and communities where we operate. We treat our employees fairly and with dignity and take into consideration their goals and aspirations while ensuring that diversity in the workplace is embraced. We believe in providing equal opportunity in all aspects of employment and will not tolerate unlawful workplace conducts, including discrimination, intimidation, or harassment at workplace.

Human Rights

We strive to work within our scope of influence with government agencies and other governmental bodies to provide our support and respect for human rights. In addition, we will always work towards building trust, to deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships that we enter into, including respect for cultures, customs and values of individual and groups.

Community

We will emphasise on collaborative, consultative, partnership approaches in our community investment programmes. We are working towards integrating community investment considerations and values into decision-making and business practices, and to also develop mutually beneficial relationships with communities in which the Group operates.

In the past, we have conducted industrialised training programmes for engineering students from MIT Academy Sdn Bhd for a period of 3 months providing training and work experience to students in the community. These students were nominated by Pembangunan Sumber Manusia Berhad, a corporation under the Human Resource Ministry.

Our Group is planning to set up a CNC Precision Machining school in the Klang Valley to provide training for SPM school leavers who are interested in a skills based vocation and to provide them an avenue for a career as a CNC machinist; some of whom will be offered positions in the Group.

Corporate Governance Statement

Corporate Governance describes the framework and process by which institutions, through their board of directors and senior management, regulate their business activities. These principles are to create balance, safe and sound business operations while complying with relevant laws and regulations.

INTRODUCTION

The Company is fully committed to ensuring and maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment which strives to preserve and enhance the interests of all shareholders.

This report describes how the Company has applied its corporate governance framework and practices of the Group to comply with the principles and best practices of corporate governance as prescribed in the Malaysian Code on Corporate Governance (Code) and Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements).

A. BOARD OF DIRECTORS

Role of the Board of Directors

The Board assumes responsibility for stewardship of the Company and its subsidiaries (the Group) and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders, and supervising its affairs to ensure its success within a framework of acceptable risks and effective control and in compliance with the relevant laws, regulations, guidelines and directives which governs the Group. It reviews management performance and affairs of the Group and ensures that the necessary financial and human resources are available to meet the Group's objectives. In addition, the Board is directly responsible for decision making in respect of the following matters:

- a. appointment of directors and key managerial personnels;
- b. announcements including approval and releases of financial results and annual reports;
- c. business strategy including significant acquisition and disposal of subsidiaries or assets or liabilities;
- d. operating budgets, significant investments and capital expenditures; and
- e. corporate policies in keeping with good corporate governance and business practices.

To assist in the execution of its responsibilities, the Board has established a number of Board committees which include an Audit Committee (AC), a Nomination Committee (NC) and a Remuneration Committee (RC), each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. These committees have the authority to examine particular issues for reporting to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

Corporate Governance Statement

A. BOARD OF DIRECTORS (Cont'd)

Board Composition and Balance

The strength of the Board lies in the composition of its members, who has a wide range of expertise, extensive experience and diverse background in business, finance and technical knowledge.

As at 30 September 2009, the Board consists of seven (7) directors of whom three (3) are independent. Subsequently a new Executive Director was appointed to the Board on 10 November 2009. The composition of independent non-executive directors is in compliance with the minimum prescribed in the Code and Listing Requirements. The list of directors is as follows:

Executive Directors

Thoo Chow Fah	- Executive Chairman
William Choo Wing Hong	- Managing Director
John Choo Wing Onn	- Executive Director
Lee Tian Yoke	- Executive Director
Jerry Choo Wing Yew	- Executive Director (Appointed on 10 November 2009)

Independent Non-Executive Directors

Saw Tat Loon
Alwin Yike Chee Wah
Anita Chew Cheng Im

The composition of the Board has been reviewed by the NC which is of the view that the current Board size of eight (8) directors, is appropriate and effective, taking into account the nature and scope of the Company's operations. The Board is satisfied that the current Board composition fairly reflects the interests of the minority shareholders in the Company and provides the appropriate balance and size to govern the Company effectively.

The Board comprises persons who as a group provide the relevant core competencies and mix of skills in the areas of financial, technical and business to meet the Company's requirements. The directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group. Profiles of the members of the Board are set out on pages 10 and 11.

There is a clear division of responsibilities between the Chairman and Managing Director, who also assumes the role of the Chief Executive Officer (CEO), to ensure that there is a balance of power and authority. In ensuring this balance, the positions of the Chairman and Group Managing Director are held by separate members of the Board.

Mr Thoo Chow Fah, the Chairman of the Board, is responsible for, among others, the exercise of control over quantity, quality and timeliness of the flow of information between the management of the Company and the Board. He also schedules Board meetings, oversees the preparation of the agenda for Board meetings and assists in ensuring compliance with the Group's guidelines on corporate governance.

He is assisted by the Managing Director, Mr William Choo Wing Hong, who also assumes the role of the CEO. Mr William Choo, together with the other Executive Directors and management comprising each subsidiary's general managers and key senior managers, are responsible for the day-to-day management of the Group.

The separation of the roles of the Chairman and CEO ensures a balance of power and authority such that considerable concentration of power does not lie with any one individual.

Corporate Governance Statement

A. BOARD OF DIRECTORS (Cont'd)

Independence of Directors

The independent directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board committees and their attendance of meetings as set out below. The independent directors provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the non-executive directors ensure that matters and issues brought to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group.

The NC reviews the independence of each director on an annual basis based on the Listing Requirements' definition of what constitutes an independent director. The NC is of the view that the three (3) independent directors (who represent more than one-third of the Board) are independent and no individual or small group of individuals dominates the Board's decision-making process.

Board Meetings and Meetings of Board Committees

The Board meets at quarterly intervals and on other occasions, as and when necessary, to inter-alia approve quarterly results, the Annual Report and budgets as well as to review the performance of the Group, operating subsidiaries and other business development and corporate activities. Senior management and external advisors are invited to attend the Board and Board Committee meetings to advise on relevant agenda items to enable the Board and its Committees to arrive at a considered decision.

A total of five (5) Board meetings were held for the financial year ended 30 September 2009. The record of attendance of individual directors at Board meetings is detailed as follows:

DIRECTORS	Number of Meetings Attended
Thoo Chow Fah	5/5
William Choo Wing Hong	5/5
John Choo Wing Onn	5/5
Lee Tian Yoke	5/5
Saw Tat Loon	5/5
Alwin Yike Chee Wah	5/5
Anita Chew Cheng Im	5/5

Note : Jerry Choo Wing Yew was appointed as director subsequent to the financial year end on 10 November 2009.

Supply of Information

To assist the Board in fulfilling its responsibilities, the directors are sent an agenda and a full set of Board papers providing complete, adequate and timely information prior to Board meetings to allow the directors time to deliberate on the issues to be raised at the meetings. The Board has full and unrestricted access to all information pertaining to the businesses and affairs from senior management as well as advice and services of the Company Secretary to enable them to discharge their duties effectively. In addition to quantitative information, the directors are also provided with updates on other areas such as market developments, customer and risk management. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure effective functioning of the Board. The terms of their appointment permits their removal and appointment of successor is a matter for the Board as a whole to decide. The Company Secretaries ensure that all Board meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company.

The Company has in place the procedure to enable the directors, whether as a group or individually, to obtain independent professional advice and when necessary in furtherance of their duties at the Company's expense. The appointment of such professional advisor is subject to the approval of the Board.

Corporate Governance Statement

A. BOARD OF DIRECTORS (Cont'd)

Appointments and Re-election

In compliance with the Code, the NC has the responsibility of proposing new candidates for appointment to the Board. One third of the directors shall retire from office and be eligible for re-election at each Annual General Meeting in accordance with the Company's Articles of Association. Re-appointments are not automatic and all directors shall retire from office at least once in every three (3) years but shall be eligible for re-election by shareholders in the Annual General Meeting.

Pursuant to the Listing Requirements, each member of the Board holds not more than ten (10) directorships in public listed companies and not more than fifteen (15) directorships in non-public listed companies. This ensures that the Board's commitment, resources and time are focused on the affairs of the Group to enable them to discharge their duties effectively.

Directors' Training

All executive directors have been with the Company for several years and are familiar with their duties and responsibilities as directors. In addition, any newly appointed directors will be given briefings and orientation by the Executive Chairman and top management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors.

The directors' training needs are analysed annually in conjunction with the Board review. The Board fully supports the need for its members to further enhance their skills and knowledge on relevant new laws and regulations and changing commercial risk to keep abreast with the developments in the economy, industry, technology and the changing business environment within which the Group operates.

During the financial year, our Board members attended several relevant seminars, forums and training programmes. Mr Thoo, our chairman attended the seminar on the Blue Ocean Strategy and forums titled "Emerging Market, Submerging West?" by Standard Chartered Bank and "Asian Economic and FX Market Outlook for 2009/2010" by HSBC. He was also a presenter at the Singapore Investor Conference, titled "Pearls in the Sea" organised by International Investor Relation Alliance. William Choo, Lee Tian Yoke and John Choo, in keeping abreast of the latest rules and regulations, attended a talk by Secretaries Inc Sdn Bhd on Capital Market Revamp & Corporate Governance Guide.

The Chairman of the AC, Saw Tat Loon attended a tax seminar on "Managing Risk of Tax Audit & Investigation" by Malaysian Institute of Accountants and a practical review talk on "Managing Business Risk in China" organised by the Association of Chartered Certified Accountants. Anita Chew attended several seminars including one on tax planning by Deloitte, "Facing the Global Financial Crisis- guide for review of financial reports" by Ernst and Young and "Directors Key obligations under the Listing Requirements" by Bursatra Sdn Bhd. Members of the AC also attended some of the talks held during the Corporate Governance Week organised by Bursa Securities.

In addition, the directors receive regular briefings and updates on the Group's businesses and operations and risk management activities.

Board Committees

To ensure the effective discharge of their fiduciary duties, the Board has delegated specific responsibilities to the following Board Committees. The Board Committees will deliberate in greater detail and examine the issues within their terms of reference as set out by the Board in compliance with the Code.

Corporate Governance Statement

B. NOMINATION COMMITTEE (NC)

The NC was established on 19 August 2005 and the members of the NC, all of whom are independent non-executive directors are:

Saw Tat Loon - Chairman
Alwin Yike Chee Wah - Member
Anita Chew Cheng Im - Member (Appointed on 10 November 2009)

The primary duties of the NC are as follows:

- ensure a formal and transparent procedure for the appointment of new directors to the Board;
- assess and review the composition of the Board to ensure that it has an appropriate balance of skills and experience among the Board members.
- recommend to the Board, candidates for all directorships and on Board Committees.
- decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and
- assess the effectiveness of the Board as a whole.

For the year under review, the NC held one (1) meeting, which was attended by all members of the NC.

