



NOTIONVTEC

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)
(Incorporated in Malaysia)

Ensuring Resilience Amid Challenges

Annual Report 2022

About US

- ✓ Innovative
- ✓ Precise
- ✓ Large-Scale

As a global supplier of high quality and precision-machined components. Established in 1995 and our future-oriented enterprise has been growing consistently through continuous innovation and diligence. Today, Notion Group has a staff count of over 2,400 people from our locations in Selangor and Johor.

We have increased our regional footprint since 2010 by establishing a manufacturing base in Ayutthaya, Thailand. And we will continue to grow our manufacturing footprint in other locations and innovate, staying ahead to deliver the latest manufacturing processes and technology to our customers.

We target to be a Net Zero Carbon Group by the year 2030 in order to fulfil the ESG agenda required of us as a responsible and sustainable corporation. This year we have installed a total of 3.5 Megawatts solar energy capacity on our 3 Klang based factory rooftops. In Thailand we will install another 1.5 Megawatts solar energy on our factory rooftops in line with this target of Net Zero Carbon footprint. We will need to consider larger solar investments to mitigate our current carbon emission.

Our Vision & Mission

To Provide Creative Solutions in Precision Manufacturing Technology in a Sustainable and Responsible ESG compliant way.



This annual report is available on the web at www.notionvtec.com



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19th Annual General Meeting

Broadcast Venue:

Tricor Business Centre,
Manuka 2 & 3 Meeting Room,
Unit 29-01, Level 29, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur



Thursday 02 March 2023



9.30 a.m.



CORPORATE INFORMATION

(AS AT 12 JANUARY 2023)

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*
CHOO WING YEW | *Executive Director*
ANITA CHEW CHENG IM | *Independent Non-Executive Director*
DATO' ABU BAKAR BIN MOHD NOR | *Independent Non-Executive Director*
TEH SU-CHING | *Independent Non-Executive Director*



AUDIT AND RISK MANAGEMENT COMMITTEE

Teh Su-Ching (*Chairperson*)
Dato' Abu Bakar Bin Mohd Nor
Anita Chew Cheng Im

REMUNERATION COMMITTEE

Dato' Abu Bakar Bin Mohd Nor
(*Chairman*)
Teh Su-Ching
Anita Chew Cheng Im

NOMINATION COMMITTEE

Dato' Abu Bakar Bin Mohd Nor
(*Chairman*)
Teh Su-Ching
Anita Chew Cheng Im

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No. 202008001023)
Tan Ai Ning (MAICSA 7015852)
(SSM PC No. 202008000067)
Evelyn Tan Li Yi (MAICSA 7065803)
(SSM PC No. 202208000105)

HEAD / MANAGEMENT OFFICE

Lot 6123 Jalan Haji Salleh
Batu 5 1/2, Jalan Meru, 41050 Klang
Selangor Darul Ehsan
Tel : (603) 3361 5615
Fax : (603) 3361 5618

WEBSITE

www.notionvtec.com

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad
Level 16, 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

Hong Leong Islamic Bank Berhad
Level 1, Wisma Hong Leong
18 Jalan Perak, 50450 Kuala Lumpur
Tel : (603) 2164 3939
Fax : (603) 2161 1278

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (603) 2783 9299
Fax : (603) 2783 9222

Tricor's Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7890 4800
Fax : (603) 7890 4650

AUDITORS

Crowe Malaysia PLT Chartered Accountants
Suite 50-3, Setia Avenue
No. 2, Jalan Setia Prima S U/13S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan
Tel : (603) 3343 0730
Fax : (603) 3344 3036

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

Shares

Stock Name : **Notion**
Stock Code : **0083**

Warrants

Stock Name : **Notion-WC**
Stock Code : **0083WC**



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 2018 to 2022:

	2022	2021	2020	2019	2018
Revenue (RM'000)	334,146	352,915	242,747	237,687	255,946
Profit/(Loss) before Tax (RM'000)	18,976	(10,272)	6,840	14,090	67,188
Profit/(Loss) after Tax (RM'000)	9,379	(7,810)	6,323	7,543	47,584
Profit/(Loss) attributable to owners of the Company (RM'000)	9,379	(7,810)	6,323	7,543	47,584
Earning before interest, taxes, depreciation and amortisation (EBITDA) (RM'000)	55,188	27,922	40,987	44,925	96,826
No. of shares in issue ('000)	515,682	515,370*	504,744*	499,733^	497,394^
Net Profit/(Loss) per share (Sen)	1.8	(1.5)	1.3*	1.5^	9.6^

* Based on weighted average paid up share capital.

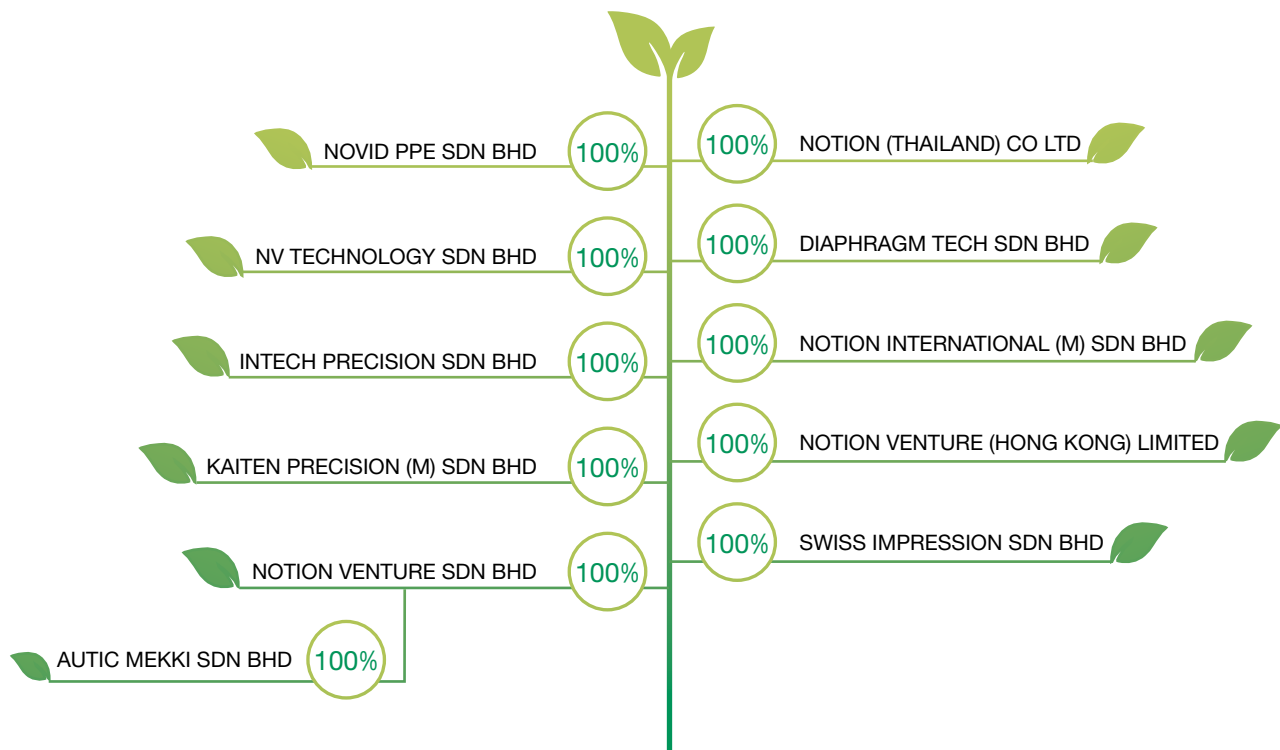
^ Restated for FYE 2018 to FYE 2019 to reflect the retrospective adjustments arising from the bonus issue completed in FYE 2020.

CORPORATE STRUCTURE

NOTIONVTEC

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Registration No. 200301035125 (637546-D)
(Incorporated in Malaysia)



BOARD OF DIRECTORS

(AS AT 12 JANUARY 2023)

Executive Chairman

THOO CHOW FAH

Malaysian AGE 70 Male

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.

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.

Mr Thoo graduated from 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.

Other than Notion VTec Berhad, he does not hold any directorship in other public companies and listed issuers.

Managing Director

WILLIAM CHOO WING HONG

Malaysian AGE 58 Male

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 Notion Group which provides technical research on the 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.

Other than Notion VTec Berhad, he does not hold any directorship in other public companies and listed issuers.

Executive Director

JOHN CHOO WING ONN

Malaysian AGE 56 Male

Mr John Choo Wing Onn was first appointed to the Board on 8 February 2005. His key role is in maintaining key HDD 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.

Other than Notion VTec Berhad, he does not hold any directorship in other public companies and listed issuers.



BOARD OF DIRECTORS (CONT'D)

(AS AT 12 JANUARY 2023)

Executive Director

LEE TIAN YOKE

Malaysian AGE 52 Male

Mr Lee Tian Yoke was first appointed to the Board on 8 February 2005. He heads the marketing team of 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.

Other than Notion VTec Berhad, he does not hold any directorship in other public companies and listed issuers.

Executive Director

CHOO WING YEW

Malaysian AGE 61 Male

Mr Choo Wing Yew was first 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 Choo joined Notion Group as Financial Controller in May 2005 and is the key financial person of the Group.

Other than Notion VTec Berhad, he does not hold any directorship in other public companies and listed issuers.

Independent Non-Executive Director

ANITA CHEW CHENG IM

Malaysian AGE 56 Female

Ms Anita Chew Cheng Im was appointed to the Board on 29 June 2007. She is a member of the Audit and Risk Management Committee and Nomination Committee as well as Remuneration Committee.

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 years 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.

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

She also sits on the Boards of K-One Technology Berhad, SKP Resources Bhd, Kimlun Corporation Berhad, Plytec Holding Berhad and Fortress Minerals Ltd, a company listed on the Singapore Stock Exchange.

BOARD OF DIRECTORS (CONT'D)

(AS AT 12 JANUARY 2023)

Independent Non-Executive Director

DATO' ABU BAKAR BIN MOHD NOR

 Malaysian  69  Male

Dato' Abu Bakar Bin Mohd Nor was appointed to the Board on 7 May 2018. He is the Chairman of the Nomination and Remuneration Committees as well as a member of the Audit and Risk Management Committee.

Dato' Abu Bakar started his career as Deputy Chief Internal Auditor in Bank Bumiputra Malaysia Bhd for a year. Subsequently, he joined Malaysia Mining Corporation in the Tin Marketing Department in 1981. In 1982, he joined Perbadanan Nasional Berhad (PERNAS) as a General Manager in Corporate Services for a period of 8 years. He was formerly the Chief Executive Officer of Peremba Berhad for three years. He then joined Landmarks Berhad as an Executive Director for one year. He was also served as Managing Director of Tradewinds (M) Berhad from 1994 to 1996. During the same year, he joined Saujana Consolidated Berhad as Managing Director and also acted as a member of the Audit Committee until March 2009. Currently, he serves on the Board of Saujana Hotel Sdn Bhd, which owns The Saujana Kuala Lumpur. He also sits on board of various other private limited companies involved in the hotel and leisure industry. He is also a Director of University Technology Malaysia (UTM).

He graduated with a B. Sc (Hons) in Business Administration Accounting from University of Wales in 1976, and is a Chartered Accountant, Institute of Chartered Accountant, England and Wales.

Other than Notion VTec Berhad, he does not hold any directorship in other public companies and listed issuers.

Independent Non-Executive Director

TEH SU-CHING

 Malaysian  49  Female

Ms Teh Su-Ching was appointed to the Board on 2 August 2021. She is the Chairperson of the Audit and Risk Management Committee as well as a member of the Nomination and Remuneration Committees.

She has 25 years of working experience in audit, corporate advisory, business development, corporate finance, accounting and financial management. Ms Teh started her career in Crowe Malaysia PLT as a Senior Audit and thereafter promoted to a Director for provision of Corporate Advisory service.

In 2010, she joined Tonik Asia Group as a Chief Finance Officer. Thereafter, she joined Tradewinds Plantation Berhad ("Tradewinds") as a Head of Business Development. Midway in her career in Tradewinds, she switched her role to a General Manager of Finance and involved in project management and handled several key initiatives in Information Technology, Human Resources, Legal and Finance Department.

Su-Ching is a fellow member of the Association of Chartered Certified Accountants (ACCA), a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

She also sits on the board of Sern Kou Resources Berhad.

Notes to Directors' profile:

1. Family Relationships

William Choo Wing Hong, John Choo Wing Onn and 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 has any conviction for offences within the past 5 years.

4. Attendances at Board Meetings

The details of the Directors' attendance at Board Meetings are set out on page 43 of this Annual Report.

5. Shareholdings

The details of the Directors' interest in the securities of the Company are set out on pages 117 and 119 of this Annual Report.

KEY SENIOR MANAGEMENT

(AS AT 12 JANUARY 2023)

THOO CHOW FAH

Executive Chairman

 Malaysian  70  Male

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.

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.

Mr Thoo graduated from 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.

WILLIAM CHOO WING HONG

Managing Director

 Malaysian  58  Male

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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 Notion Group which provides technical research on the 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.

JOHN CHOO WING ONN

Executive Director

 Malaysian  56  Male

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

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

CHOO WING YEW

Executive Director

 Malaysian  61  Male

Mr Choo Wing Yew was first 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 Choo joined Notion Group as Financial Controller in May 2005 and is the key financial person of the Group.

LEE TIAN YOKO

Executive Director

 Malaysian  52  Male

Mr Lee Tian Yoko was first appointed to the Board on 8 February 2005. He heads the marketing team of 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.

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC CONCERNS IN 2023

Coming out of Covid-19 pandemic we see the headwinds of high inflation especially in the US and Europe mainly due to excessive growth in the money supply during the pandemic period and also the Ukraine flareup with economic sanctions against Russia has its effects. The Ukraine issue has caused shortage of natural gas, fertilizer, grain supply and a host of Russian and Ukrainian exports aggravating the global supply chain and increasing commodity prices.

The Federal Reserve Bank (Fed) of USA has aggressively raised interest rates from a low of 0.25% to current 4.5% in a matter of months and further raises are expected in the coming months with a target of 5.5% in 2023. Such interest rate hikes will impact the economies with 6 months' time delay. Already equities, bonds and real estate prices have tanked drastically and also the strength of the USD has weakened many currencies with the perceived USD as a safe haven reserve currency in times of economic uncertainties. This currency depreciation is affecting many countries.

The prediction is that 2023 will be a recession year as raised rates will make doing business costlier, reducing investment appetite and likely a reduction in employment and it is the Fed's way of reducing consumer demand to fight inflation and rising prices.

The recent US Administration's anti-China policies by banning Americans from working or consulting in the high-end-semi-conductor business and stopping American companies from supplying tools and equipment to the Chinese chip industry have further created chaos and disruption in the high technology space. These policies will have huge implications on both US and China future manufacturing companies' investment strategy as politics take center-stage.



OUR GROUP

Our Group continues to provide creative and innovative solutions in order to stay ahead of the competition in the engineering and precision machining business and its recognised completeness of manufacture including full surface treatment of metal components.

Our response time to customers requests is fast and we take extra care to offer the best complete solutions to our MNC customers.

As a Group our current work force has more than 2,400 employees and we take cognisance of the ESG aspects of our manufacture which is taking center stage attention and we have taken the necessary measures to comply.

Notion International (M) Sdn Bhd based in Johor will spearhead the growth business in the Electronics Manufacturing Services ("EMS") sector in the next 5 years.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FINANCIAL AND OPERATIONS REVIEW

For the financial year ended 30 September 2022 (FY2022), our Group posted sales revenue of RM334.1 million which was 5% lower than FY2021 but we recorded a profit after tax of RM9.4 million compared to a loss of RM7.8 million in the previous year.

The breakdown of our Group's revenue is shown below:

	Revenue			
	FY2022		FY2021	
	RM'000	%	RM'000	%
Hard Disk Drive ("HDD")	126,612	37.9	99,253	28.1
Automotive	90,360	27.0	94,912	26.9
Engineered Products				
- Camera	13,771	4.1	10,608	3.0
- Others (including EMS)	82,856	24.8	59,738	16.9
Personal Protective Equipment ("PPE")	20,547	6.2	88,404	25.1
Total	334,146	100	352,915	100

Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at RM55.2 million compared to RM27.9 million recorded in FY2021.

Borrowings of our Group at as FY2022 was approximately RM54.6 million, at a gearing ratio of about 13%.

For the financial year, our Group invested RM7.1 million in capital expenditure.

Cash and cash equivalent as at FY2022 is RM18.1 million.

NOTION'S OUTLOOK & STRATEGIES

1. It is quite clear the world is moving into endemic stage and a reduction in PPE demand as glove prices have plummeted and it will take a few years to remove the overhang of stocks and reduction of new glove manufacturing capacity. The Notion investment of 3 fully operation glove lines will be maintained while the 3 other lines will not be completed for a long time. Accordingly, impairment has been made for stocks and the 3 incomplete lines.
2. Notion will refocus back to its core of high precision machining integrated manufacture and engineering.
3. We will look to fully utilising our indirect aluminum extrusion capability and special tool making capability to complement our production of parts, components and assembly of modules for our customers especially focusing on the EMS sector.
4. Notion will continue to upgrade and renew our manufacturing capability using automation, optical inspection systems for mass checking of parts, changing the mix of CNC in accordance to customers demand trends.
5. The strengthening of the USD is beneficial to our exports business but the decline in Euro is negative for the Group. In the case of the Yen decline versus the Ringgit, it is positive since we buy CNCs in Yen mostly.
6. Notion Group has more than 2,400 personnel and the impact of the minimum wage rise from RM1,200 to RM1,500 per month for Malaysia has significant cost increase for the Group. We continue to look at ways of increasing productivity, multi-tasking and more automation of our production processes.
7. The price of aluminum rose to a high of USD4,000 a ton and fortunately has dropped dramatically to current USD2,300 a ton which is a big relief to the Group's average monthly consumption of 200 tons.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

A YEAR OF RECOVERY

As the pandemic turned into endemic conditions, the recovery process in our Group business is in nearly all sectors except the PPE sector which is expected.

HDD sector

HDD grew in FY2022 as demand for HDD spacers and disk clamps were strong. Notion (Thailand) Co., Ltd. sustained its machining of HDD base plates and magnesium camera casing. It is, however, expected that the HDD sector is facing headwinds in the near months but will resume its growth driven by cloud computing, bulk enterprise storage demand and data centers, once the overhang of inventory is lessened.

Automotive sector

The automotive sector is expected to be subdued due to the recession in Europe and a slowdown in USA.

SLR Camera Sector

The main customer has switched to magnesium from aluminum due to its light weight but the SLR camera is in a structural industry decline due to intense competition from handphone camera. It is at its historic low. The lower cost mirrorless camera is replacing the SLR camera.

PPE sector

Contributions from PPE business will be below expectations and dismal outlook for a prolonged period after the pandemic and excessive capacity and inventory needs to be removed before another new business cycle can commence.



Other Engineering Products Sector

Our investment in the EMS is bearing fruits and we expect a high growth trend in FY2023 and into the next few years as customers are gearing to expand capacity.

RISKS

Some immediate key risks related to our Group's operations are as follows:

- Over reliance on a few customers. Nonetheless, we have over the last few years started to diversify our customer base in different sectors and will continue intensify our effort on this area.
- Appreciation/depreciation of United State Dollar against Malaysia Ringgit will bear strongly on the Group's future as an exporter.
- Quality Assurance and Quality Control. Failure to address this risk could result in higher percentage of rejects which could affect profit margins.
- Fluctuation of aluminium price (our main raw materials).
- Natural disasters. Any flash flood in our business operations area may disrupt our production and business operations.

DIVIDEND

Due to the heavy investment in the PPE sector, it has taken a major portion of our cash and we will need time to replenish. The Board has taken a prudent stance to conserve cash and will not be declaring any dividend for FY2022.

We will resume our 30% dividend policy once we are on a sustainably profitable trend.



SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Sustainability is a vital aspect of the business model and operations of Notion VTec Berhad and its Malaysian subsidiaries (“Notion”, “the Group”, “we” or “our”), when it comes to financial and non-financial value creation. Notion’s business operations entail the supplying of high precision, engineered, ready-to-assemble parts and technology in relation to our products such as Hard Disk Drive (“HDD”), Personal Protective Equipment (“PPE”), Automotive (Braking System) and other engineered products.

In responding to the demand from stakeholders as well in the pursuit of a more prominent sustainability agenda, we continue to update our sustainability efforts and reporting to better convey relevant sustainability activities to stakeholders when it comes to material environmental, social and governance (“ESG”) topics across its operations. This is in line with our goal to build a resilient organisation that creates meaningful value for its stakeholders across the short, medium and long-term perspectives.



REPORT FRAMEWORKS

Notion’s SS2022 was prepared using the following frameworks and guidelines:

- Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide
- Global Reporting Initiative (“GRI”) Standards.

REPORT PERIOD AND CYCLE

The SS2022’s reporting period starts from 1 October 2021 to 30 September 2022 (“FY2022”). This is also known as financial year ended 30 September 2022, unless otherwise stated. SS2022 shows historical statistical data for certain disclosures where deemed suitable in order to show relevant trends for readers to better understand Notion’s comparative performances. Notion’s reporting cycle is annually.

STATEMENT OF USE

The Group’s Management prepared SS2022 which was approved by the Board of Directors (“Board”) on 12 January 2023. The Board is Notion’s top decision-making body. The Board acknowledges responsibility for this statement of use: The information reported by the Group for FY2022 was prepared in accordance with GRI Standards, UNSGDS and Bursa Malaysia’s Main Market Listing Requirements. Efforts were made to meet the core principles of the GRI Standards and improve the sustainability disclosures through various other standards as stated.

SUSTAINABILITY STATEMENT (CONT'D)

REPORT SCOPE AND BOUNDARY

Unless otherwise stated, SS2022's scope covers the business operations, activities, and sustainability performance of the Group and its active subsidiaries located in Malaysia.

In SS2022, our overseas entity in Thailand is included in this reporting scope due to its significant revenue contribution to the Group. Unless otherwise mentioned, SS2022 excludes all outsourced activities and operations. Notion follows a "local-where-we-operate" practice.

SS2022 discloses Notion's management of its ESG topics and the highlights and achievements obtained throughout the financial year. The report also includes the challenges and plans of approach to address any sustainability issues and opportunities moving forward.

The SS2022's report content, quality and boundaries are determined by how we identify the Group's material aspects and topics.

Notion remains cognisant of possible ESG impacts from its value chain and is committed towards progressively promoting its sustainability agenda and practices to its external business partners, suppliers and contractors. This would include future plans to report on its value chain partners' ESG performance. The Group is also aware of certain data collection challenges for some disclosures and is consistently working to improve its data tracking and gathering systems reporting going forward.

Readers can derive a more complete outlook of the Group's value creation performance and strategies by reading the SS2022 together with the Group's Annual Report 2022 ("AR2022").

FORWARD LOOKING STATEMENTS

Notion's SS2022 contains forward-looking statements on the Group's future plans, targets and operations based on reasonable assumptions on the business's current trajectory. However, as with any other business, the Group is always subject to risks and unforeseen events beyond its control, and thus we advise readers to not solely rely on these statements as actual results may vary.

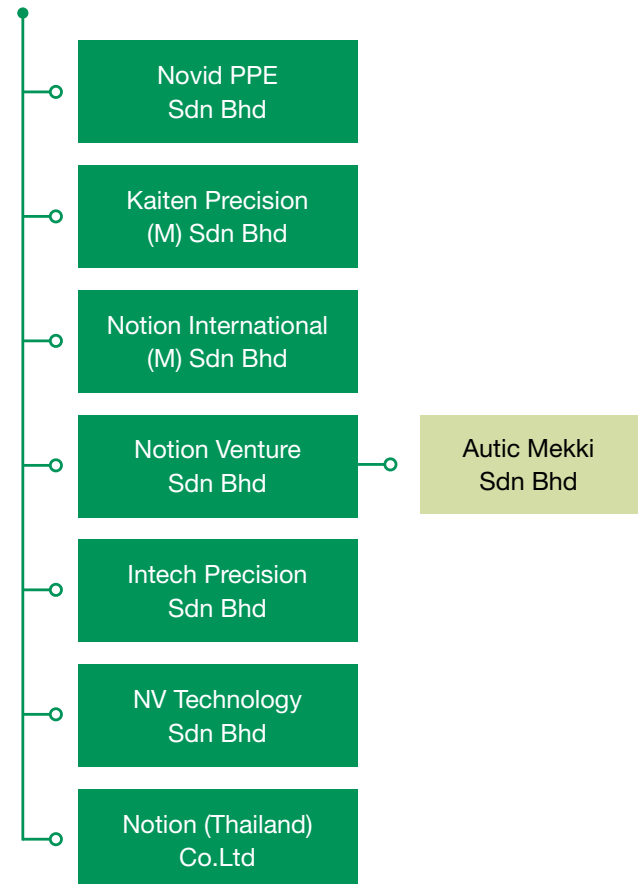
ASSURANCE

The Group's financial data has been audited by our auditor, Crowe Malaysia PLT. Non-financial data has been internally assured in SS2022, with Notion looking into garnering external assurance for future Sustainability Statements.