The NC reviews the criteria for evaluating the Board's performance. Based on the recommendations of the NC, the Board has established processes and conducted evaluation on the effectiveness of the Board as a whole.

The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with management and standards of conduct of the directors.

C. REMUNERATION COMMITTEE (RC)

The RC was established on 30 May 2005 and members of the RC, the majority of whom are independent, are :

Alwin Yike Chee Wah (Independent Non-Executive Director) - Chairman
Saw Tat Loon (Independent Non-Executive Director) - Member
Thoo Chow Fah (Executive Director) - Member
Anita Chew Cheng Im (Independent Non-Executive Director) - Member (Appointed on 10 November 2009)

The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. In addition, the RC has access to professional advice on remuneration matters as and when necessary.

The responsibilities of the RC include the following:

- seek comparative information on remuneration and conditions of service in comparable organisations;
- review directors' fees to ensure that they are at sufficiently competitive levels;
- consider severance payments that represent public interest and avoid any inappropriate use of public funds;
- recommend and advise the Board on the terms of appointment and remuneration of its members; and
- establish a formal and transparent procedure for developing policy on remuneration packages of individual directors.

The RC reviews all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options and benefit-in-kind.

The RC held a meeting during the financial year, which was attended by all members.

Corporate Governance Statement

D. DIRECTORS' REMUNERATION

Level and Mix of Remuneration

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. As part of the review, the RC ensures that the performance related elements and remuneration form a significant part of the total remuneration package of executive directors and is designed to align the directors' interests with those of shareholders and link rewards to corporate and individual performance. The RC also reviews all matters concerning the remuneration of non-executive directors to ensure that the remuneration commensurate with the contributions and responsibilities of the directors. The Company submits the quantum of directors' fees of each year to the shareholders for approval at each Annual General Meeting.

Disclosure on Remuneration

Remuneration of non-executive directors is determined by the Board as a whole. Individual directors do not participate in determining their own remuneration package. The Board, based on the sum to be authorised by the Company's shareholders, determines fees payable to non-executive directors. Non-executive directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as directors.

The aggregate remuneration of directors for the financial year ended 30 September 2009 is categorised as follows:-

	Executive Directors (RM)	Non-Executive Directors (RM'000)
Fees	-	90
Salaries and other emoluments	1,161	29
	1,161	119

Analysis of Remuneration

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
Less than or equal to RM50,000	-	3
Between RM200,001 and RM250,000	2	-
Between RM300,001 and RM350,000	1	-
Between RM350,001 and RM400,000	1	-
	4	3

The Board has chosen to disclose the remuneration in bands pursuant to the Listing Requirements as separate and detailed disclosure of individual director's remuneration will not add significantly to the understanding and evaluation of the Company's governance.

Corporate Governance Statement

E. ACCOUNTABILITY AND AUDIT

Accountability

Financial Reporting

The directors are required by the Companies Act, 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group. The directors consider the presentation of the financial statements and that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The AC assists by scrutinizing the information to be disclosed, to ensure accuracy and adequacy. The Group's financial statements are presented on pages 36 to 75 of the annual report.

A statement explaining the Board of directors' responsibility for the preparation of the Financial Statements are set out on page 80 of the annual report.

Relationship with the Auditors

The Board has established an independent internal audit function within the Group which operates within the Audit Charter conferred by the AC. On behalf of the Board, the AC has established transparent and professional relationship with the Company's auditors, both internal and external.

Discussions are carried out between the AC with management on actions taken on issues identified by the internal and external auditors. The Committee has full access to the internal auditors. The internal auditors have access at all times to the Chairman and members of the Committee.

F. COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

The Company believes that a high standard of disclosure is key to raising the level of corporate governance.

The Executive Chairman meets with analysts, institutional shareholders and investors throughout the year. Presentations based on permissible disclosures are made to explain the Group's performance and major development programmes. Price-sensitive and any information that may be regarded as undisclosed material information about the Group is however not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

The Annual General Meeting (AGM)

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group in general at every AGM and Extraordinary General Meeting of the Company.

The Chairman will respond to shareholders' questions during the meeting. Representatives of the Group are also in attendance to answer questions, thereby ensuring a high level of accountability, transparency and identification with the Group's business operations, strategies and goals.

Compliance with the Code

The Company has complied with the Code and observed its best practices throughout the year, save for the appointment of a Senior Independent Director to whom queries or concerns regarding the Group may be conveyed. The Board does not consider it necessary to appoint a Senior Independent Director as all current members of the Board are always available and issues are discussed openly in Board meetings.

Audit Committee Report

The AC reviews and monitors the integrity of the Group's financial reporting process, in addition to reviewing the Group's system of internal controls. It also reviews the Group's audit process, compliance with legal and regulatory requirements, code of business conduct and any other matters that are specifically delegated by the Board.

The AC was established on 14 February 2005. The Committee members are as follows:-

Saw Tat Loon (Independent Non-Executive Director)	- Chairman
Alwin Yike Chee Wah (Independent Non-Executive Director)	- Member
Anita Chew Cheng Im (Independent Non-Executive Director)	- Member

As at the reporting date, the qualifying criteria as per the Listing Requirements for composition of AC members were met.

AUDIT COMMITTEE MEETINGS

The AC met five (5) times during the financial year ended 30 September 2009. The details of their attendance at meetings are as follows :-

Audit Committee	Number of Meetings Attended
Saw Tat Loon	5/5
Alwin Yike Chee Wah	5/5
Anita Chew Cheng Im	5/5

The Group's external auditors, internal auditors and certain designated members of senior management also attended the meetings at the invitation of the Committee. The Committee also met with the external auditors on 2 separate sessions without the presence of the Executive Directors and management.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 September 2009, the AC carried out its duties as set out in the terms of reference which included the following:

- Review of the quarterly financial reports before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- Review of the Audit Planning Memorandum with the external auditors;
- Review of the results and issues arising from the audit and their resolutions with the external auditors;
- Review of the internal audit findings and recommendations with the Internal Auditors; and
- Review of the proposed policies and procedures on Related Party Transactions to ensure compliance with laws and regulations.

Audit Committee Report

INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year ended 30 September 2009. The functions and activities of the internal audit are:

- (a) Perform audit work in accordance with the pre-approved internal audit plan;
- (b) Carry out review of the system of internal controls of the Group;
- (c) Review and comment on the effectiveness and adequacy of the existing control policies and procedures; and
- (d) Provide recommendations, if any, for the improvement of the control policies and procedures.

The total costs incurred for the internal audit function of the Group in respect of the financial year ended 30 September 2009 amounted to RM35,000.

TERMS OF REFERENCE

1. Composition

The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, a majority of whom shall be independent directors and all members should be non-executive directors. At least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Securities.

In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy shall be filled within two (2) months but in any case not later than three (3) months. Therefore a member of the AC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

The terms of office and performance of an AC and each of its members must be reviewed by the Board of directors at least once every three (3) years to determine whether such AC and members have carried out their duties in accordance with their terms of reference.

2. Chairman

The Chairman, who shall be elected by the AC, shall be an independent director. In the event of the Chairman's absence, the meeting shall be chaired by an independent director.

The Chairman should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company.

3. Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the AC at the Registered Office or such other place as may be determined by the AC.

Audit Committee Report

TERMS OF REFERENCE (Cont'd)

4. Meetings

The Committee shall meet at least four (4) times in each financial year and may regulate its own procedure in lieu of convening a formal meeting by means of video or teleconference. The quorum for a meeting shall be the majority of members present, who shall be independent directors.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The external auditors and internal auditors have the right to appear at any meetings of the AC and shall appear before the Committee when required to do so by the Committee. The external auditors may also request a meeting if they consider it necessary.

5. Rights

The AC shall:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Group;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) have the right to obtain independent professional or other advice at the Company's expense;
- (f) have the right to convene meetings with the external auditors, excluding the presence of the executive board members, at least twice a year and whenever deemed necessary;
- (g) promptly report to the Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the directors resulting in a breach of the listing requirements;
- (h) have the right to pass resolutions by a simple majority vote from the Committee and that the Chairman shall have the casting vote should a tie arise;
- (i) meet as and when required on a reasonable notice;
- (j) the Chairman shall call for a meeting upon the request of the external auditors.

6. Duties

- (a) To review the following with the external auditors:
 - audit plan, its scope and nature;
 - audit report;
 - results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
 - level of assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.
- (b) To review the adequacy of the scope, functions, competency and resources and set the standards of the internal audit function.
- (c) To recommend such measures as to be taken by the Board of directors on the effectiveness of the system of internal control and risk management practices of the Group.

Audit Committee Report

TERMS OF REFERENCE (Cont'd)

6. Duties (Cont'd)

- (d) To review the internal audit programme, processes the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (e) To review with management:
 - audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
 - interim financial information; and
 - level of assistance given by the officers of the Company to external auditors.
- (f) To discuss problems and reservations arising from interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
- (g) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (h) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the directors, focusing particularly on:
 - changes in or implementation of major accounting policy and practices;
 - significant and / or unusual matters arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- (i) To consider the appointment and / or re-appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors to the board.
- (j) To verify the allocation of options pursuant to a share scheme for employees as being in compliance with the criteria for allocation of options under the share scheme, at the end of each financial year.

Internal Control Statement

INTRODUCTION

The Malaysian Code on Corporate Governance and the Companies (Amendment) Act 2007 requires the directors of listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets.

RESPONSIBILITY

The Board is ultimately responsible for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The Board is committed to and ensures that the management maintains a sound system of internal control and effective risk management policies to safeguard the shareholders' investments and the company's assets.

The system of internal control provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

However, the Board notes that no system of internal control could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

RISK MANAGEMENT

The Board recognises that the management of principal risks play an important and integral part in achieving the Group's corporate objectives. The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This is to ensure that all high risks are adequately addressed at various levels within the Group. Risk management is embedded in the Group's management system and is every employee's responsibility. Risk management training was conducted during the year involving different levels of management to identify and address the main risks faced by the group. The group has implemented a structured risk management system to mitigate the critical risk. The system would be reviewed on a continuous basis.

INTERNAL AUDIT

The Group currently relies on existing internal audit control mechanisms and the Enterprise Resources Planning system to provide the management with the required level of assurance that its business is operating in an orderly manner. ISO 9001:2000 Quality Management System has also been implemented for the main subsidiary, Notion Venture Sdn Bhd where documented internal procedures and standard operating procedures have been put in place and internal quality audits are carried out by management and annual surveillance audits are conducted by a certification body to provide assurance of compliance. The executive directors also through their daily involvement in the business operations and attendance at operational and management level meetings, monitor the Company's policies and procedures.

To provide further assurance that the internal control systems of the group are functioning adequately and with integrity, the Board has engaged an independent firm to provide internal audit services.

Costs amounting to approximately RM35,000 were incurred in relation to the internal audit function for the financial year ended 30 September 2009.

The Board and AC are of the view that, in the absence of any evidence to the contrary, the systems of internal control maintained by the Group is adequate to provide assurance on the effectiveness of the control environment of the Group and to safeguard shareholders' interests and the Group's assets.



Financial Statements

30	Directors' Report	38	Income Statements
34	Statement by Directors	39	Statements of Changes in Equity
34	Statutory Declaration	41	Cash Flow Statements
35	Independent Auditors' Report	43	Notes to the Financial Statements
36	Balance Sheets		

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit for the financial year	35,975	8,106
Attributable to:		
Equity holders of the Company	35,898	8,106
Minority interests	77	-
	<u>35,975</u>	<u>8,106</u>

DIVIDENDS

The amount of dividends paid by the Company since 30 September 2008 were as follows:-

	RM
<u>In respect of the financial year ended 30 September 2008:</u>	
Interim tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each, paid on 7 January 2009	<u>3,517,917</u>
Final tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each, paid on 13 April 2009	<u>3,517,917</u>
<u>In respect of the financial year ended 30 September 2009:</u>	
Interim tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each, paid on 11 November 2009	<u>3,466,174</u>

The directors have recommended a final tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each in respect of the current financial year. The dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

Directors' Report

TREASURY SHARES

The shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 19 February 2009, granted their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company purchased from the open market, 9,318,600 units of its own shares through purchases on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average buy-back price of RM0.30 per ordinary share. The total consideration paid for acquisition of the shares was RM2,798,430 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 financial year, the Company had also disposed of 1,324,000 units of its treasury shares in the market for RM563,684.

As at 30 September 2009, the Company held 7,994,600 repurchased shares as treasury shares out of its total issued and paid up share capital of 703,583,424 ordinary shares of RM0.10 each. Such treasury shares are held at a carrying amount of RM2,401,230.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or additional allowance for doubtful debts in the financial statements of the Group and of the Company.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 36 to the financial statements. At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Directors' Report

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The financial statements of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the financial statements of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Thoo Chow Fah
Choo Wing Hong
Choo Wing Onn
Lee Tian Yoke
Yike Chee Wah
Saw Tat Loon
Anita Chew Cheng Im
Choo Wing Yew (Appointed on 10.11.2009)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.10.2008	Bought	Sold	At 30.9.2009
<i>Direct Interests:</i>				
Thoo Chow Fah	53,508,895	1,000,000	-	54,508,895
Choo Wing Hong	111,185,244	-	(10,000,000)	101,185,244
Choo Wing Onn	74,808,895	-	-	74,808,895
Lee Tian Yoke	33,117,732	-	-	33,117,732
<i>Indirect Interests held through spouse*</i>				
Thoo Chow Fah	13,723,320	9,046,900	-	22,770,220
Yike Chee Wah	12,000	160,000	(172,000)	-

* Disclosure pursuant to Section 134(12)(c) of the Companies Act, 1965.

Saw Tat Loon and Anita Chew Cheng Im did not have any interest in shares in the Company during the financial year.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which one of the directors has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34 to the financial statements.

Neither during nor at the end of the financial year was the Company or its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Group during the financial year are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events of the Group subsequent to the balance sheet date are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath (formerly known as Messrs. Howarth), have expressed their willingness to continue in office.

Signed In Accordance With A Resolution Of The Directors
Dated 7 January 2010

Thoo Chow Fah

Choo Wing Hong

Statement by Directors

We, Thoo Chow Fah and Choo Wing Hong, being two of the directors of Notion VTec Berhad, state that, in the opinion of the directors, the financial statements set out on pages 36 to 75 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 September 2009 and of their results and cash flows for the financial year ended on that date.

Signed In Accordance With A Resolution Of The Directors
Dated 7 January 2010

Thoo Chow Fah

Choo Wing Hong

Statutory Declaration

I, Choo Wing Yew, I/C No. 621221-10-7381, being the director primarily responsible for the financial management of Notion VTec Berhad, do solemnly and sincerely declare that the financial statements set out on pages 36 to 75 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Choo Wing Yew, I/C No. 621221-10-7381,
at Klang in the state of Selangor
Darul Ehsan on this 7 January 2010

Choo Wing Yew

Before Me
Goh Cheng Teak (No. 204)
Commissioner For Oaths

Independent Auditors' Report

to the Members of Notion VTec Berhad (Incorporated in Malaysia) Company No. 637546-D

Report on the Financial Statements

We have audited the financial statements of Notion Vtec Berhad, which comprise the balance sheets as at 30 September 2009, and the income statements, statements of changes in equity and cash flow statements for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 75.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2009 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

Kuala Lumpur
7 January 2010

Lee Kok Wai
Approval No : 2760/06/10 (J)
Partner

Balance Sheets

at 30 September 2009

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	49,977	47,930
Investment in an associate	7	1,939	1,190	-	-
Property, plant and equipment	8	161,761	151,862	258	386
		163,700	153,052	50,235	48,316
CURRENT ASSETS					
Inventories	9	20,058	22,336	-	-
Trade receivables	10	45,761	39,374	-	-
Other receivables, deposits and prepayments	11	5,144	4,978	2	-
Amount owing by subsidiaries	12	-	-	29,339	32,938
Tax refundable		255	246	-	82
Short-term deposits with licensed banks	13	2,149	8,873	353	1,857
Cash and bank balances	14	18,321	8,715	3,220	254
		91,688	84,522	32,914	35,131
TOTAL ASSETS		255,388	237,574	83,149	83,447
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	70,358	70,358	70,358	70,358
Share premium	16	166	-	166	-
Treasury shares	17	(2,401)	-	(2,401)	-
Currency translation reserve		98	(4)	-	-
Retained profits	18	95,334	66,420	7,316	6,194
TOTAL SHAREHOLDERS' EQUITY		163,555	136,774	75,439	76,552
MINORITY INTERESTS		1,134	1,057	-	-
TOTAL EQUITY		164,689	137,831	75,439	76,552

The annexed notes form an integral part of these financial statements.

Balance Sheets

at 30 September 2009

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
NON-CURRENT LIABILITIES					
Long-term borrowings	19	40,072	31,320	-	-
Deferred Taxation	20	7,263	7,934	-	-
		47,335	39,254	-	-
CURRENT LIABILITIES					
Trade payables	21	9,838	10,019	-	-
Other payables and accruals	22	7,333	25,902	538	737
Amount owing to subsidiaries	12	-	-	3,702	2,640
Amount owing to an associate	23	2,554	388	-	-
Provision for taxation		1,972	1,302	4	-
Dividend payable		3,466	3,518	3,466	3,518
Short-term borrowings	24	16,855	18,402	-	-
Bank overdraft	24	1,346	958	-	-
		43,364	60,489	7,710	6,895
TOTAL LIABILITIES		90,699	99,743	7,710	6,895
TOTAL EQUITY AND LIABILITIES					
		255,388	237,574	83,149	83,447
NET ASSETS PER ORDINARY SHARE					
	25	23.5 sen	19.4 sen		

The annexed notes form an integral part of these financial statements.

Income Statements

for the financial year ended 30 September 2009

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
REVENUE	26	172,703	146,104	10,197	14,605
COST OF SALES		(112,210)	(101,017)	-	-
GROSS PROFIT		60,493	45,087	10,197	14,605
OTHER OPERATING INCOME		9,204	7,503	53	96
		69,697	52,590	10,250	14,701
MARKETING AND DISTRIBUTION EXPENSES		(2,845)	(571)	-	-
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(21,171)	(9,775)	(1,687)	(1,947)
FINANCE EXPENSES		(3,703)	(1,969)	-	-
		41,978	40,275	8,563	12,754
SHARE OF PROFIT IN AN ASSOCIATE		985	584	-	-
PROFIT BEFORE TAXATION	27	42,963	40,859	8,563	12,754
TAXATION	28	(6,988)	(7,786)	(457)	(371)
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		35,975	33,073	8,106	12,383
ATTRIBUTABLE TO:					
Equity holders of the Company		35,898	32,919	8,106	12,383
Minority interests		77	154	-	-
		35,975	33,073	8,106	12,383
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:					
- Basic	29	5.1 sen	4.7 sen		
- Diluted	29	N/A	N/A		
DIVIDENDS PER SHARE	30			1.0 sen	2.1 sen

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

for the financial year ended 30 September 2009

	Attributable To Equity Holders Of The Company						
	Non-Distributable				Distributable		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000
The Group							Total Equity RM'000
Balance at 1.10.2007	58,632	7,971	-	-	47,260	113,863	115,375
Issuance of ordinary shares pursuant to the bonus issue	11,726	(7,636)	-	-	(4,090)	-	-
Costs incurred for bonus issue and transfer to Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities")	-	(335)	-	-	-	(335)	(335)
Currency translation differences	-	-	-	(4)	-	(4)	(4)
Piecemeal acquisition of investment in subsidiaries	-	-	-	-	-	-	(609)
Negative goodwill arising from piecemeal acquisition of subsidiaries	-	-	-	-	299	299	299
Profit for the financial year	-	-	-	-	32,919	32,919	33,073
Final tax-exempt dividend of 1.1 sen per ordinary share in respect of the previous financial year	-	-	-	-	(6,450)	(6,450)	(6,450)
Interim tax-exempt dividend of 0.5 sen per ordinary share	-	-	-	-	(3,518)	(3,518)	(3,518)
Balance at 30.9.2008/1.10.2008	70,358	-	-	(4)	66,420	136,774	137,831
Currency translation differences	-	-	-	102	-	102	102
Profit for the financial year	-	-	-	-	35,898	35,898	35,975
Final tax-exempt dividend of 0.5 sen per ordinary share in respect of the previous financial year	-	-	-	-	(3,518)	(3,518)	(3,518)
Interim tax-exempt dividend of 0.5 sen per ordinary share	-	-	-	-	(3,466)	(3,466)	(3,466)
Purchase of own shares	-	-	(2,798)	-	-	(2,798)	(2,798)
Disposal of treasury shares	-	166	397	-	-	563	563
Balance at 30.9.2009	70,358	166	(2,401)	98	95,334	163,555	164,689

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

for the financial year ended 30 September 2009

The Company	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.10.2007	58,632	7,971	-	7,869	74,472
Issuance of ordinary shares pursuant to the bonus issue	11,726	(7,636)	-	(4,090)	-
Costs incurred for bonus issue and transfer to Main Board of Bursa Securities	-	(335)	-	-	(335)
Profit for the financial year	-	-	-	12,383	12,383
Final tax-exempt dividend of 1.1 sen per ordinary share in respect of the previous financial year	-	-	-	(6,450)	(6,450)
Interim tax-exempt dividend of 0.5 sen per ordinary share	-	-	-	(3,518)	(3,518)
Balance at 30.9.2008/1.10.2008	70,358	-	-	6,194	76,552
Profit for the financial year	-	-	-	8,106	8,106
Final tax-exempt dividend of 0.5 sen per ordinary share in respect of the previous financial year	-	-	-	(3,518)	(3,518)
Interim tax-exempt dividend of 0.5 sen per ordinary share	-	-	-	(3,466)	(3,466)
Purchase of own shares	-	-	(2,798)	-	(2,798)
Disposal of treasury shares	-	166	397	-	563
Balance at 30.9.2009	70,358	166	(2,401)	7,316	75,439