NOTIONVTEC

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)
(Incorporated in Malaysia)



REPORT AVAILABILITY AND FEEDBACK CHANNELS

Our SS2022 can be viewed and downloaded from Notion's official website at <http://www.notionvtec.com/>.

Notion values its engagement to its valued stakeholders and is always open to any feedback, inquiries and concerns to ensure we consistently improve at the Group. Our contact details are as below:




+(603) 3361 5615

Notion VTEC Berhad
Lot 6123, Jalan Haji Salleh
Batu 5½, Jalan Meru,
41050 Klang, Selangor Darul Ehsan



SUSTAINABILITY STATEMENT (CONT'D)

FY2022 SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

 ECONOMIC		
RM334.15 million in Revenue	RM9.38 million Profit After Tax	RM18.12 million Cash and Cash Equivalents
Our subsidiaries have been certified with ISO 9001:2015, IATF 16949 and ISO 13485 certifications in relation to Quality Management Systems.		
 ENVIRONMENTAL		
8.18% Decrease in Fuel Consumption	45,030.73 CO2 tonnes Total Scope 1 & Scope 2 GHG emissions	277,833.26 GJ Total Energy Consumption
 SOCIAL		
2,441 Total Employees (24% of employees are Malaysians)	620 Total New Hires (565 foreign employees + 55 local employees)	540 hours of Employee Training
Zero Workplace Fatalities		

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

Notion has established a sustainability governance structure to manage sustainability agenda and activities across the Group in order to contribute to a sustainable business. This structure and policies effectively empower us to manage our businesses, our decision-making processes, and implement sustainable actions across the Group.

The Board has oversight over Notion's sustainability governance and sets the tone in determining the Group's sustainability strategies, goals and the material ESG topics to be prioritised. A Sustainability Working Group ("SWG"), comprising of the Chairman, Executive Director, Operations Manager and Accounts Executive, manages and monitors the implementation of initiatives whilst developing sustainability practices.

The Board is also supported by various corporate committees such as the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC") which have been enacted to bolster sustainability and corporate governance in the Group. Notion's sustainability governance structure is shown below:

	ROLES & RESPONSIBILITY	
Board of Directors	<p>Comprises of Group Executive Chairman, Group Managing Director, Executive Directors and Independent Non-Executive Directors.</p> <p>Oversees the formation of strategies and their implementation.</p>	
Management Committee	<p>Led by Group Executive Chairman.</p> <p>Determines the strategies and action plans relating to sustainability matters.</p>	<p>Presents sustainability-related matters to the Board for deliberation.</p>
Divisional Management	<p>Consists of the Operation Manager and Accounts Executive.</p> <p>Consolidate, develop, coordinate and implement sustainability initiatives across the Group.</p>	<p>Collect sustainability-related data against measurable indicators and performance.</p>

BOARD INTEGRITY AND COMPOSITION

The Group ensures that its directors and top leadership have the character, experience, integrity, competence and commitment of time to effectively discharge their roles and responsibilities which includes diligence, honesty and judgement to perform properly the duties of that position, in tandem with good corporate governance practices. The Directors' Fit and Proper Policy is intended to address the governance of the quality and integrity of the directors and those in top leadership. The Policy can be viewed at <http://www.notionvtec.com/>.

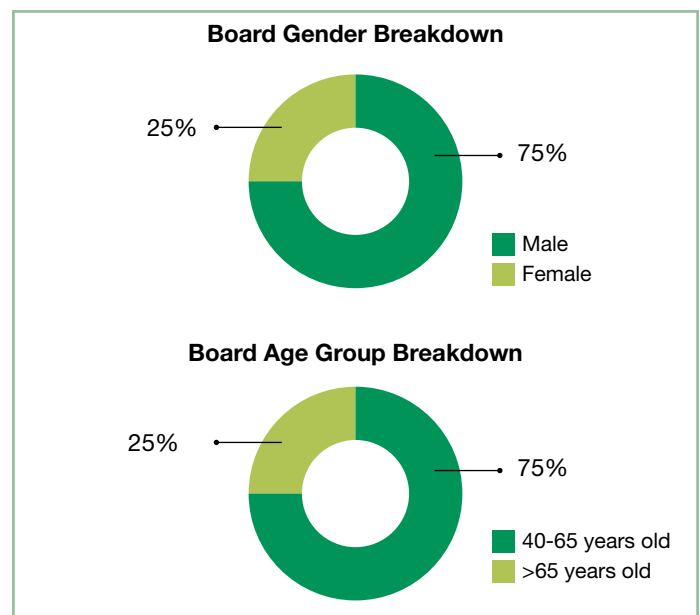
The Board should be of a size and composition with the benefit of diversity in perspectives and skills that is conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its business.

Notion's Board consists of qualified individuals with numerous professional experiences, skills and competencies that can be drawn upon through cooperative effort to bolster the Group's leadership and decision-making initiatives.

The Board comprises of 8 directors, 3 of which are Independent Non-Executive Directors ("INED").

As of FY2022, 25%, or two out of eight, of the Group's Board members are women. Notion is committed to achieving the 30% quota of female directors as per the Malaysian Code on Corporate Governance's requirement, with a Diversity Policy adopted by the Board on 24 November 2016 to facilitate this. The Board however believes that a right mix and skills at the Board is more important, instead of merely looking at percentages, in order to carry out its duties effectively. Moreover, while Board remuneration is not currently linked to ESG performance, the Group and the Board look to establish this aspect in the future.

More information on the Board can be read in the Corporate Governance Overview Statement in AR2022



SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE GOVERNANCE POLICIES

Notion has established a set of governance frameworks and policies to manage sustainability at the Group in order to maintain robust governance in social, economic, governance, and environmental matters. They include:

Anti-Bribery and Corruption Policy
Whistleblowing Policy & Procedures
Corporate Disclosure Policy
External Auditors Assessment Policy
Directors' Remuneration Policy
Code of Ethics
Code of Conduct
Health, Safety and Environment Policy
Employees' Handbook
Disciplinary Rules and Procedures for Misconduct
Grievances Policy
Human Rights and Labour Practices Policy
Risk Management Framework
Corporate Social Responsibility Policy
Procurement Policy and Procedure
Waste Management and Recycling Policy and Procedure

Corporate governance policies are periodically Board-reviewed and updated in line with the Group's needs and any new regulations it needs to adhere to.

The full policies can be viewed on our official website at <http://www.notionvtec.com/>. More information on our corporate governance can also be found in our Corporate Governance Report in the AR2022.

ESG RISK MANAGEMENT

Notion incorporates a strong risk management framework to safeguard the investments of our shareholders' and the Group's assets. Governance of risk management is handled by the ARMC which is comprised of at least 3 INEDs, with all of them being financial literate and understand the Group's business well.

An ongoing systematic process is in place for identifying, evaluating and managing the various diverse risks faced by the Group throughout the financial year under review, including ESG risks such as climate change which is becoming more prominent in the corporate landscape.

Adequately enhancing and regularly reviewing the system of risk management and internal control is therefore crucial to align with trends in the business environment or regulatory guidelines. The Board is committed towards operating a sound risk management system and will strive to continue update its risk register in a timely manner to support a stronger management of ESG risks and material issues going forward.

Full disclosure on the Group's Risk Management can be found in the Statement on Risk Management and Internal Control of Notion's AR2021.

ETHICAL WORKPLACE CONDUCT

Ethical conduct and workplace integrity are vital at Notion and is infused into every level of the Group's organisation through our established Code of Conduct and Code of Ethics ("the Codes") for its Directors, management and employees. The Codes promote a Group-wide ethical corporate culture that is founded on accountability, transparency, excellence and professionalism.

Notion ensures the Code are communicated to the relevant organisational levels through the employee handbook, notice board, intranet, or corporate website. Briefing of the Codes are done to new hires during the induction programme. The Code of Conduct has subsequently been reviewed and revised in August 2020 to ensure it is aligned with the Anti Bribery and Corruption Policy. The Codes are reviewed as and when required, and the full version of these Codes are available on our official website at <http://www.notionvtec.com/>.

RECEIVING GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL

Any employee at Notion must exercise caution in relation to offering or accepting gifts, entertainment, hospitality and travel ("GEHT") as it may compromise the integrities or affect professional judgement in discharging the full responsibilities to act in the best interest of the Group.

Under no circumstances it is acceptable to offer, give, solicit, or receive any forms of bribe, kickback, facilitation payment or gratuities. Officers should not accept gifts or other form of remuneration if there is reason to believe that its purpose is to improperly influence business decisions or will conflict with the Group's interest and compliance with laws.

However, Notion is aware of the reality of commercial and business practices that modest and reasonable giving and receiving of any GEHT are a central part of business etiquette. If a gift is deemed appropriate, a corporate gift for a specific purpose is encouraged as opposed to a personal gift.

The Code of Conduct and Anti-Bribery and Corruption Policy outline the guidelines and rules on offering or accepting GEHT, and it can be referred to at our official website at <http://www.notionvtec.com/>.

SUSTAINABILITY STATEMENT (CONT'D)

STRONG ANTI-BRIBERY AND ANTI-CORRUPTION

Notion observes a zero-tolerance approach to when it comes to all types of bribery and corruption within the Group and across its value chain. In May 2020, the Group adopted the Anti Bribery and Corruption Policy ("ABC Policy") to manage bribery and corruption risks of the Group as guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

The introduction of ABC Policy complements our existing Code of Conduct and Code of Ethics. The ABC Policy establishes a common framework and share the expectations for enforcement and at the same time empowers employees.

The Board has oversight on matters of anti-bribery and anti-corruption matters within Notion and also leads the development, application and review of the Group's ABC Policy to strengthen internal anti-corruption and anti-bribery.

This Policy applies to all employees and any potential / existing business associates engaged in activities with the Group. Complementing the ABC Policy is the Group's Anti-Bribery Management System ("ABMS") which specifies anti-bribery policies and procedures implemented to prevent, identify, and deal with any bribery, as part of Notion's larger anti-bribery and corruption compliance function which is headed by the Chief Integrity Officer.

Notion has held anti-corruption training and briefing for its Board members, senior management personnel and employees as of FY2022. All directors have undergone this training, 90% of employees have received training on anti-corruption. All employees are required to sign and affirm their compliance to the ABC policy.

The Group also periodically communicates its ABC Policy guidelines and principles to its employees through reminders from the Group's supervisors and Heads of Department, the employee handbook, internal memos, the office notice board, Notion's intranet and official website. Induction sessions for new employees also have briefings on the Group's policies that include anti-corruption and anti-bribery.

The Group considers risk assessment to be fundamental to good management practice and a significant aspect in preserving the integrity of the Group's infrastructure in preventing / detecting corruption. Top-level management believes that the risk assessment must be effective and embedded at all levels of the organisation to intermittently assess the corruption risks when necessary. 100% of the Group's operations have been assessed for corruption-related risks.

Any breach of this ABC Policy or applicable local law by an individual or group could result in disciplinary action being taken and ultimately could result in dismissal. Further legal action may also be taken in the event that the Group's interests have been harmed as a result of non-compliance and / or misconduct. Violations can be reported via the Group's whistleblowing channel.

Notion remains as an apolitical organisation. In FY2022, Notion had zero incidents of anti-corruption. The Group's ABC Policy is available on our official website at <http://www.notionvtec.com/>.

WHISTLEBLOWING POLICY AND PROCEDURE

Notion does not condone any malpractice, impropriety, non-compliance with its policies, statutory violations or any manner of wrongdoing by employees, directors, associates and external parties. The Whistleblowing Policy provides a mechanism for responsible and secure whistle-blowing without fear of reprisal. The purpose of the Whistleblowing Policy and mechanism is to:

- a. build and strengthen a culture of transparency, and accountability in day-to-day business operations;
- b. provide an avenue for all employees of the Group and business associates to report any genuine concern in accordance with the procedure;
- c. provide protection for the whistleblower(s) who report such allegations; and
- d. ensure that any investigations will be conducted fairly and independently, provided that the report is made in good faith.

Malpractices and criminal offences that may be reported on include (but are not limited to) the following:

- i. Actual / suspected fraud;
- ii. Any form of corruption activities;
- iii. Abuse of power;
- iv. Conflict of interest;
- v. Theft or embezzlement;
- vi. Misuse of Company's property; and
- vii. Non-compliance with Policies & Procedures / laws and regulations.