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 30 September 2009

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	42,963	40,859	8,563	12,754
Adjustments for:-				
Allowance for doubtful debts	249	308	-	-
Bad debts written off	67	1	-	-
Deposit forfeited	61	-	-	-
Depreciation of property, plant and equipment	18,245	13,317	91	74
Interest expense	3,607	1,875	-	-
Inventories written down	-	288	-	-
Inventories written off	865	-	-	-
(Gain)/Loss on disposal of plant and equipment	(6)	12	(6)	-
Unrealised foreign currency translation loss/(gain)	61	(26)	-	-
Plant and equipment written off	-	1	-	-
Allowance for doubtful debts no longer required	(70)	(10)	-	-
Dividend income	-	-	(8,553)	(12,977)
Interest income	(198)	(317)	(46)	(97)
Share of profit in an associate	(985)	(584)	-	-
Operating profit/(loss) before working capital changes	64,859	55,724	49	(246)
Decrease/(Increase) in inventories	1,413	(7,627)	-	-
(Increase)/Decrease in trade and other receivables	(6,921)	(19,687)	(2)	12
(Decrease)/Increase in trade and other payables	(7,127)	11,668	(199)	528
CASH FROM/(FOR) OPERATIONS	52,224	40,078	(152)	294
Interest paid	(3,607)	(1,875)	-	-
Tax paid	(6,762)	(5,375)	(76)	(50)
NET CASH FROM/(FOR) OPERATING ACTIVITIES AND BALANCE CARRIED FORWARD	41,855	32,828	(228)	244

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 30 September 2009

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
BALANCE BROUGHT FORWARD		41,855	32,828	(228)	244
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividend received		-	-	8,258	12,594
Interest received		198	317	46	97
Purchase of property, plant and equipment	31	(18,562)	(21,102)	-	(167)
Proceeds from disposal of plant and equipment		43	120	43	-
Investment in a subsidiary		-	-	(2,047)	-
Piecemeal acquisition of investment in subsidiaries		-	(310)	-	(1,285)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(18,321)	(20,975)	6,300	11,239
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		-	-	4,661	(8,027)
Advances from an associate		2,166	585	-	-
Dividends paid		(7,036)	(12,313)	(7,036)	(12,313)
Costs incurred for bonus issue and transfer to Main Board of Bursa Securities		-	(335)	-	(335)
Repayment of hire purchase and lease obligations		(14,349)	(8,810)	-	-
Drawdown of term loan		-	6,400	-	-
Repayment of term loan		(900)	(375)	-	-
Proceeds from sale of treasury shares		563	-	563	-
Treasury shares		(2,798)	-	(2,798)	-
Refinance of hire purchase		1,212	-	-	-
NET CASH FOR FINANCING ACTIVITIES		(21,142)	(14,848)	(4,610)	(20,675)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,392	(2,995)	1,462	(9,192)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		16,630	19,629	2,111	11,303
Foreign exchange difference		102	(4)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32	19,124	16,630	3,573	2,111

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

for the financial year ended 30 September 2009

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Lot 6.05, Level 6,
KPMG Tower, 8 First Avenue,
Bandar Utama,
47800 Petaling Jaya
Selangor Darul Ehsan.

Principal place of business : Lot 6123, Jalan Haji Salleh,
Batu 5½, Jalan Meru,
41050 Klang,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 7 January 2010.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Currency Risk

The Group is exposed to foreign exchange risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are disclosed in the respective notes to the financial statements.

The Group enters into forward foreign exchange contracts to hedge against its foreign exchange risk resulting from anticipated transactions denominated in foreign currency, primarily United States Dollar, as disclosed in Note 38 to the financial statements.

In respect of other monetary assets and liabilities held in foreign currencies, the Group carries out reviews periodically to ensure that the net exposure is kept at an acceptable level.

(ii) Interest Rate Risk

The Group obtains financing through bank borrowings, hire purchase and leasing arrangements. Its policy is to obtain the most favourable interest rates available.

Information relating to the interest rate exposure of the Group is disclosed in Note 24 to the financial statements.

Surplus funds are placed with reputable financial institutions at the most favourable interest rates.

(iii) Price Risk

The Group does not have any quoted investments and hence is not exposed to price risk.

Notes to the Financial Statements

for the financial year ended 30 September 2009

3. FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's concentration of credit risk related to debts owing by three customers which constituted approximately 63% of the Group's outstanding receivables at the end of the current financial year.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group manages its liquidity risk by maintaining sufficient cash and the availability of funding through adequate committed credit facilities to meet estimated commitments arising from operational expenditure and financial liabilities. The Group also has effective cash management to ensure that the Group can pay its dividends to shareholders at an appropriate time.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

The Group and the Company have not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Company:

- (i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments
-------	--------------------

FRS 8 replaces FRS 114²⁰⁰⁴ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

- (ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101 (Revised 2009)	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

FRS 4 is not relevant to the Group's and the Company's operations. The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The adoption of FRS 101 (Revised 2009) will only impact the form and content of the presentation of the Group's and the Company's financial statements in the next financial year. There will be no financial impact on the financial statements upon the adoption of this standard.

The possible impact of FRS 123 on the financial statements upon its initial application is not disclosed as the existing accounting policies of the Group and of the Company are consistent with the requirements under this new standard.

Notes to the Financial Statements

for the financial year ended 30 September 2009

4. BASIS OF PREPARATION (Cont'd)

- (iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Vesting Conditions and Cancellations
Amendments to FRS 7, FRS 132, FRS 139 and IC Interpretation 9	Improvements to Accounting for Financial Instruments
Amendments to FRSs	Annual Improvements to FRSs (2009)

FRS 127 has been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date.

The possible impacts of amendments to FRS 7, FRS 132, FRS 139 and IC Interpretation 9 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The Annual Improvements to FRSs (2009) is expected to have no material impact on the financial statements of the Group and the Company upon their initial application.

The other amendments are not relevant to the Group's and the Company's operations.

- (iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

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 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 10. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investment in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(i) Depreciation of Property, Plant and Equipment

The Group reviews annually the estimated useful lives and residual values of property, plant and equipment based on factors such as business plan and strategies, expected level of usage, future technological developments and market prices.

Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives and residual values of property, plant and equipment in particular the residual value of certain plant and machinery, would increase the recorded depreciation and decrease the net carrying value of property, plant and equipment.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) *Impairment of Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Allowance for Doubtful Debts of Receivables*

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(v) *Allowance for Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vi) *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 30 September 2009.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheet consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

(c) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Investments

(i) Subsidiaries

Investments in subsidiaries are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Associates

Associates are entities in which the Group has significant influence and that are neither subsidiaries nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Investments in associates are stated at cost less impairment losses.

On the disposal of such investments, the differences between the net disposal proceeds and their carrying amounts are included in the income statement.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Property, Plant and Equipment

Property, plant and equipment other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Factory buildings	2% - 11%
Factory equipment and machinery	10% - 25%
Furniture, fittings and office equipment	10% - 30%
Motor vehicles	20%
Renovation	20%

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets and depreciation rates are adjusted accordingly on a prospective basis. The estimated residual value for plant and machinery is 5% of their cost.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

(f) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the asset is the higher of the assets' net selling price and its value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(g) Assets Under Hire Purchase

Plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(e) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the income statement over the period of the respective hire purchase agreements.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Assets Under Finance Lease

Leases of plant and equipment where substantially all the benefits and risks of ownership are transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance leases are capitalised as long-term assets, based on the lower of the fair value of the leased plant and equipment or present value of the minimum lease payments at the inception of the lease.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding obligations due under the finance lease after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease agreements.

Plant and equipment acquired under finance leases are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(j) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(k) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(l) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalised as part of the cost of those assets, until such time the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(n) Purchase of Own Shares

When the share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity and is not re-valued for subsequent changes in the fair value or market price of shares. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(o) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Segmental Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenues and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), inventories, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

(q) Functional and Foreign Currency

(i) *Functional and Presentation Currency*

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates.

The financial statements are presented in Ringgit Malaysia which is the Company's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currency are converted into the respective functional currencies of the Company and are recorded on initial recognition in the functional currencies, using the rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) *Foreign Operations*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (ii) income and expenses for the income statement are translated at prevailing weighted average exchange rates for the financial year; and
- (iii) all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(r) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(t) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
 - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the entity; or
 - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(u) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Notes to the Financial Statements

for the financial year ended 30 September 2009

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Revenue Recognition

(i) Sale of Goods And Services Rendered

Sales are recognised upon the transfer of risks and rewards to the customers or the acceptance of services rendered and where applicable, net of returns and trade discounts.

(ii) Dividend Income

Dividend income from investments in subsidiaries is recognised upon declaration by the subsidiaries.

(iii) Management Fee

Management fee from subsidiaries are accounted for on an accrual basis.

(iv) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield of the investment.

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2009	2008
	RM'000	RM'000
Unquoted shares, at cost:-		
At 1 October 2008/2007	47,930	46,645
Acquired during the financial year	2,047	1,285
At 30 September	49,977	47,930

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2009 %	2008 %	
Notion Venture Sdn. Bhd.	Malaysia	100	100	Design and volume production of high precision metal machining of hard disk drive, computer, consumer electronics and electrical and automotive industries' components, and related research and development activities.
Intech Precision Sdn. Bhd.	Malaysia	100	100	Design, development, manufacture and marketing of precision jigs and fixtures, tools and dies for stamping, precision mould parts for plastic injection, trim and form tools for semiconductor industry and precision machine parts for the automotive and other high-value added industries.

Notes to the Financial Statements

for the financial year ended 30 September 2009

6. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2009 %	2008 %	
NV Technology Sdn. Bhd.	Malaysia	100	100	Design, development and modification of cutting tool geometry, regrind or re-sharpening of special cutting tools using computer numerical control ("CNC") tools and cutter grinder and other grinding operations and marketing of diamond abrasive grinding wheels, polycrystalline diamond and polycrystalline cubic nitride inserts.
Kaiten Precision (M) Sdn. Bhd.	Malaysia	90	90	Design and development leading to the mass production of high precision microparts and related research and development activities.
Diaphragm Tech Sdn. Bhd.	Malaysia	100	100	Research and development activities leading to the design and production of air chuck assembly system for soft clamping, tools-holders, gauges, dies, collets and lathe chucks for use by CNC machining applications.
Swiss Impression Sdn. Bhd.	Malaysia	70	70	Design of tooling and volume manufacturing of precision appearance parts using progressive die stamping for digital cameras, motion picture experts group audio layer 3 ("MP3") players and other consumer electronic devices.
Notion (Thailand) Co., Ltd.	Thailand	100	100	Dormant.