SUSTAINABILITY STATEMENT (CONT'D)

WHISTLEBLOWING POLICY AND PROCEDURE (CONT'D)

The whistleblower may refer to the Whistleblower Report Form appended in the Whistleblowing Policy as a reference to report their information. Reports under this Policy shall be brought to the Chairman of Audit and Risk Management Committee (for financial reporting, unethical or illegal conduct) and Head of Human Resources (for employment-related) via any one of the following channels:

- a. E-mail to designated personnel as stated below:

No.	Concerns	Designation	Email
1	Financial Reporting, Unethical or Illegal conduct	Chairman of Audit and Risk Management Committee	suching9@gmail.com
2	Employment-related	Head of Human Resources	jerrychoowy@notionventure.com

- b. Letters / documents / reports (in sealed envelope with labelled "STRICTLY PRIVATE AND CONFIDENTIAL TO BE OPENED BY THE ADDRESSEE ONLY" to be addressed to:

THE AUDIT AND RISK MANAGEMENT COMMITTEE NOTION VTEC BERHAD

Lot 6123, Jalan Haji Salleh,
Batu 5½, Jalan Meru,
41050 Klang, Selangor Darul Ehsan

When a whistleblowing report is received, the Internal Auditor shall be the named investigator unless the Chairman of Audit and Risk Management Committee assigns / appoints another investigator. Investigators must be impartial and independent of all parties concerned. Upon the completion of the whistleblowing process and procedures, the whistleblower will be accorded the privilege to be notified on the outcome of the disclosure.

Although Notion is not expected to address any anonymous allegations, the Group may however, consider conducting an inquiry of an anonymous allegation after having considered the seriousness of the concern, the credibility of the concern and the likelihood of confirming the concern from credible sources.

In FY2022, zero whistleblowing reports were received. The full Whistleblowing Policy and Procedure is available on our official website at <http://www.notionvtec.com/>.

REGULATORY COMPLIANCE

Notion stringently adheres to its established rules, policies, protocols as well as industry standards and legislation. The Group in FY2022 had zero fines, penalties or censures from regulatory authorities for any environmental non-compliance and socioeconomic non-compliance. Notion did not encounter regulatory action related to corporate integrity, governance and anti-corruption.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Engagement with our various stakeholders is a fundamental aspect of bolstering and maintaining effective operations at Notion. Stakeholders of Notion are defined as individuals, entities or groups that Notion's business model and strategies may impact, as well as in turn may potentially impact Notion's business operations.

As those who understand the business of the Group, Notion's stakeholders are constantly engaged and communicated with in order to understand their needs and exceed their expectations and considerations as it ultimately pertains to the Group's financial and non-financial value creation capacity.

Stakeholder engagement is done via various communication channels such as web-based media platforms, meetings and seminars in addition to in-person interactions. Notion's official website also provides an accessible way for stakeholders and other users to get the Group's latest corporate announcements, financial results and more. Our stakeholder engagement table of our key stakeholders is shown below:

Key Stakeholders	Methods of Engagement	Frequency of Engagement
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meetings Extraordinary general meetings Investors Briefing Corporate announcements Media releases 	Periodically
Customers	<ul style="list-style-type: none"> Daily engagements Briefings Site visits Advertisements and media releases 	Regularly
Suppliers	<ul style="list-style-type: none"> Regular visits Supplier evaluations and registration 	Regularly
Financiers / Banks / Analysts	<ul style="list-style-type: none"> Corporate announcements Media 	Periodically
Local Authorities / Municipalities / Regulators / Government Ministries	<ul style="list-style-type: none"> Compliance efforts, i.e. submission of reports Regular visits Events, i.e. corporate, government and conferences Media releases 	Periodically
Employees	<ul style="list-style-type: none"> Performance evaluation Trainings and developments Compensations and benefits Corporate and community activities 	Regularly
Local Community / Non-Governmental Organisations / Industry Associations	<ul style="list-style-type: none"> Corporate social responsibilities activities Industry associations Sponsorships and donations Media releases Website/social media 	Ad hoc



SUSTAINABILITY STATEMENT (CONT'D)

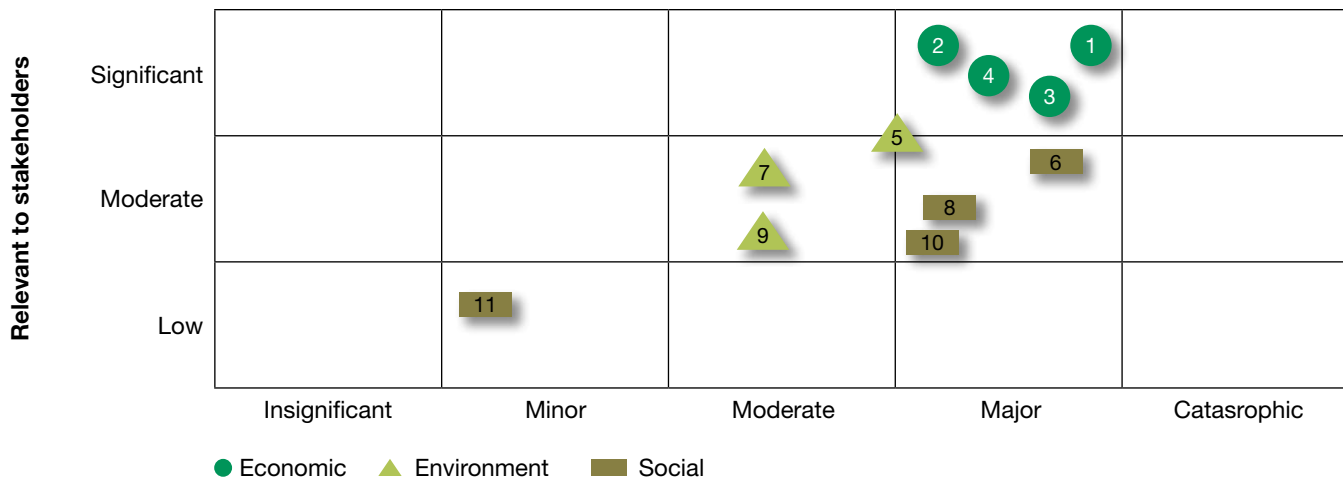
MATERIALITY

The COVID-19 pandemic has elevated the significance of materiality and sustainability amidst the corporate landscape and within Notion.

To pursue this robust materiality approach in order to better manage any current and future impacts to the business from various internal and external events, the Group underwent a thorough assessment of its material matters to stay aligned with our stakeholders' latest concerns and global ESG trends. Our materiality assessment process is shown here:

Identification and Engagement	Prioritisation	Validation
A list of sustainability matters was initially identified to be assessed. We then engaged our top key Senior Management on the overall business environment, the Group's business operations and risk areas (including various internal and external exposures) as well as the degree of impact each sustainability matter has on Notion.	A total of 11 key material sustainability matters were prioritised accordingly as outlined in our materiality matrix.	The results of the materiality prioritisation process and development of the materiality matrix was reviewed and refined accordingly before being approved by the top leadership.

The Group's materiality matrix accurately reflects the current prioritisation of Notion's material topics. Profitability remains a highly-rated topic of importance to stakeholders and has strategic influence to the Group as it provides the foundation and capital to strengthen our performance in the other material matters identified. As of FY2022, no material changes were made to the materiality of sustainability matters and the materiality matrix, which is shown below:



NO.	Sustainability Material	No.	Sustainability Material
1	Direct economic impact	7	Energy and water
2	Product and service quality	8	Diversity and equal opportunity
3	Supply chain	9	Emission and waste management
4	Anti-bribery and anti-corruption	10	Training and development
5	Compliance with environmental laws and regulations	11	Engagement with community
6	Safety and health		

SUSTAINABILITY STATEMENT (CONT'D)



ECONOMIC



DIRECT ECONOMIC IMPACT

Economic performance is important to Notion in order to sustain our earnings while strengthening shareholder value through financial performance growth and stability. Economic performance also remains a strategic prerequisite that leads to positive impacts in our environmental and social factors. While the past 3 years has seen the impact of the COVID-19 pandemic changing the global socioeconomic landscape, Notion has maintained resiliency and agility in adapting to post-pandemic times.

For details of our financial results, please refer to the Management Discussion and Analysis and the Audited Financial Statements in this Annual Report.

		FY2020	FY2021	FY2022
1	Revenue (RM' million)	242.75	352.92	334.15
2	Profit / Loss After Tax (RM' million)	6.32	(7.81)	9.38

Note: ' () ' sign means a loss.

SUPPLY CHAIN AND LOCAL PROCUREMENT

Notion strives to maintain an ethical supply chain through robust governance and a strong cooperation with our vendors and suppliers, who represent our most important resources to achieve customer satisfaction and quality products.

Part of our procurement procedure encompasses the business conduct of our employees to ensure all suppliers are treated fairly and in the best interest of Notion. Notion's procurement policy ensures that confidentiality is maintained and conflict of interest is avoided when transacting with our suppliers.

As with our employees, our ABC Policy applies to any potential / existing business associates engaged in activities with the Group. Suppliers, vendors, contractors and other third-party business partners are made aware of this ABC Policy and are expected to comply with it. Any arrangement the Group makes with its third-party business partners is subject to clear contractual terms, including specific provisions that require the third party to comply with standards and procedures relating to anti-bribery and anti-corruption outlined in the ABMS.

Notion assesses new vendors and suppliers using established criteria such as quality, pricing, payment terms, production capacity, history records and manpower resources to ensure that raw materials and services purchased by Notion for use to produce quality products are from reputable sources. The Group also acts with due care before engaging with new business associates to ensure that they acknowledge the Group's commitment on prohibiting bribery and corruption activities within the Group. Notion's Chief Integrity Officer ensures that a copy of the ABC Policy, the Group's Codes, and Whistleblowing Policy and Procedure (which are publicly uploaded on the Company's website) are made available to each business associate in our supply chain through a periodic e-mail reminder.

An annual existing supplier assessment is also held to assess our suppliers based on aspects such as quality, timeliness on delivery, after-services and complaints.

The assessment is done through using our Supplier Evaluation Sheet and serves as an audit and benchmarking tool for Notion to ensure its suppliers registered in the Approved Vendor List ("AVL") meets our operational needs and quality standards at all times. Notion uses a grading system of letter A (excellent rating) to E (poor rating), with suppliers achieving grade C and above considered to be qualified and grade D and below considered to be unqualified.



SUSTAINABILITY STATEMENT (CONT'D)



ECONOMIC



SUPPLY CHAIN AND LOCAL PROCUREMENT (CONT'D)

The Group conducts due diligence on its employees as well as business partners on a periodic basis, and when necessary in the event when the Group suspects that there is significant exposure to bribery and corruption risk (including when deemed necessary by the Supplier Evaluation Sheet). As part of the Group's due diligence procedures, documentation about the business associates shall be screened; interviews shall be necessarily conducted, to understand their background and to ensure that they are involved in lawful activities. Further details on this are set out in our Guidelines on Due Diligence on Employees and Business Associates.

The Group supports local procurement and engages with local suppliers where possible to support the domestic economy, local community development as well as minimise environmental impacts from our business activities with suppliers by sourcing locally.

Our overall approach to local procurement and supply chain in continues to be a journey. We are continuously working to improve and further develop our supply chain policies and procedures. In doing so, we shall ensure that all legal requirements are considered and corresponding measures are initiated where necessary.

DATA PRIVACY AND CYBERSECURITY

Quality privacy and cyber security measures continue to be maintained at Notion to ensure the ongoing integrity and confidentiality of the large amounts of stored data of our clients, customers and internal teams.

Notion's outbound / inbound networks go through a robust physical firewall system which protects the networks from outside cyber threats. To counteract phishing e-mails received by employees, our employees continue to undergo practise in distinguishing between "true" or "false" emails. Employees can also forward suspected phishing e-mails to the Group's IT team to verify its authenticity. The Group fully complies with the Personal Data Protection Act ("PDPA").

These safeguards help Notion to effectively reduce its exposure to current and future cyberattacks. In FY2022, zero data breaches were recorded, and zero substantiated complaints on customer data losses and customer privacy breaches were received.

PRODUCT QUALITY AND ASSURANCE

Notion stringently ensures that the safety and quality of its products and materials are in adherence to internationally-recognised standards and protocols via the adoption of quality management systems and certifications, in line with our sustainability development and improvement agenda. This commitment to quality excellence extends to our customers, as the Group continues its efforts to discover the best approaches to increase the customer satisfaction via a two-pronged approach to quality management, based on quality control ("built-in quality activities") and quality assurance ("activities that win over customers' trust"). In this regard, Notion has made the following commitment pledges:

To deliver defect-free, competitive products on time to meet the requirements of our customers;

To document and measure quality objectives through internal audits, corrective actions and management review;

To comply to applicable regulatory and customer requirements, including the quality specifications for our activities, products and services; and

To continually improve the effectiveness of the Quality Management System.