7. INVESTMENT IN AN ASSOCIATE

	The Group	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	800	800
Share of post-acquisition profits	1,139	390
Interest in an associate	<u>1,939</u>	<u>1,190</u>

Details of the associate, which is incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest		Principal Activities
	2009 %	2008 %	
Autic Mekki Sdn. Bhd.*	40	40	Provision of surface treatment, electrolysis nickel plating, chrome plating, electro-plating and anodizing metal or like substances.

* held through Notion Venture Sdn. Bhd.

Notes to the Financial Statements

for the financial year ended 30 September 2009

7. INVESTMENT IN AN ASSOCIATE (Cont'd)

The summarised financial information of the associate is as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Assets and liabilities		
Currents assets	4,190	1,500
Non-current assets	2,563	2,720
Total assets	6,753	4,220
Currents liabilities	1,614	981
Non-current liabilities	291	264
Total liabilities	1,905	1,245
Results		
Revenue	9,455	7,078
Profit after taxation for the financial year	1,873	1,134

8. PROPERTY, PLANT AND EQUIPMENT

The Group	Net Carrying Amount At 1.10.2008 RM'000	Additions RM'000	Disposal RM'000	Depreciation Charge RM'000	Net Carrying Amount At 30.9.2009 RM'000
Freehold land and buildings	33,649	636	-	(740)	33,545
Factory equipment and machinery	111,714	26,925	-	(15,751)	122,888
Furniture, fittings and office equipment	3,795	449	-	(937)	3,307
Motor vehicles	1,023	55	(37)	(388)	653
Renovation	1,681	116	-	(429)	1,368
Total	151,862	28,181	(37)	(18,245)	161,761

	Net Carrying Amount At 1.10.2007 RM'000	Additions RM'000	Written Off/ Disposal RM'000	Depreciation Charge RM'000	Net Carrying Amount At 30.9.2008 RM'000
Freehold land and buildings	26,214	8,149	-	(714)	33,649
Factory equipment and machinery	59,617	63,485	(130)	(11,258)	111,714
Furniture, fittings and office equipment	2,282	2,254	(3)	(738)	3,795
Motor vehicles	852	536	-	(365)	1,023
Renovation	273	1,650	-	(242)	1,681
Total	89,238	76,074	(133)	(13,317)	151,862

Notes to the Financial Statements

for the financial year ended 30 September 2009

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	Cost RM'000	Accumulated Depreciation RM'000	Net Carrying Amount RM'000
As At 30.9.2009			
Freehold land and buildings	35,517	(1,972)	33,545
Factory equipment and machinery	184,209	(61,321)	122,888
Furniture, fittings and office equipment	6,513	(3,206)	3,307
Motor vehicles	2,885	(2,232)	653
Renovation	2,159	(791)	1,368
Total	231,283	(69,522)	161,761
As At 30.9.2008			
Freehold land and buildings	34,881	(1,232)	33,649
Factory equipment and machinery	157,284	(45,570)	111,714
Furniture, fittings and office equipment	6,064	(2,269)	3,795
Motor vehicles	2,889	(1,866)	1,023
Renovation	2,043	(362)	1,681
Total	203,161	(51,299)	151,862

	Net Carrying Amount At 1.10.2008 RM'000	Disposal RM'000	Depreciation Charge RM'000	Net Carrying Amount At 30.9.2009 RM'000
The Company				
Furniture, fittings and office equipment	4	-	(2)	2
Motor vehicles	382	(37)	(89)	256
Total	386	(37)	(91)	258

	Net Carrying Amount At 1.10.2007 RM'000	Addition RM'000	Depreciation Charge RM'000	Net Carrying Amount At 30.9.2008 RM'000
Furniture, fittings and office equipment	6	-	(2)	4
Motor vehicles	287	167	(72)	382
Total	293	167	(74)	386

	Cost RM'000	Accumulated Depreciation RM'000	Net Carrying Amount RM'000
As At 30.9.2009			
Furniture, fittings and office equipment	9	(7)	2
Motor vehicles	428	(172)	256
Total	437	(179)	258
As At 30.9.2008			
Furniture, fittings and office equipment	9	(5)	4
Motor vehicles	486	(104)	382
Total	495	(109)	386

Notes to the Financial Statements

for the financial year ended 30 September 2009

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Included in the net carrying amount of property, plant and equipment at the balance sheet date were the following assets acquired under hire purchase and lease terms and by a term loan respectively:-

	The Group	
	2009 RM'000	2008 RM'000
<u>Hire purchase and lease</u>		
Factory equipment and machinery	70,090	48,588
Motor vehicles	42	89
	70,132	48,677
<u>Term Loan</u>		
Freehold land and buildings	8,042	8,149
	8,042	8,149

The above property, plant and equipment have been charged as collateral to licensed banks for banking facilities granted to certain subsidiaries.

9. INVENTORIES

	The Group	
	2009 RM'000	2008 RM'000
At cost:-		
Raw materials	8,005	9,820
Work-in-progress	4,678	4,011
Finished goods	7,114	7,646
	19,797	21,477
At net realisable value:-		
Finished goods	261	859
	20,058	22,336

10. TRADE RECEIVABLES

	The Group	
	2009 RM'000	2008 RM'000
Gross trade receivables	46,052	39,697
Allowance for doubtful debts:-		
At 1 October 2008/2007	(323)	(25)
Increase during the financial year	(249)	(308)
Allowance no longer required	70	10
Bad debts written off	211	-
At 30 September	(291)	(323)
Net trade receivables	45,761	39,374

The Group's normal trade credit terms range from 30 days to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements

for the financial year ended 30 September 2009

10. TRADE RECEIVABLES (Cont'd)

The foreign currency exposure profile of the trade the receivables is as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Euro	2,536	1,064
Japanese Yen	47	365
United States Dollar	38,482	33,517

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the deposits of the Group is an amount of RM1,038,293 (2008 - RM2,893,322) in respect of deposits paid for the acquisition of new plant and machinery.

12. AMOUNT OWING BY/(TO) SUBSIDIARIES

The amounts are unsecured, interest-free and repayable upon demand.

13. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The interest rate and maturity period of the short-term deposits of the Group and of the Company at the balance sheet date were 2.6% to 3.7% (2008 - 1.6% to 3.7%) per annum and 30 days to 365 days (2008 - 4 days to 365 days) respectively.

14. CASH AND BANK BALANCES

The foreign currency exposure profile of the bank balances is as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Euro	1,094	128	-	-
Singapore Dollar	1	1	-	-
United States Dollar	11,160	901	-	-

15. SHARE CAPITAL

	The Company			
	Number Of Ordinary Shares Of RM0.10 Each		2009	2008
	2009 '000	2008 '000	RM'000	RM'000
Authorised	1,000,000	1,000,000	100,000	100,000
Issued And Fully Paid:				
At 1 October 2008/2007	703,584	586,320	70,358	58,632
Shares issued pursuant to bonus issue	-	117,264	-	11,726
At 30 September	703,584	703,584	70,358	70,358

Notes to the Financial Statements

for the financial year ended 30 September 2009

16. SHARE PREMIUM

	The Group And Company	
	2009	2008
	RM'000	RM'000
At 1 October 2008/2007	-	7,971
Disposal of treasury shares	166	-
Bonus issue	-	(7,636)
Costs incurred for bonus issue and transfer to Main Board of Bursa Securities	-	(335)
At 30 September	166	-

The share premium account is not distributable by way of cash dividends but may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965.

17. TREASURY SHARES

The shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 19 February 2009 granted their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company purchased from the open market, 9,318,600 units of its own shares through purchases on the Main Board of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.30 per ordinary share. The total consideration paid for acquisition of the shares was RM2,798,430 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 financial year, the Company had also disposed of 1,324,000 units of its treasury shares in the market for RM563,684.

As at 30 September 2009, the Company held 7,994,600 repurchased shares as treasury shares out of its total issued and paid up share capital of 703,583,424 ordinary shares of RM0.10 each. Such treasury shares are held at a carrying amount of RM2,401,230.

18. RETAINED PROFITS

Subject to the agreement of the tax authorities, at the balance sheet date, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax-exempt income to frank the payment of dividends out of its entire retained profits without incurring any additional tax liabilities.

Effective from 1 January 2008, the Company is allowed an irrevocable option to elect for the single tier tax system or continue with the use of the tax credit balance for the purpose of dividend distribution. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system.

Notes to the Financial Statements

for the financial year ended 30 September 2009

19. LONG-TERM BORROWINGS

	The Group	
	2009 RM'000	2008 RM'000
Hire purchase and lease payables (Note 24)	35,847	26,195
Term loan (Note 24)	4,225	5,125
	40,072	31,320

20. DEFERRED TAXATION

	The Group	
	2009 RM'000	2008 RM'000
At 1 October 2008/2007	7,934	6,666
Transfer (to)/from income statements (Note 28)	(671)	1,268
At 30 September	7,263	7,934

The components of the deferred tax assets and liability during the financial year prior to offsetting are as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Deferred tax assets:-		
Unabsorbed capital allowances	214	105
Unutilised tax loss	1	-
	215	105
Deferred tax liability:-		
Accelerated depreciation	7,478	8,039
Net deferred tax liability	7,263	7,934

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 days to 90 days.

The foreign currency exposure profile of the trade payables is as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Japanese Yen	721	-
Singapore Dollar	200	365
Sterling Pound	5	-
United States Dollar	947	355

Notes to the Financial Statements

for the financial year ended 30 September 2009

22. OTHER PAYABLES AND ACCRUALS

Included in the amount of other payables of the Group is an amount of RM474,000 (2008 - RM16,174,577) in respect of the acquisition of plant and machinery during the financial year.

The said amount is owing to third party suppliers pending financing via hire purchase arrangements which were only completed subsequent to the balance sheet date.

The foreign currency exposure profile of the other payables is as follows:-

	The Group	
	2009	2008
	RM'000	RM'000
Singapore Dollar	27	44
Swiss Franc	715	145
United States Dollar	44	1,801

23. AMOUNT OWING TO AN ASSOCIATE

The amount owing is unsecured, interest-free and repayable upon demand.

24. SHORT-TERM BORROWINGS AND BANK OVERDRAFT

Short-term borrowings comprise the following:-

	The Group	
	2009	2008
	RM'000	RM'000
Bills payable	1,472	5,550
Hire purchase and lease payables	14,483	11,952
Term loan	900	900
	16,855	18,402

The effective interest rates at the balance sheet date were as follows:-

	The Group	
	2009	2008
	%	%
	per annum	per annum
Bank overdraft	6.55	7.75
Bills payable	1.47 - 6.17	2.10 - 6.50
Hire purchase and lease payables	2.75 - 4.00	2.75 - 3.85
Term loan	5.50	5.50

The bank overdraft and bills payable are secured by corporate guarantees issued by the Company.