SUSTAINABILITY STATEMENT (CONT'D)



ECONOMIC



PRODUCT QUALITY AND ASSURANCE (CONT'D)

The ISO and IATF standards that the Group adheres provide effective tools that contribute to the management of the three pillars of sustainability. These certifications facilitate consistent quality improvement that enhances confidence in Notion's products and services besides boosting the trust between our associate partners and suppliers in a supply chain:-



Notion successfully renewed its ISO 9001 and ISO 14001 certifications. ISO 9001 is an international standard that specifies requirements for a quality management system whereas ISO 14000 standards provide a framework for organisations to systemise and improve their environmental management rules. These certifications help us develop and improve operational performance while demonstrating high service quality when promoting our brand.

We are also certified with the IATF 16949, a global Quality Management System Standard for the automotive industry. This certification aligns with our commitment to supply our European automotive clients. We continue to positively progress in our early adoption of the Responsible Business Alliance ("RBA") standard, a requirement for most multinational customers.

In the recent entering into the personal protective equipment business, we also obtained a certification of registration from US-based Registrar Corp stating that it is registered with the US FDA as a face mask manufacturer. This complements our ISO 13485 certification which proves that Notion established and maintained a quality management system for the production of surgical face masks.

Details of Notion's quality-related certifications are listed below:-

Name of Accreditation and Standard	Name of Our Subsidiaries	Date First Awarded	Validity Period	Scope of Certification
ISO 9001:2015	Notion Venture Sdn Bhd	2 November 2006	27 June 2023	Manufacturing of precision mechanical parts and related components.
ISO 14001:2015	Notion Venture Sdn Bhd	15 October 2018	15 October 2024	Manufacture of automotive, camera parts, HDD, surface treatment component.
IATF 16949:2016	Notion Venture Sdn Bhd	4 December 2007	18 July 2024	Manufacturing of precision mechanical parts for brake systems and absorbers.
ISO 13485:2016	Notion Venture Sdn Bhd	5 March 2021	4 March 2024	Production of surgical face masks.
ISO 13485:2016	Notion PPE Sdn Bhd	25 October 2022	24 October 2025	Production of medical gloves.

Regarding quality customer satisfaction from Notion, the Group consistently engages with its customers and flexibly customises its solutions to meet customers' needs when necessary. These processes involve all departments including the Senior Management. Meetings are held monthly to discuss challenges and non-achievement of targets, identification of root causes and improvement action plans, and to monitor the progress of implementation for quality-related initiatives. These initiatives ultimately serve to not only strengthen our relationship with customers and help us to understand their requirements according to the changing operational landscape, but to also achieve quality production and reduced redundancies.



SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL



CLIMATE CHANGE AND EMISSIONS

Notion recognises that climate change has potential and actual impacts on its operations, value chain and stakeholders. Therefore, the Group remains vigilant in not only monitoring its operations' emissions as well as energy and resource consumption – which may directly or indirectly contribute to climate change – but also implementing initiatives to support the reduction of any climate change impacts the Group may produce.

This commitment aligns with many industry and government players that are increasingly monitoring and / or reducing their carbon emissions to significantly address climate change. Notion continues to work with industry peers, suppliers and governmental authorities to identify technologies and processes that will help to reduce hazardous substances in our manufacturing processes and products. Our suppliers are made to understand and commit to comply with this policy.

Some of the conservative measures that all employees take to manage Notion's environment footprint include:-

Switching off computers, lights and air conditioners and all other appliances during non-operation hours or when not in use

Installation of rainwater harvesting for toilet system and air conditioning

Reusing and recycling of office stationery and paper

Check and edit document on computer before printing

Print double sided as default setting to save paper

Production waste and leftover will be recycled

We actively ensure that employees comply with these environmental-friendly protocols by highlighting their importance during new employees' induction courses, monthly briefing sessions, inside our employment contracts and periodic environmental awareness training and education sessions.

Notion also continues incorporate recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") to deepen our commitment to sustainability. The Group's climate change approach is aligned with the TCFD's key pillars and recommended disclosures.

The Board has oversight over the climate change topic at Notion and are supported by their decision-making process on related climate change initiatives by Senior Management.

Emissions and energy are also key material matters in our materiality matrix, which is an important sign of the Group's acknowledgement of climate change risks that may impact the Group's operational timelines, logistical value chain and resource retrieval and manufacturing processes, which can be due to extreme and volatile floods, storms and more. Climate change may also present opportunities for Notion to update its business strategies and operational model to achieve a long-term sustainability across the organisation.

While Notion is in its early stages of implementing significant climate change mitigation, several climate-change-related initiatives are being looked into to be applied in the future. The Group will continue to improve in addressing and reducing climate change impacts and emissions moving forward.

SUSTAINABILITY STATEMENT (CONT'D)



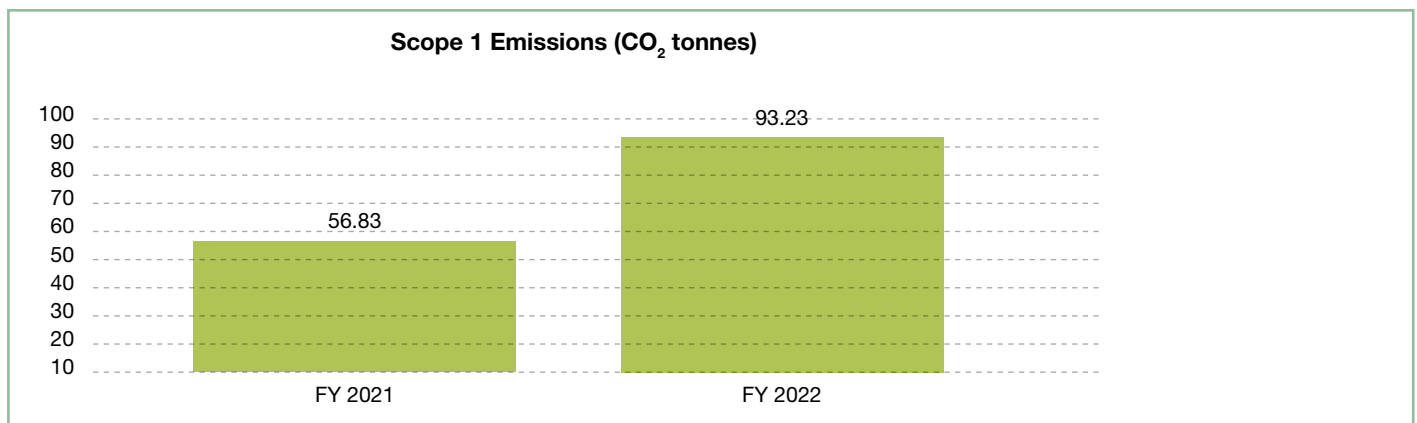
ENVIRONMENTAL



EMISSIONS

The main source of emission for Notion would be from the direct combustion of fossil fuel sources such as diesel and petrol (Scope 1) for company vehicles and purchased electricity (Scope 2).

For FY2022, emissions from fuel consumption (Scope 1) were recorded at approximately 93.23 CO₂ tonnes for the whole organisation. These fuels were used for the company vehicles for their daily working operation.

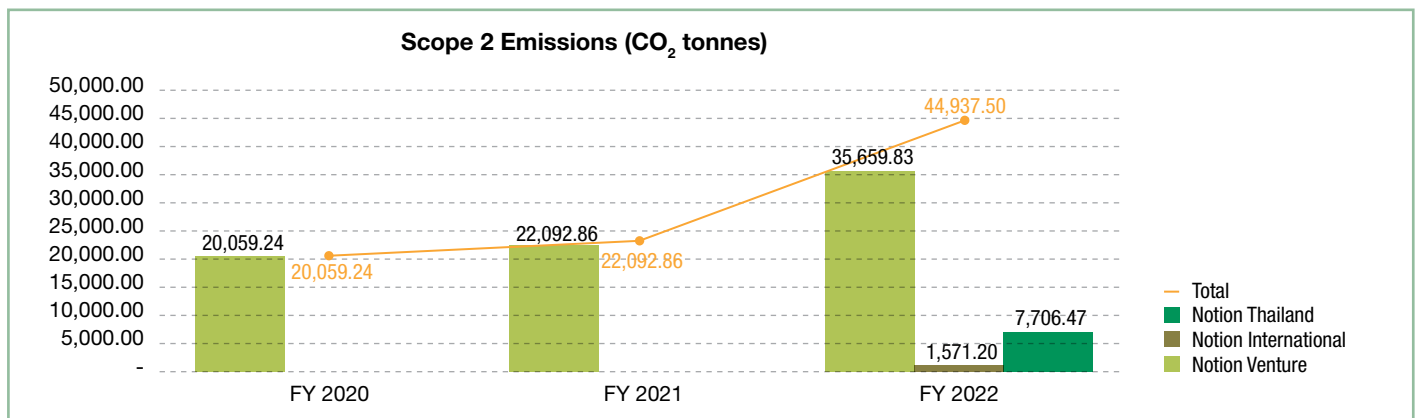


* For this graph, FY2021 period is from October 2020 to September 2021. FY2022 period is from October 2021 to September 2022.

** Calculation is based on the emissions factor provided by the Malaysia Energy Statistic Handbook (2020) and IPCC Emission Factor Database.

*** Please be noted that the data in FY2022 has included all subsidiary performance data of Notion.

As Notion had also initiated electricity data collection from its manufacturing plant which also include the plant located in Johor and Thailand, the corresponding Scope 2 emissions contributed from purchased electricity are as follows:



* For this graph, FY2020 period is from October 2019 to September 2020. FY2021 period is from October 2020 to September 2021. FY2022 period is from October 2021 to September 2022.

** Calculation is based on the emissions factor provided by the CDM Electricity Baseline for Malaysia (2017).

*** Please be noted that the data in FY2022 has included all subsidiary performance data of Notion.



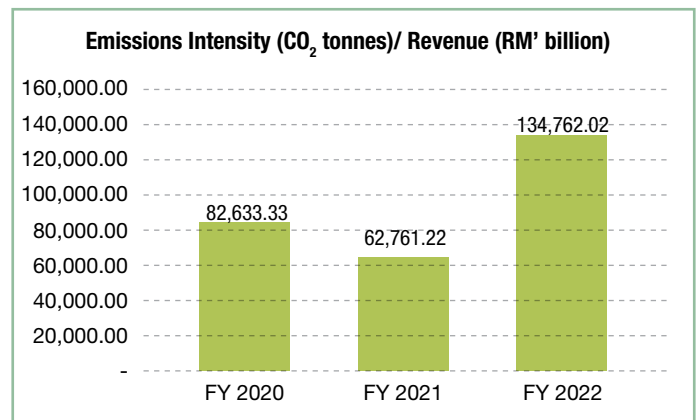
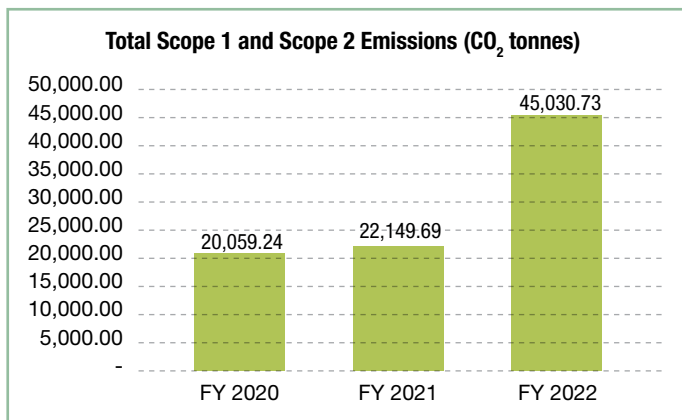
SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL

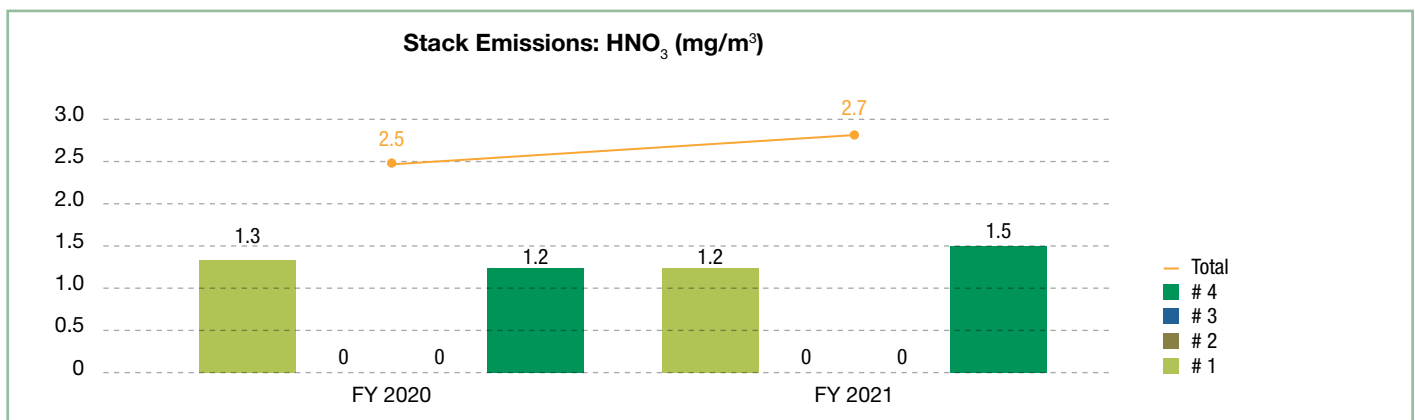


EMISSIONS (CONT'D)



In providing additional context to its sustainability performance, intensity measurement is one of the ways to provide a truer reflection on the Group's environmental footprint and the effectiveness of the Group's implemented measures in reducing the said footprint. The emission intensity is showing the carbon dioxide emission per revenue which amounted to 134,762.02 CO₂ tonnes/RM' billion in FY2022.

There are some physical and chemical emissions from the manufacturing plants. The recorded data and analysis are based on Malaysia Environment Quality (Clean Air) regulation 2014. The total emission value of nitric acid ("HNO₃") for FY2022 has not over the set limit, in fact, it only produces a small amount of HNO₃ with 2.7 mg / m³ compared to the set limit of not more than 30 mg / m³.



* For this graph, FY2020 period is from October 2019 to September 2020. FY2021 period is from October 2020 to September 2021.

The particulate matter that emits from the stack is still within the acceptable range which is around 14mg / m³ to 18mg / m³ as the limit mentioned is not more than 50 mg / m³ of concentration to be dispersed into the air.

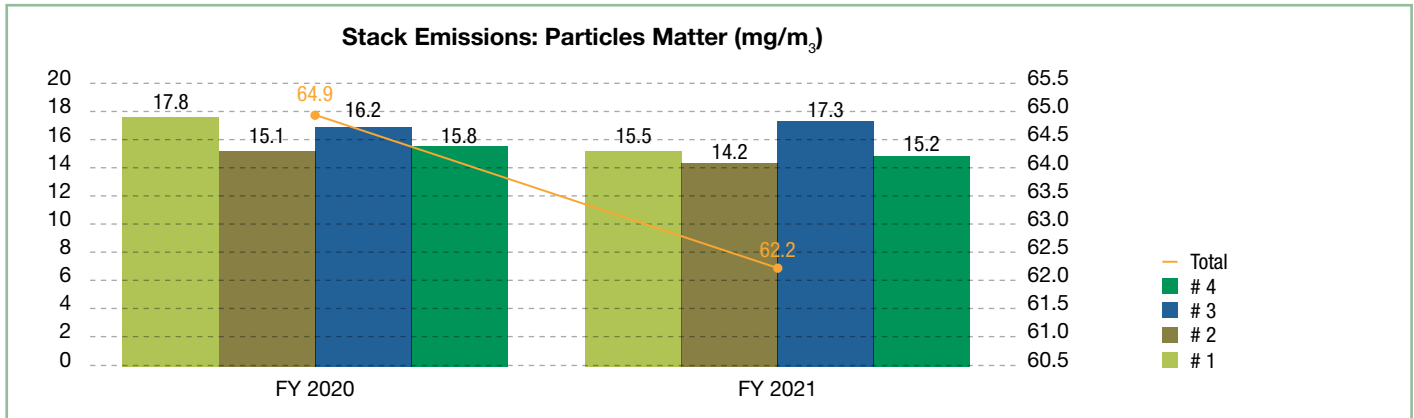
SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL



EMISSIONS (CONT'D)



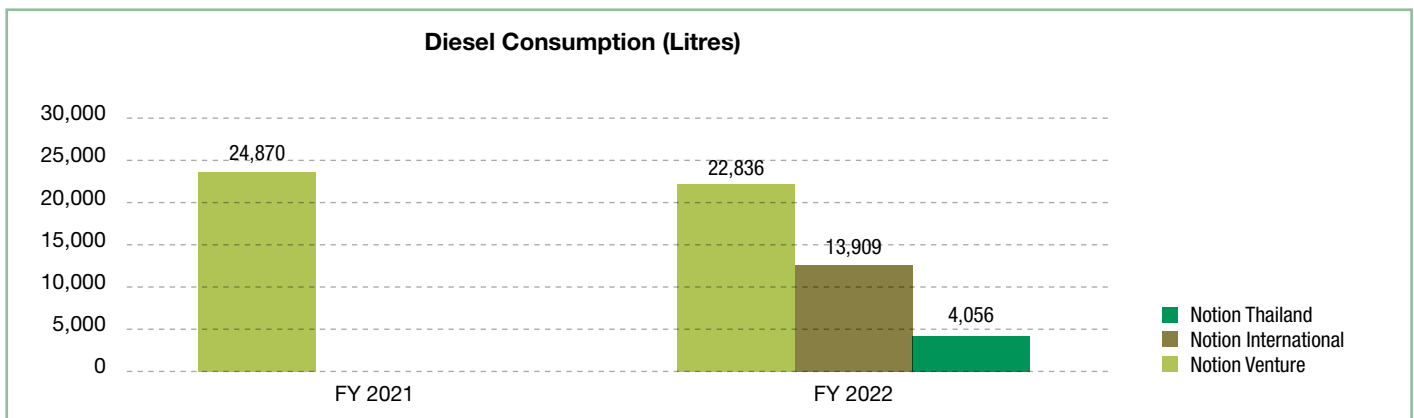
* For this graph, FY2020 period is from October 2019 to September 2020. FY2021 period is from October 2020 to September 2021.

ENERGY CONSUMPTION

Notion remains aware of the importance of good energy management and efficiency, primarily in fuel, electricity and other important sources of energy that Notion utilises. The Group constantly improves its management designs and seeks new ways to monitor, manage and reduce our energy consumption in our operations.

DIESEL CONSUMPTION

Notion utilises diesel and petrol for company vehicles to do their day-to-day operation work. From FY2022 onwards, the Group will be monitoring and disclosing data on the fuel consumption of its vehicle fleet along with the related emissions performance.



* For this graph, FY2021 period is from October 2020 to September 2021. FY2022 period is from October 2021 to September 2022.



SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL



ELECTRICITY CONSUMPTION

Electricity supply in powering our operations across the organisation is vital, and thus Notion is fully cognisant of efficiently managing its electricity consumption. The Group's main electricity source is from the power grid.

Notion already encourages electricity-saving initiatives among employees and in its work processes such as:-



Switch off lights, air conditioners and other electrical appliances when they are not in use. "Switch off lights" label on the switches as reminder to the employees.



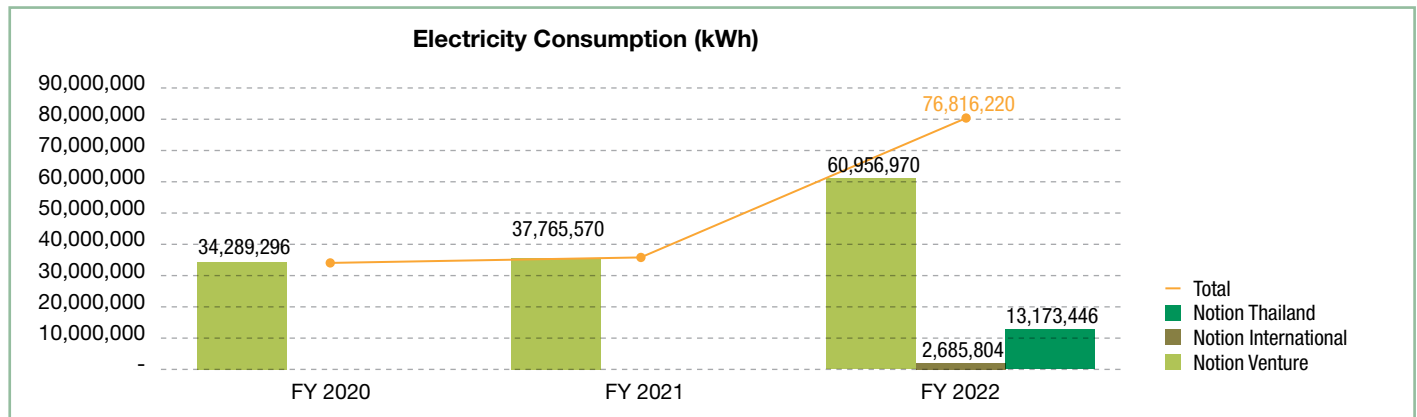
Digitalisation process where the process of converting the used of paper into electronic version and the photocopy machines and computer are preset with power saving settings.



Work efficiently within working hours to minimise the use of electricity.

The Group plans to expand its electricity-saving initiatives to promote positive energy savings and environmental-friendly energy usage by looking into installing a solar panel system within our factory premises to lower energy consumption and reduce carbon emissions. Going forward, Notion continues to explore new methods and technologies to help improve our energy efficiency.

In FY2022, Notion's electricity consumption was at 76,816,220 kWh, as shown below:-



* For this graph, FY2020 period is from October 2019 to September 2020. FY2021 period is from October 2020 to September 2021. FY2022 period is from October 2021 to September 2022.

** Please be noted that the data in FY2022 has included all subsidiary performance data of Notion.

SUSTAINABILITY STATEMENT (CONT'D)

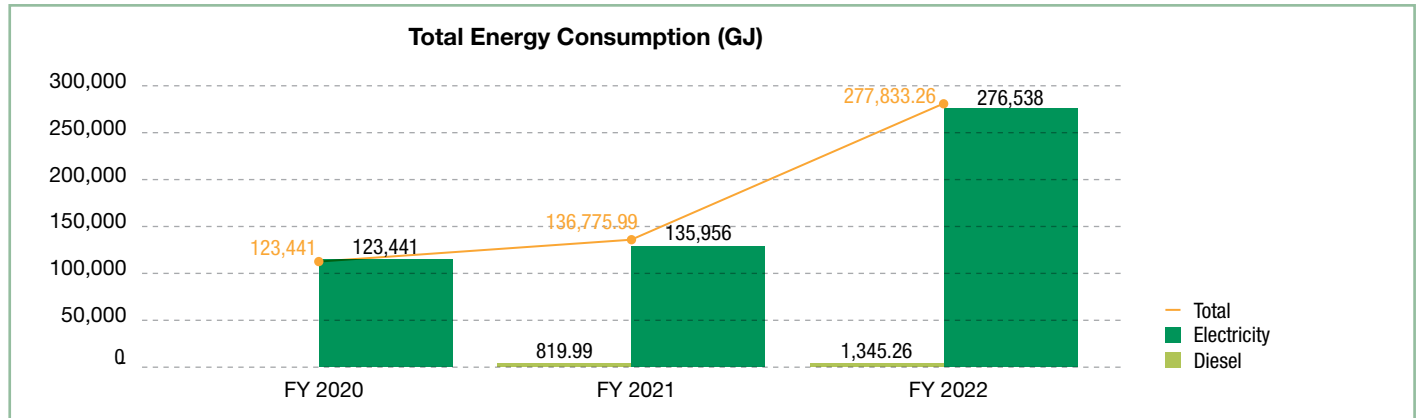


ENVIRONMENTAL



ELECTRICITY CONSUMPTION (CONT'D)

In total, our overall energy consumption in FY2022 amounted to 277,833.26 GJ, as shown below:-



* For this graph, FY2020 period is from October 2019 to September 2020. FY2021 period is from October 2020 to September 2021. FY2022 period is from October 2021 to September 2022.

** Please be noted that the data in FY2022 has included all subsidiary performance data of Notion Venture.

Renewable Energy: Solar Power

Notion continues to improvise the design of the processes and explore avenues to constantly monitor the energy consumption across the operations and to improve energy efficiency. The Board and Senior Management have looked into the installation of solar panel systems within factory premises to lower energy consumption and reduce carbon emissions.

The Group took the initiative to implement energy efficiency action by installing solar panels in Notion Plant 1, Notion Plant 3, and Notion Sani to reduce the purchased electricity consumption that could indirectly produce GHG emissions and most importantly, to obtain a great amount of cost savings by solar power in the long run.

The implementation of solar systems has an estimated saving of about 15% to 20% purchased electricity usage reduction with a cost savings of 0.25% to 1.5% within 25 years.