The hire purchase and lease payables and term loan are secured as follows:

- (a) by legal charges over certain property, plant and equipment belonging to certain subsidiaries of the Company; and
- (b) by corporate guarantees issued by the Company.

Notes to the Financial Statements

for the financial year ended 30 September 2009

24. SHORT-TERM BORROWINGS AND BANK OVERDRAFT (Cont'd)

Details of the hire purchase and lease payables outstanding at the balance sheet date are as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Minimum hire purchase and lease payments:		
- not later than one year	17,170	13,963
- later than one year and not later than five years	39,676	28,748
	56,846	42,711
Less: Future finance charges	6,516	4,564
Present value of hire purchase and lease payables	50,330	38,147
Current:		
- not later than one year	14,483	11,952
Non-current:		
- later than one year and not later than five years (Note 19)	35,847	26,195
	50,330	38,147

Details of the term loan outstanding at the balance sheet date are as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Current portion:		
- repayable within one year	900	900
Non-current portion:		
- repayable between one to two years	900	900
- repayable between two to five years	2,700	2,700
- repayable after five years	625	1,525
Total non-current portion (Note 19)	4,225	5,125
	5,125	6,025

	Number of Monthly Instalments	Monthly Principal Instalment Amount RM	Date of Commencement of Repayment	Amount Outstanding at the Balance Sheet Date	
				2009 RM'000	2008 RM'000
Term loan	84	75,000	May 2008	5,125	6,025

Notes to the Financial Statements

for the financial year ended 30 September 2009

25. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share of the Group is calculated based on the net assets value at the balance sheet date of RM163,555,000 (2008 - RM136,774,000) divided by the number of ordinary shares in issue at the balance sheet date of 695,588,824 (2008 - 703,583,424) excluding treasury shares held by the Company.

26. REVENUE

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue represents:-				
Invoiced value of goods sold and services rendered				
less discounts and returns	172,703	146,104	-	-
Dividend income	-	-	8,553	12,977
Management fee	-	-	1,644	1,628
	172,703	146,104	10,197	14,605

27. PROFIT BEFORE TAXATION

This is arrived at after charging/(crediting):-

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts	249	308	-	-
Audit fee	73	72	15	15
Bad debts written off	67	1	-	-
Depreciation of property, plant and equipment	18,245	13,317	91	74
Directors' remuneration:				
- fee	90	91	90	91
- other emoluments	1,193	1,597	716	855
Interest expense:				
- bank overdraft	90	67	-	-
- bills payable	252	199	-	-
- hire purchase and lease	2,957	1,468	-	-
- term loan	308	141	-	-
Inventories written down	-	288	-	-
Inventories written off	865	-	-	-
Loss on foreign currency:				
- realised:				
- translation	5,738	392	-	-
- derivative contracts	7,603	586	-	-
- unrealised:				
- translation	61	227	-	-
Plant and equipment written off	-	1	-	-
Rental of premises	207	596	-	-
Staff costs	19,102	20,193	495	650

Notes to the Financial Statements

for the financial year ended 30 September 2009

27. PROFIT BEFORE TAXATION (Cont'd)

This is arrived at after charging/(crediting):-

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	(70)	(10)	-	-
Dividend income (gross)	-	-	(8,553)	(12,977)
(Gain)/Loss on disposal of plant and equipment	(6)	12	(6)	-
Gain on foreign currency:				
- realised:				
- translation	(5,711)	(448)	-	-
- derivative contracts	-	(2,800)	-	-
- unrealised:				
- translation	-	(253)	-	-
Interest income	(198)	(317)	(46)	(97)
Rental income	(151)	(151)	-	-

28. TAXATION

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<u>Current tax</u>				
Current financial year	7,398	6,306	376	391
Under/(Over)provision in the previous financial year	25	82	81	(20)
	7,423	6,388	457	371
<u>Deferred tax expense (Note 20)</u>				
Current financial year	400	956	-	-
(Over)/Underprovision in the previous financial year	(1,071)	312	-	-
	(671)	1,268	-	-
Share of taxation of an associate	236	130	-	-
Tax expense for the financial year	6,988	7,786	457	371

Notes to the Financial Statements

for the financial year ended 30 September 2009

28. TAXATION (Cont'd)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before taxation	42,963	40,859	8,563	12,754
Tax at the statutory tax rate of 25% (2008 - 26%)	10,741	10,623	2,141	3,316
Tax effects of:-				
Non-deductible expenses:				
- depreciation on non-qualifying assets	91	65	-	-
- expenses disallowed for tax purposes	444	335	83	71
Non-taxable gains	(251)	(164)	(1,848)	(2,996)
Under/(Over)provision in the previous financial year:				
- current tax	25	82	81	(20)
- deferred taxation	(1,071)	312	-	-
Deferred tax assets not recognised during the financial year	91	77	-	-
Utilisation of previously unrecognised deferred tax assets	(5)	-	-	-
Reinvestment allowances	(3,077)	(3,509)	-	-
Differential in tax rates and others	-	(35)	-	-
Tax expense for the financial year	6,988	7,786	457	371

During the current financial year, the statutory tax rate was reduced from 26% to 25%.

Subject to agreement with the tax authorities, the Group has unabsorbed capital allowances and unutilised tax losses of approximately RM423,000 (2008 - RM433,000) and RM121,000 (2008 - Nil) respectively at the balance sheet date available for offset against future taxable business income.

Notes to the Financial Statements

for the financial year ended 30 September 2009

29. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the consolidated net profit attributable to equity holders of the Company for the financial year divided by the weighted average number of ordinary shares of RM0.10 each in issue during the financial year excluding the treasury shares held by the Company.

	The Group	
	2009	2008
	RM'000	RM'000
Net profit attributable to equity holders of the Company	35,898	32,919
Number of ordinary shares at beginning of the financial year ('000)	703,584	703,584
Effects of shares purchased and resale ('000)	(2,265)	-
Weighted average number of ordinary shares in issue ('000)	701,319	703,584
Basic earnings per share (sen)	5.1	4.7

There is no diluted earnings per share for the current financial year as there are no dilutive potential ordinary shares.

30. DIVIDENDS PER SHARE

	The Company	
	2009	2008
	RM'000	RM'000
In respect of financial year ended 30 September 2007:		
- Interim tax-exempt dividend of 1.0 sen per ordinary share of RM0.10 each*	-	1.0
- Final tax-exempt dividend of 1.1 sen per ordinary share of RM0.10 each*	-	1.1
In respect of financial year ended 30 September 2008:		
- Interim tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each	0.5	-
- Final tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each	0.5	-
	1.0	2.1

* Based on 586,319,520 ordinary shares before 1:5 bonus issue made on 8 August 2008.

On 11 November 2009, the Company paid an interim tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 each amounting to RM3,466,174 in respect of the current financial year.

The directors propose a final tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each in respect of the current financial year. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

Notes to the Financial Statements

for the financial year ended 30 September 2009

31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cost of property, plant and equipment acquired	28,181	76,074	-	167
Amount financed through hire purchase and lease	(9,145)	(38,797)	-	-
Amount owing to plant and equipment suppliers	(474)	(16,175)	-	-
Cash disbursed for purchase of property, plant and equipment	18,562	21,102	-	167

32. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Short-term deposits with licensed banks	2,149	8,873	353	1,857
Cash and bank balances	18,321	8,715	3,220	254
Bank overdraft	(1,346)	(958)	-	-
	19,124	16,630	3,573	2,111

33. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Company during the financial year was as follows:-

The Group 2009	No. Of Directors	Salaries And Bonus RM'000	EPF & SOCSSO RM'000	Fee RM'000	Allowances RM'000	Total RM'000
Executive						
- Between RM200,001 and RM250,000	2	422	55	-	-	477
- Between RM300,001 and RM350,000	1	285	26	-	-	311
- Between RM350,001 and RM400,000	1	335	41	-	-	376
	4	1,042	122	-	-	1,164
Non-Executive						
- Less than or equal to RM50,000	3	-	-	90	29	119
	7	1,042	122	90	29	1,283

Notes to the Financial Statements

for the financial year ended 30 September 2009

33. DIRECTORS' REMUNERATION (Cont'd)

The Group 2008	No. Of Directors	Salaries And Bonus RM'000	EPF & SOCSO RM'000	Fee RM'000	Allowances RM'000	Total RM'000
Executive						
- Between RM300,001 and RM350,000	1	273	31	-	-	304
- Between RM350,001 and RM400,000	2	681	61	-	-	742
- Above RM400,001	1	480	48	-	-	528
	4	1,434	140	-	-	1,574
Non-Executive						
- Less than or equal to RM50,000	3	-	-	91	23	114
	7	1,434	140	91	23	1,688

The Company 2009

Executive						
- Between RM300,001 and RM350,000	1	285	26	-	-	311
- Above RM350,001	1	335	41	-	-	376
	2	620	67	-	-	687
Non-Executive						
- Less than or equal to RM50,000	3	-	-	90	29	119
	5	620	67	90	29	806

2008

Executive						
- Between RM300,001 and RM350,000	1	273	31	-	-	304
- Above RM350,001	1	480	48	-	-	528
	2	753	79	-	-	832
Non-Executive						
- Less than or equal to RM50,000	3	-	-	91	23	114
	5	753	79	91	23	946

Notes to the Financial Statements

for the financial year ended 30 September 2009

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties:-

- (i) the Company has related party relationships with its subsidiaries as disclosed in Note 6 to the financial statements; and
- (ii) the directors and a person connected to certain directors who are the key management personnel.

(b) In addition to the information disclosed elsewhere in the financial statements, the Company carried out the following transactions with the related parties during the financial year:

		The Company	
		2009	2008
		RM'000	RM'000
(i) Subsidiaries			
Dividend income		8,553	12,977
Management fee		1,644	1,628
(ii) Key Management Personnel			

The remuneration of directors and other members of key management during the financial year were as follows:-

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	2,611	1,937	1,050	1,195

Information regarding outstanding balances arising from related party transactions as at 30 September 2009 are disclosed in Notes 12 and 23 to the financial statements.