Factory	Purchased electricity reduction (%)	Cost Savings (%)
Notion Plant 1	15.8	0.35 - 1.08
Notion Plant 3	17.2	0.25 - 1.2
Notion Sani	21.9	0.31 - 1.5



SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL

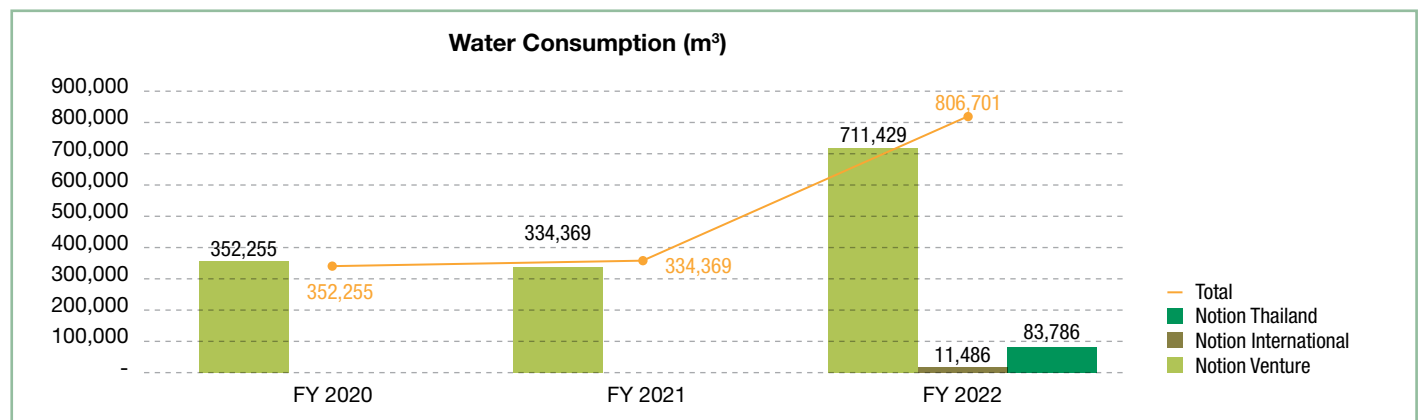


WATER CONSUMPTION

Notion practises responsible water management during the lifecycle of its products, which means using efficient and safe water usage, even extending into our supply chain. This feeds into our larger goal to attain and maintain water sustainability across the organisation.

Our water is managed while adhering to industry best practices. The Group ensures that there are no unwanted leakages in its infrastructure, and rainwater is harvested for the Group's toilet system and air condition compressors. Notion also encourages water-saving habits among its employees, such as turning off water appliances when not in use. Going forward, Notion hopes to further elevate its water management efficiency through more initiatives and possibly target-setting activities.

In FY2022, Notion's water consumption was 806,701 m³, as shown below. The water consumption increased by 141.26% as compared to 334,369 m³ in FY2021 as it has incorporated all subsidiary performance data of Notion for this year.



* For this graph, FY2020 period is from October 2019 to September 2020. FY2021 period is from October 2020 to September 2021. FY2022 period is from October 2021 to September 2022.

** Please be noted that the data in FY2022 has included all subsidiary performance data of Notion.

WASTE MANAGEMENT AND RECYCLING

For Notion, ensuring strict compliance with local waste regulations to managing waste generated by our business units is a mechanism to help prevent potential risks arise. Licensed external disposal contractors were engaged to collect wastes generated from our production processes and disposed through stringent processes at approved facilities. In addition, our employees are certified as Competent Person for Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") to manage and ensure compliance with the environmental requirements and standards.

SUSTAINABILITY STATEMENT (CONT'D)



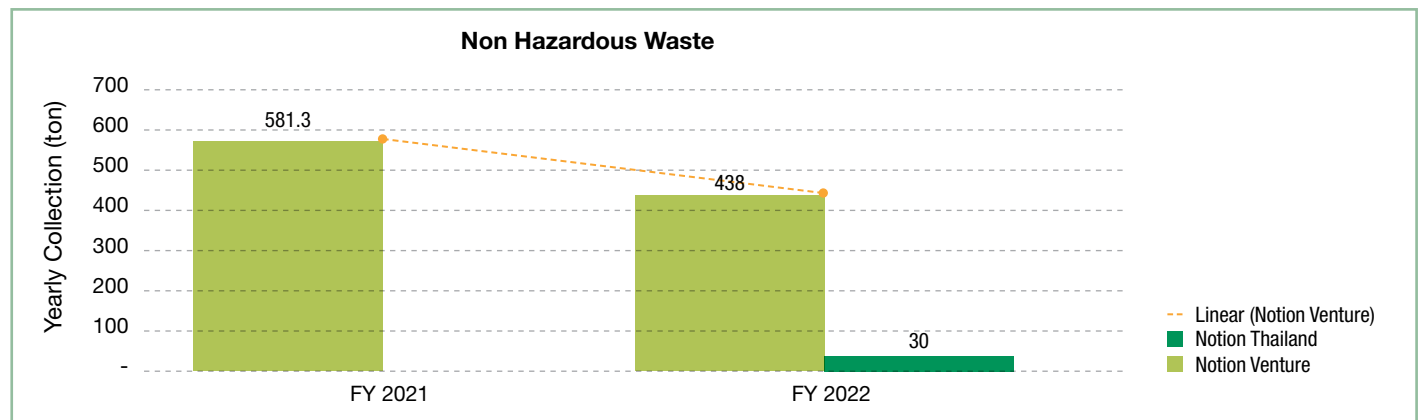
ENVIRONMENTAL



WASTE MANAGEMENT AND RECYCLING (CONT'D)

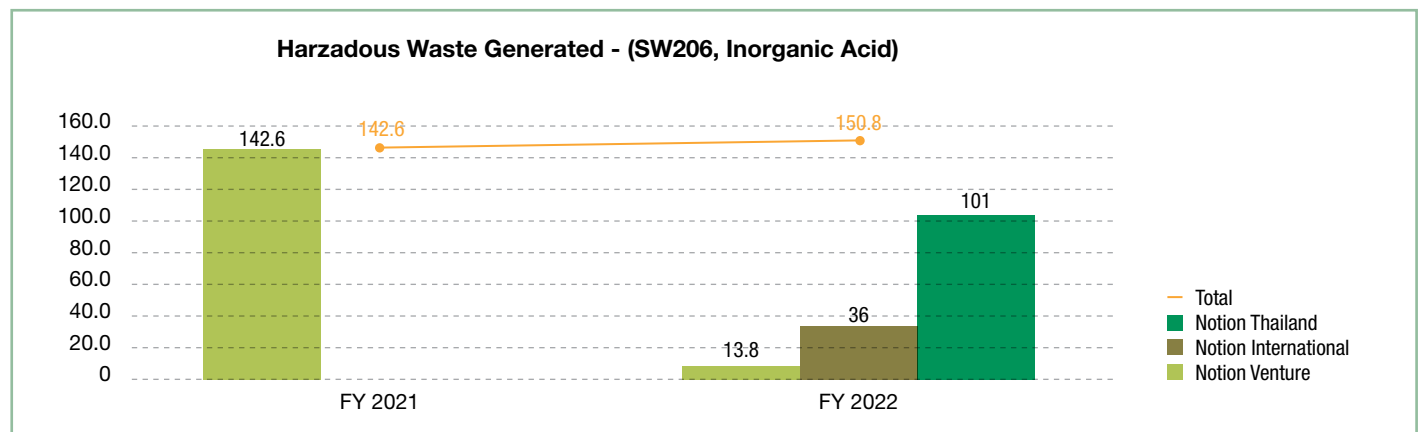
Scheduled wastes

The scheduled wastes can be categorised into hazardous wastes, non-hazardous wastes, electronic wastes and landfill wastes which have been tabulated as shown below:-



For Notion, non-hazardous wastes consist of sludge from wastewater treatment plants ("WWTP"), lubricant oil, hydraulic oil as well as waste oil oily sludge that all comes from the rejected materials of the process. The waste has been reduced to 468 metric tons in FY2022 based on the improvement of waste management control to reduce waste generation in the production processes.

Inorganic acid generated from the factory is undergo a proper handling procedure to dispose of hazardous wastes. It has increased to 150.8 tons in FY2022 and this is mainly due to the start of using waste EN treatment in-house at WWTP-EN (Autic), which also bring cost saving of approximately RM20,000 per month.



SUSTAINABILITY STATEMENT (CONT'D)

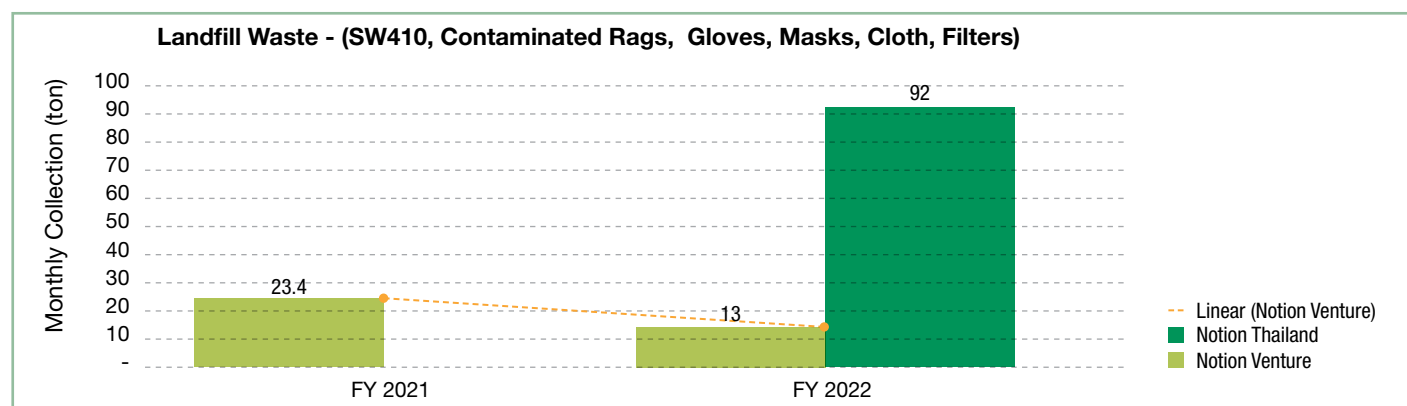


ENVIRONMENTAL

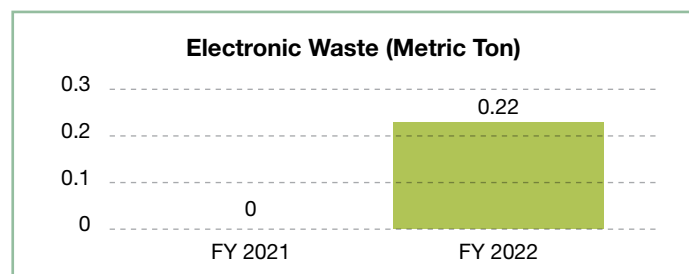


WASTE MANAGEMENT AND RECYCLING (CONT'D)

Scheduled wastes (Cont'd)



Landfill wastes such as contaminated rags, gloves, masks, cloth, and filters are transported to the landfill via a proper disposal handling procedure. The amount of waste at Notion Venture has decreased to 13 tons in FY2022 which reflects the good control of waste management in Notion. Electronic waste is another type of scheduled waste that need to be considered during disposal. The data is recorded in FY2022 with the amount of 0.22 tons.

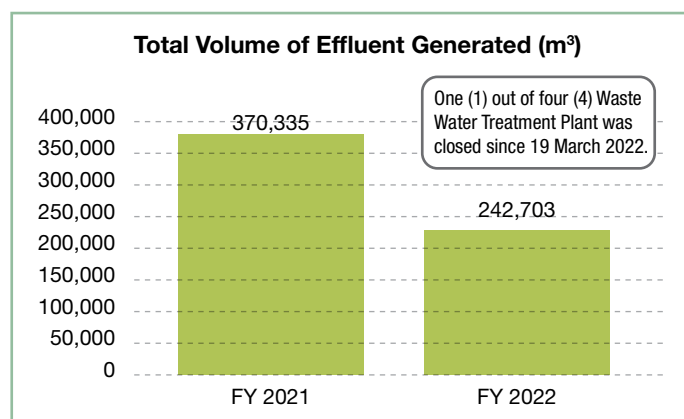


Throughout the year, Notion has played a good role in waste management to reduce waste generation as well as to improve production efficiency. In FY2022, the ratio waste to production output is tabulated based on the waste produced from different processes which mainly are sludge from WWTP at Notion Venture plants. With the diverse business division of Notion, the production output is categorised into four processes which are anodizing, EN, lapping, and machining.