35. FOREIGN CURRENCY RATES

The applicable foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the balance sheet date were as follows:-

	The Group	
	2009	2008
	RM'000	RM'000
Euro	5.07	4.85
Japanese Yen	0.04	0.03
Singapore Dollar	2.46	2.40
Sterling Pound	5.55	6.13
Swiss Franc	3.34	3.08
Thai Baht	0.10	0.10
United States Dollar	3.47	3.44

Notes to the Financial Statements

for the financial year ended 30 September 2009

36. CONTINGENT LIABILITIES

	The Company	
	2009	2008
	RM'000	RM'000
Unsecured:-		
(i) Corporate guarantee given to financial institutions for banking facilities granted to subsidiaries	7,943	12,533
(ii) Corporate guarantee given to financial institutions for hire purchase facilities granted to subsidiaries	50,330	38,147
	58,273	50,680

37. CAPITAL COMMITMENTS

	The Group	
	2009	2008
	RM'000	RM'000
Approved and contracted for purchase of plant and equipment	28,856	12,340

38. CURRENCY RISK

As at the balance sheet date, the Group entered into forward foreign exchange contracts with the following notional amounts and maturities:

	Maturities		Total
	Less Than	More Than	Notional
	One Year	One Year	Amount
	RM'000	RM'000	RM'000
Group			
2009			
Sale contracts used to hedge sale proceeds receivable			
- United States Dollar	100,112	32,897	133,009
- Euro	2,985	-	2,985
	103,097	32,897	135,994
2008			
Sale contracts used to hedge sale proceeds receivable			
- United States Dollar	165,333	52,720	218,053
- Euro	9,105	2,985	12,090
	174,438	55,705	230,143

Notes to the Financial Statements

for the financial year ended 30 September 2009

38. CURRENCY RISK (Cont'd)

The net unrecognised loss as at the balance sheet date on forward foreign exchange sale and purchase contracts used are deferred until the occurrence of the related future transactions in the following manner:

	Maturities		Total Net Unrecognised Loss As At End Of The Financial Year RM'000
	Less Than One Year RM'000	More Than One Year RM'000	
Group 2009			
Sale contracts	(3,553)	(1,149)	(4,702)
2008			
Sale contracts	(9,213)	(3,670)	(12,883)

39. SEGMENTAL INFORMATION

Business Segments

The Group comprises the following main business segments:-

Manufacturing	Manufacturer of high volume precision components and tools.
Investing	Investment holding and provision of management services.

	Manufacturing RM'000	Investing RM'000	Elimination RM'000	Group RM'000
The Group 2009				
<u>Revenue And Expenses</u>				
Revenue				
External sales	172,703	-	-	172,703
Inter-segment sales	1,852	10,197	(12,049)	-
Total revenue	174,555	10,197	(12,049)	172,703
Results				
Segment results	41,968	8,563	(8,553)	41,978
Share of profit in an associate				985
Profit before taxation				42,963
Taxation				(6,988)
Profit after taxation for the financial year				35,975

Notes to the Financial Statements

for the financial year ended 30 September 2009

39. SEGMENTAL INFORMATION (Cont'd)

	Manufacturing RM'000	Investing RM'000	Elimination RM'000	Group RM'000
The Group 2008				
<u>Revenue And Expenses</u>				
Revenue				
External sales	146,104	-	-	146,104
Inter-segment sales	4,969	14,605	(19,574)	-
Total revenue	151,073	14,605	(19,574)	146,104
Results				
Segment results	40,498	12,754	(12,977)	40,275
Share of profit in an associate				584
Profit before taxation				40,859
Taxation				(7,786)
Profit after taxation for the financial year				33,073
	Manufacturing RM'000	Investing RM'000	Group RM'000	
The Group 2009				
<u>Assets And Liabilities</u>				
Segment assets	249,616	3,833	253,449	
Investment in an associate	1,939	-	1,939	
	251,555	3,833	255,388	
Segment liabilities	86,691	4,008	90,699	
<u>Other Information</u>				
Allowance for doubtful debts	249	-	249	
Allowance for doubtful debts no longer required	(70)	-	(70)	
Bad debts written off	67	-	67	
Capital expenditure	28,181	-	28,181	
Depreciation	18,154	91	18,245	
Deposit forfeited	61	-	61	
Gain on disposal of plant and equipment	-	(6)	(6)	
Inventories written off	865	-	865	
Unrealised foreign currency translation loss	61	-	61	

Notes to the Financial Statements

for the financial year ended 30 September 2009

39. SEGMENTAL INFORMATION (Cont'd)

	Manufacturing RM'000	Investing RM'000	Group RM'000
The Group 2008			
<u>Assets And Liabilities</u>			
Segment assets	233,805	2,579	236,384
Investment in an associate	1,190	-	1,190
	<u>234,995</u>	<u>2,579</u>	<u>237,574</u>
Segment liabilities	<u>95,488</u>	<u>4,255</u>	<u>99,743</u>
<u>Other Information</u>			
Allowance for doubtful debts	308	-	308
Allowance for doubtful debts no longer required	(10)	-	(10)
Bad debts written off	1	-	1
Capital expenditure	75,907	167	76,074
Depreciation	13,243	74	13,317
Inventories written down	288	-	288
Loss on disposal of plant and equipment	12	-	12
Plant and equipment written off	1	-	1
Unrealised foreign currency translation gain	(26)	-	(26)

Information on the carrying amount of segment assets and liabilities by geographical area has not been provided as the Group operates principally in Malaysia.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 18 August 2009, the Board of Directors announced that the Company had proposed to undertake the following:-

- (i) amend the authorised share capital of the Company from RM100,000,000 comprising 1,000,000,000 ordinary shares of RM0.10 each to RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each ("Proposed Amendment in Authorised Share Capital"); and
- (ii) consolidate every five ordinary shares of RM0.10 each to one ordinary share of RM0.50 each held in the Company ("Proposed Share Consolidation"). Upon completion of the Proposed Share Consolidation, the issues and paid-up share capital of the Company will be consolidated into 140,716,684 ordinary shares of RM0.50 each.

Approval from Bursa Securities has been obtained on 7 September 2009 for the Proposed Share Consolidation. The Company's shareholders at the Extraordinary General Meeting ("EGM") held on 16 October 2009, approved the resolutions for the Proposed Amendment in Authorised Share Capital and Proposed Share Consolidation.

Notes to the Financial Statements

for the financial year ended 30 September 2009

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

- (i) On 2 October 2009, Notion (Thailand) Co. Ltd., a wholly-owned subsidiary of the Company, entered into a Sale And Purchase Agreement with Taiko Electronic (Thailand) Company Limited, a company incorporated in Thailand, to acquire a piece of property for a consideration of RM5,049,000;
- (ii) On 22 October 2009, the Board of Directors announced that the Company proposed to issue new ordinary shares of RM0.50 each in the Company, not exceeding 10% of the issued and paid-up share capital of the Company through a private placement exercise ("Proposed Private Placement").
- (iii) On 28 October 2009, the Company submitted to Bursa Securities Malaysia Berhad ("Bursa Securities") the additional listing application for the listing of up to 13,884,694 new ordinary shares of RM0.50 each in the Company ("Placement Shares") 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; and
- (iv) On 10 December 2009, the Company entered into a Share Sale Agreement ("SSA") 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.
- (v) On 6 January 2010, the Board of Directors announced that the Company has fixed the issue price for the Placement Shares at RM2.44 per share.

42. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments at the balance sheet date:-

(a) Long-Term Borrowings

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

(b) Hire Purchase Obligations

The carrying amounts approximated the fair values of the instruments. The fair values of hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar types of instruments.

(c) Cash And Cash Equivalents, Receivables And Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these investments.

(d) Short-Term Borrowings And Other Current Liabilities

The carrying amounts approximated their fair values due to the relatively short-term maturity of these investments.

(e) Forward Foreign Exchange Contracts

The fair value of a forward foreign currency contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of similar quantum and maturity profile.

List of Properties

held as at 30 September 2009

Lot No./Location/Description	Date of Acquisition/Completion	Land Area (sq ft) (Approximate)	Tenure	Net Book Value (RM) as at 30 Sept 2009
1-½ Storey Semi-Detached Light Industrial Factory held under HS(M) No. 22229, PT No. 27966, Mukim Kapar, Daerah Klang (Approximate age of building: 5 years)	26 February 2004	7,653	Freehold	538,653
Address: No.11, Jalan Teruntum 20 KU/8, di Jalan Teratai, Batu 5½, Jalan Meru, 41050, Klang, Selangor Darul Ehsan				
1-½ Storey Semi-Detached Light Industrial Factory held under HS(M) No. 22230, PT No. 27967, Mukim Kapar, Daerah Klang (Approximate age of building: 5 years)	26 February 2004	7,653	Freehold	538,653
Address: No.11A, Jalan Teruntum 20 KU/8, di Jalan Teratai, Batu 5½, Jalan Meru, 41050, Klang, Selangor Darul Ehsan				
3-Storey Office Building with Factory Building held under HS(D) No. 13321, PT No. 371 and HS(D) No. 22781, PT No. 10649, Mukim Kapar, Daerah Klang (Approximate age of building: 4 years)	10 August 2006	304,988	Freehold	24,425,885
Address: Lot 6123, Jalan Haji Salleh, Batu 5½, Jalan Meru, 41050, Klang, Selangor Darul Ehsan				
1-Storey Factory with a 3-Storey Office held under GM1108, Lot 5009, Place: 5th Mile Sungai Binjai Road, Mukim of Kapar, District of Klang, State of Selangor (Approximate age of building: 16 years)	7 January 2008	132,041	Freehold	8,042,394
Address: Lot 5009, Jalan Sungai Binjai Batu 5½, Jalan Meru 41050 Klang, Selangor Darul Ehsan				

Note : Revaluation of properties have not been carried out on any of the above properties to date.

Analysis of Shareholdings

as at 31 December 2009

Authorised Share Capital	:	RM100,000,000 of 200,000,000 ordinary shares of RM0.50 each
Issued and Paid-Up Share Capital	:	RM70,358,342.00 comprising 140,716,684 ordinary shares of RM0.50 each
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	Every member of the Company, present in person and entitled to vote, or by proxy or by attorney or other duly authorised representative, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each ordinary share held
Number of shareholders	:	3,016

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of holders	% of holders	No. of shares	% of Issued Capital [#]
1 – 99	70	2.320	2,657	0.001
100 – 1,000	560	18.567	375,713	0.271
1,001 – 10,000	1,863	61.770	7,098,131	5.126
10,001 – 100,000	433	14.356	13,095,814	9.459
100,001 – 6,922,346*	86	2.851	63,108,247	45.582
6,922,347 and above**	4	0.132	54,766,382	39.557
TOTAL	3,016	100.000	138,446,944[#]	100.000

Notes:

* less than 5% of issued shares

** 5% and above of issued shares

[#] excluding 2,269,740 shares held as treasury shares as at 31 December 2009

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial shareholders	Direct		Indirect	
	No. of shares held	% [#]	No. of shares held	%
Choo Wing Hong	20,237,048	14.617	-	-
Choo Wing Onn	14,961,779	10.806	-	-
Thoo Chow Fah	10,901,779	7.874	-	-
Koperasi Permodalan Felda Berhad	7,165,776	5.176	-	-

Note:

[#] excluding 2,269,740 shares held as treasury shares as at 31 December 2009

Analysis of Shareholdings

as at 31 December 2009

LIST OF THIRTY (30) LARGEST REGISTERED SHAREHOLDERS

Name	No. of shares held	Percentage (%)#
1. Choo Wing Hong	20,237,048	14.617
2. Choo Wing Onn	14,961,779	10.806
3. Thoo Chow Fah	10,901,779	7.874
4. Koperasi Permodalan Felda Berhad	8,665,776	6.259
5. Lee Tian Yoke	6,623,546	4.784
6. Perbadanan Nasional Berhad	4,090,000	2.954
7. Choo Wai Sook	3,554,044	2.567
8. Choo Wing Leong	3,262,981	2.356
9. Choo Wing Kin	3,258,181	2.353
10. Choo Wing Yew	3,258,157	2.353
11. Lembaga Tabung Haji	2,706,180	1.954
12. AllianceGroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	2,458,180	1.775
13. Amanahraya Trustees Berhad Public Islamic Sector Select Fund	2,393,500	1.728
14. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	2,308,280	1.667
15. Amanahraya Trustees Berhad Public Smallcap Fund	2,277,500	1.645
16. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	1,516,000	1.095
17. HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-Asing)	1,494,700	1.079
18. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustee Berhad for MAAKL-HDBS Flexi Fund (270519)	1,443,000	1.042
19. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (DR)	1,365,600	0.986
20. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sin Ah Mooi	1,099,240	0.793
21. Goh Kim Cheok	1,020,000	0.736
22. AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for APEX Dana AL-SOFI-I (UT-APEX-SOFI)	831,640	0.600

Analysis of Shareholdings

as at 31 December 2009

LIST OF THIRTY (30) LARGEST REGISTERED SHAREHOLDERS (Cont'd)

Name	No. of shares held	Percentage (%)*/
23. Tan Boo Charn	750,000	0.541
24. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Asia Quantum Fund (4579)	691,400	0.499
25. Mohd Radzuan Bin Ab Halim	635,000	0.458
26. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Tsu Peh@Chin Fui (8050851)	621,802	0.449
27. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	518,904	0.374
28. A. A. Anthony Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kon Guat	516,200	0.372
29. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ting Siew Pin (CEB)	513,000	0.370
30. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LBF)	506,340	0.365
Total	104,479,757	75.465

Note:

excluding 2,269,740 shares held as treasury shares as at 31 December 2009

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	Direct		Indirect	
	No. of shares held	%#	No. of shares held	%#
Thoo Chow Fah	10,901,779	7.874	3,554,044 ¹	2.567
Choo Wing Hong	20,237,048	14.617	-	-
Choo Wing Onn	14,961,779	10.806	-	-
Lee Tian Yoke	6,623,546	4.784	-	-
Choo Wing Yew	3,258,157	2.353	-	-
Saw Tat Loon	-	-	-	-
Yike Chee Wah	-	-	-	-
Anita Chew Cheng Im	-	-	-	-

Notes:

¹ Deemed interested through his interest in shares held by his spouse, Choo Wai Sook, pursuant to Section 134(12)(c) of the Companies Act, 1969

excluding 2,269,740 shares held as treasury shares as at 31 December 2009

Note:

Saw Tat Loon and Anita Chew Cheng Im did not have any interest in shares in the Company or its related corporations during the financial year.

Additional Information

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 September 2009 and of the results and cashflows of the Group and the Company for the financial year ended on that date.

In preparing the financial statements, the Directors have:

- (a) adopted suitable accounting policies and applied them consistently;
- (b) made judgements and estimates that are reasonable and prudent;
- (c) ensured the adoption of applicable approved accounting standards; and
- (d) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy of the financial position of the Group and Company and are kept in accordance with the Companies Act, 1965. The Directors are also responsible for ensuring that a proper internal control is in place to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the Company's Directors' and/or major shareholders' interests, either still subsisting at the end of the financial year, or which were entered into since the end of the previous financial year.

OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

The Company has not issued any warrants, options or convertible securities during the financial year.

SHARE BUY-BACK

The shareholders of the Company at the Fifth AGM held on 19 February 2009 granted authority to the Company to purchase its own shares provided that the aggregate number of shares purchased shall not exceed 10% of the total issued and paid-up share capital of the Company at time of purchase.

During the financial year ended 30 September 2009, a total of 9,318,600 shares of the Company were purchased from the open market and retained as treasury shares. The monthly breakdown are set out below:

Month 2009	No. of Shares	Total Consideration RM	Purchase Price per Share (Sen)		
			Highest	Lowest	Average
May	3,021,400	849,734	30.5	25.5	28.1
June	3,651,000	982,070	33.0	25.0	26.9
August	686,200	220,376	33.5	30.0	32.1
September	1,960,000	746,248	39.0	37.0	38.1

Additional Information

SHARE BUY-BACK (Cont'd)

The monthly breakdown of the treasury shares that were sold during the financial year ended 30 September 2009 are as follows:

Month 2009	No. of Shares	Total Proceeds RM	Resale Price per Share (Sen)		
			Highest	Lowest	Average
June	110,000	29,188	27.0	26.5	26.5
September	1,214,000	534,496	45.0	44.0	44.0

As at 30 September 2009, a total of 7,994,600 shares were held by the Company as treasury shares. None of the treasury shares were cancelled during the year.

AMERICAN DEPOSITORY RECEIPT OR GLOBAL DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipts during the financial year.

SANCTIONS AND/OR PENALTIES

There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by any regulatory bodies during the financial year.

PROFIT GUARANTEE

During the financial year, there was no profit guarantee issued or received by the Company.

NON-AUDIT FEES

The non-audit fees paid by the Group to external auditors or company affiliated to the external auditor's firm for the financial year ended 30 September 2009 amounted to RM45,300.

REVALUATION POLICY ON LANDED PROPERTIES

The Company and its subsidiaries did not adopt any revaluation policy on landed properties during the financial year.

VARIATION IN RESULTS

There was no deviation of 10% or more between the results of the financial year ended 30 September 2009 as per the audited financial statements and the unaudited results previously announced.

UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of NOTION VTEC BERHAD ("Company") will be held at Dillenia Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 23 February 2010 at 9.30 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 September 2009 together with the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**
2. To declare a final tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each for the financial year ended 30 September 2009. **(Ordinary Resolution 2)**
3. To re-elect the following Directors who are retiring in accordance with Article 69 of the Articles of Association of the Company:
 - i) Choo Wing Onn **(Ordinary Resolution 3)**
 - ii) Saw Tat Loon **(Ordinary Resolution 4)**
4. To re-elect Choo Wing Yew who is retiring in accordance with Article 74 of the Articles of Association of the Company. **(Ordinary Resolution 5)**
5. To approve the payment of Directors' Fees for the financial year ended 30 September 2009. **(Ordinary Resolution 6)**
6. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolutions:

7. Proposed Renewal of Authority to the Company to purchase its own shares

"THAT subject to the provisions under the Companies Act, 1965 (the "Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company ("Proposed Share Buy-Back");

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the Company's aggregate retained profits and/or share premium account;

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any of the Shares so purchased by the Company in the following manner:

- (i) the Shares so purchased could be cancelled; or
- (ii) the Shares so purchased could be retained as treasury shares for distribution as dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
- (iii) combination of (i) and (ii) above.

Notice of Annual General Meeting

7. Proposed Renewal of Authority to the Company to purchase its shares (Cont'd)

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the said authority would lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) the authority is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

whichever occurs first;

AND THAT the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 8)

8. Authority to Allot Shares pursuant to Section 132D of the Act

"THAT pursuant to Section 132D of the Act, the Directors be and are hereby empowered to allot and issue Shares in the share capital of the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of Shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company at the time of issue, subject to the Articles of Association of the Company and approval for the listing of and quotation for the additional Shares so issued on the Bursa Securities and other relevant bodies where such approval is necessary."

(Ordinary Resolution 9)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a final tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each for the financial year ended 30 September 2009, if approved, will be paid on 5 April 2010 to the shareholders whose names appear in the Record of Depositors of the Company on 24 March 2010.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a) Shares transferred into the depositor's securities account before 4.00 p.m. on 24 March 2010 in respect of transfers; and
- b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

Tai Yit Chan (MAICSA 7009143)
Liew Irene (MAICSA 7022609)

Company Secretaries

Selangor Darul Ehsan
29 January 2010

Notice of Annual General Meeting

Explanatory Notes to Special Business:

(1) **Proposed Renewal of Share Buy-Back**

The proposed Ordinary Resolution 8, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the Sixth AGM is required by law to be held.

Further information on the Proposed Renewal of Share Buy-Back is set out in the Share Buy Back Statement of the Company dated 29 January 2010 which was despatched together with this Annual Report.

(2) **Authority to Allot Shares pursuant to Section 132D of the Act**

The proposed Ordinary Resolution 9, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 10% of the issued share capital of the Company (excluding treasury shares) at the time of issue (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

This mandate will provide flexibility to the Company for the allotment of shares for the purpose of funding working capital, future expansion and investment / acquisition (s). At this juncture, there is no decision to issue new shares.

Pursuant to mandate granted in the previous AGM, the Company placed out 13,844,694 shares in the Company on 13 January 2010. The proceeds raised of RM33.78 million will be utilised for the group's expansion plan in Thailand.

Notes:

- (1) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
- (2) A member may appoint up to two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (3) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (4) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding of the meeting or adjourned meeting.

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Proxy Form

NOTIONVTEC NOTION VTEC BERHAD

(Company No.637546-D)
(Incorporated in Malaysia under the Companies Act, 1965)

No. of Shares Held	CDS Account No.

* I/We _____

of _____

being a Member(s) of NOTION VTEC BERHAD (637546-D), hereby appoint _____

of _____ or failing

him/her _____ of _____

_____ or # THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Sixth Annual General Meeting of the Company to be held at Dillenia Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 23 February 2010 at 9.30 a.m. or at any adjournment thereof and to vote as indicated below:-

Ordinary Resolutions		For	Against
1	To receive the Audited Financial Statements for the financial year ended 30 September 2009		
2	To declare a final tax-exempt dividend		
3	To re-elect Choo Wing Onn		
4	To re-elect Saw Tat Loon		
5	To re-elect Choo Wing Yew		
6	To approve the payment of Directors' fees		
7	To re-appoint Messrs Crowe Horwath as Auditors of the Company		
8	Special Business Proposed Renewal of Authority to the Company to purchase its own shares		
9	Special Business Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965		

Mark either box if you wish to direct the proxy how to vote. If you do not do so, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies or more and wish them to vote differently, this should be specified.

If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

* Delete if not applicable.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Signed this _____ day of _____ 2010

Signature / Common Seal of Shareholder

Notes:

- (1) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
- (2) A member may appoint up to two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (3) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (4) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding of the meeting or adjourned meeting.

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AFFIX
STAMP
HERE

The Share Registrar
NOTION VTEC BERHAD (637546-D)

c/o Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

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