Unscheduled Wastes

Through the adoption of a green and healthy practices, Notion installed in-house waste treatment to remove contaminants and preventing water pollution. In FY2022, a total of 242,703 m³ of effluent was produced from WWTP as shown below. This effluent has gone through a wastewater treatment process in order to achieve effluent standards before discharge to the nearby river.

In addition, Notion recycled its used papers, glass and plastics by selling them to waste collectors. Recycled materials have value, motivating our employees to collect them for sale to recycling centers. In February 2021, we have installed Precious Plastic Machine to recycle plastic waste subsequently sell to recycling centre. A total of 12,600kg plastic recycling was recorded. Recycling of papers, glasses, and plastics encourage our employees to reduce consumption. Most importantly, it saves costs and allows us to reduce our production expenses while creating additional revenue for the Company.



SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL



COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Notion ensures stringent compliance with the relevant environmental laws, standards and protocols stipulated by the appropriate regulatory authorities such as the Department of Environment (“DOE”) of Malaysia. The Group also proactively and consistently addresses the current and potential issues related to Notion’s environment, which includes monitoring the environmental performance in its workplaces as well as devising and implementing mitigation plans to curb any potential negative impacts in the environment from our operations. In this regard, employees are equipped with the relevant knowledge and training in understanding the environmental standards and all sustainability aspects related to the Group.

Notion has in place standard operating procedures (“SOPs”), internal, external audits, and inspections by local authorities and more in order to reinforce compliance while meeting regulatory mandates and minimising regulatory exposures to our business.

Notion is well aware of the regulatory penalties and fines it may incur for any offence of improper hazardous waste disposal, emissions and discharges, as any violations of environmental regulatory compliance damages Notion’s reputation. Therefore, we always strive towards preventing any environmental pollution at our operation sites through stringent monitoring and mitigation protocols in place. In FY2022, zero environmental non-compliance incidents occurred and no related fines or penalties were received.

BIODIVERSITY

Notion values the importance of preserving and conserving biodiversity, and is dedicated towards preserving the biodiversity of its surrounding environments’ flora and fauna. The aforementioned conservative measures all our employees take to reduce Notion’s environmental footprint may also help to reduce any negative impacts on biodiversity. The continued environmental monitoring activities and the prevention of potential environmental leakages or spills are also aspects that Notion looks to maintain for the sake of a healthy biodiverse environment.

The Group understands that it can do more to contribute towards positively impacting biodiversity, and therefore in the future may consider establishing biodiversity audits at its work environments to make sure its business operations do not directly harm the surrounding biodiversity.



SOCIAL



HUMAN RIGHTS AND LABOUR STANDARDS

Notion’s workforce is the lifeblood of the organisation and a fundamental part to the Group’s success and longevity. Significant attention is therefore shown towards Notion’s human capital management to ensure its employees and leadership personnel’s rights and welfare are looked after. The topic of human rights, labour standards as well as diversity and equal opportunity comes under the Board’s oversight.

The Group adheres to fair labour practices, respects domestic and international laws of the countries and communities that we operate in as well as complies with human rights standards. Notion is guided by Malaysian laws such as the Malaysian Employment Act 1955 and the Minimum Wages Order 2016 law.



SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



HUMAN RIGHTS AND LABOUR STANDARDS (CONT'D)

Our Code of Conduct and Code of Ethics firmly establishes our policies on human rights and labour standards. The Group supports and respects human rights and treats its officers fairly along with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination. Everyone working at Notion are obliged to respect the personal dignity, privacy and rights of each individual during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

Key human rights standards Notion supports include:

Supporting the prevention of forced labour and child labour according to domestic laws

Promote an ethical and equal opportunity workplace, and will not tolerate unlawful workplace conducts, including discrimination, intimidation, or harassment

Respect the choices of employees in terms of freedom of association and collective bargaining

Remain compliant to local labour laws on working hours and minimum wages.

Recruitment, promotion and retention are purely merit-based to ensure fair and consistent treatment of all our employees. The Group therefore does not discriminate based on age, gender, race, religion, sexual orientation, disability and nationality, supporting true diversity and equal opportunity at the workplace.

The Human Resource ("HR") Department of Notion is the main resource that spearheads and embeds human rights and labour standards initiatives within the Group, including being involved in the formulation and application of relevant company policies, protocols, guidelines and standards. Notion's subscribed human rights and labour standards is communicated to employees through employee inductions, departmental briefings, trainings, e-mail notifications, memos, employee handbook and verbal reminders in order to increase awareness and involvement of employees when it comes to their rights at the workplace.

The Group also carries out risk assessments on any labour issues reported within the company, when deemed necessary. Notion has no record of any human rights violations or labour on-compliances in the history of the Group.

The Group's grievance mechanism for employees who wish to report work-related concerns about human rights and labour standards is Notion's whistleblowing mechanism, as denoted in our Whistleblowing Policy which can be accessed on our official website at <http://www.notionvtec.com/>. Zero human rights and labour standards grievance cases were reported in FY2022.

DIVERSITY AND EQUAL OPPORTUNITY

Notion believes it can foster the best working environment for all employees to ensure their talents, skills, knowledge and potential are fully utilised as well as applied by maintaining a diverse and inclusive workplace. This will allow the organisation and its employees to draw from a large variety of perspectives, thoughts, experiences and abilities that can be instrumental in inculcating a dynamic high-performance work culture.

With this notion in mind, the Group strives to attract employees with different backgrounds, age and experience. We also take their goals and aspirations into consideration while ensuring that diversity in the workplace is embraced. The Group strives to manage diversity and inclusivity from a range of factors including age, gender, ethnicity, nationality, sexual orientation, cultural background or other personal factors.

SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL

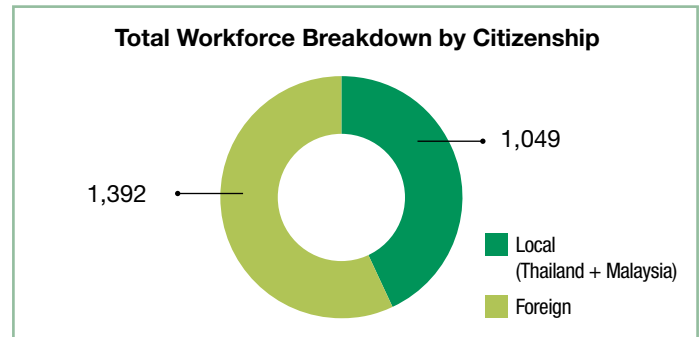


DIVERSITY AND EQUAL OPPORTUNITY (CONT'D)

A key area Notion remains cognisant of when it comes to diversity and inclusivity is gender diversity, which is part of sustainable business development. However, Notion also recognises that engineering and manufacturing industries that the Group is in are usually predominantly male-dominated at many levels. Nevertheless, we continue to encourage female employees to participate in all aspects of our business operations and not discriminate on gender in our hiring processes.

We ultimately care for our employees and we want to ensure a peaceful, united and resourceful workforce that is aimed at achieving sustainable development while remaining focused on the organisation's larger aspirations.

Below is the demographical breakdown of Notion's workforce for FY2022:



HIRING AND ATTRITION

Hiring and attrition are natural processes every organisation goes through, including Notion, and the Group ensures sound management of its hiring and attrition processes to cultivate stability in its total workforce, which is currently at 2,441 employees (inclusive of local and foreign employees) as of FY2022. Additional 500 of employees are temporary or contract workers at Notion.

The Group undergoes its recruitment process when a need and job role is required to be fulfilled. Skill, experience and capabilities are what Notion's recruiters primarily look at when it comes to identifying and hiring the right candidate for the job. Monetary or job role promotion is awarded to qualified and loyal employees. Notion supports the hiring of local talents to contribute towards helping the domestic talent pool.

The Group mitigates any instances of attrition at the organisation through the increased usage of digitalisation and technology in certain operations, in addition to the Group's new hires that would fill any job vacancies. In FY2022, we hired a total of 620 new employees, which is inclusive of the 69 new hires at Notion International and 210 new hires at Notion (Thailand). 39 employees underwent attrition through resignation in FY2022.

REMUNERATION AND BENEFITS

Notion supports providing fair and competitive remuneration and benefits packages to strengthen employee retention as well as boost employee morale and satisfaction, according to legal and regulatory standards. As denoted by local labour laws, Notion's employees are paid a minimum wage or a wage that exceeds the minimum wage standards. Such actions address the widening pay gap between executives' and workforces' understanding which is directly linked to productivity and branding.

Additionally, Notion provides a range of benefits for employees such as medical leaves, annual leaves and more. 100% of Notion's permanent employees are entitled to these employee benefits. Benefits are measured for each employee according to their longevity, tenure and job position at Notion. Benefits and monetary compensation are consistently assessed according to the latest best practices to ensure a remuneration package that is industry-competitive.



SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



REMUNERATION AND BENEFITS (CONT'D)

Here are some of the leave benefits provided to our employees:

Maternity leave (60 days)	Marriage leave (2 days)	Medical leave (14 days)	Hospitalisation leaves (60 days inclusive of 14 days of MC)	Compassionate leave [regarding immediate family members] (3 days)
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Notion also provides parental leave. Eligible employees can utilise either paternity leaves or maternity leaves to ensure they achieve a balance between their personal and professional commitments.

Return to Work Rates (Post Parental Leave)	FY2022	
	Male	Female
Return to Work Rates (return to work after parental leave period)	-	100%
Retention Rates (remain with the organisation for 12 months or more post parental leave)	-	100%

Performance appraisals are done for 100% of Notion employees, with employees being appropriately incentivised based on their work performance and achievements.

TALENT TRAINING AND DEVELOPMENT

The Group remains cognisant of the importance of its employees' training and development which not only benefits their personal development and growth, but also improves their work knowledge, productivity and performance, which has been indicated by our consistently improving results Group-wide.

Notion's HR Department leads the implementation of employee training programmes upon approval from relevant leadership. Training requirements are garnered from discussions and feedback from employees, supervisors and Heads of Department to accurately address the identified training gaps.

Training courses are conducted for all employees at all levels and will cover various aspects such as safety, quality, waste management, human resource management, leading practices, competencies and professionalism and soft skills. Various types of training courses are usually conducted by many in-house internal and external trainers, webinars, and public programmes.

An annual budget has been established for different divisions to identify and design suitable trainings and development plans for its employees, in addition to offering external training programmes to ensure employees stay abreast of the latest issues.

Moreover, since the pandemic started in FY2020, trainings have also partly transitioned from being fully physical to taking place virtually through online conference platforms. As the country begins its return to normalcy in a post-pandemic era, the Group plans to continue holding virtual training initiatives and may even consider making these online trainings permanent if it is decided to be as such.

SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



TALENT TRAINING AND DEVELOPMENT (CONT'D)

In FY2022, total training hours for Notion was at 540 hours, inclusive of the 300 hours of training accumulated at Notion (Thailand).

Highlights of Notion's trainings are highlighted in the table below:-

Training Types	FY2021			FY2022		
	Number of Pax	Training Hours	Total Cost (RM)	Number of Pax	Training Hours	Total Cost (RM)
Internal	39	273	20,150	1208	8	*NIL
External	2	14	550	103	232	40,282
Virtual	5	35	4,090	-	-	-
TOTAL	46	322	24,790	1311	240	40,282

* Fire drill were done in-house. No costing was involved.

* The above table excluded training hours of Notion Thailand.

SUCCESSION PLANNING AND INTERNSHIPS

Our leadership stable remains a crucial source of wisdom capital, providing guidance, direction, and mentorship to our young employees and navigating the Group in the most sustainable and successful direction in terms of short, medium and long-term value creation. This is why we have an internal process that identifies suitable candidates within the company to take on bigger leadership roles. This ensures that the knowledge base of the company remains intact all the way to the top leadership levels.

When it comes to internships, the Group's Internship Programme has been established to create internship opportunities for undergraduate students who hope to experience and undertake practical trainings. These interns can also potentially be absorbed into the Group's permanent workforce after their internship period is over. In FY2022, zero internship was offered at Notion.

OCCUPATIONAL SAFETY AND HEALTH

Occupational health and safety ("OSH") remain a vital aspect at Notion in order to continue promoting a safe and healthy working environment for all individuals and stakeholders involved in Notion's business activities, including our employees, contractors and the public. The Group employs effective measures that actively ensure that its employees' health and safety are well taken care of while also addressing any underlying OSH issues that the organisation may face.

As OSH is a material topic for Notion, oversight of this material topic comes under the Board's purview. A Health, Safety and Environment ("HSE") Committee has also been established at each subsidiary across the Group to facilitate the monitoring, implementation and management of HSE-related initiatives.

Each HSE Committee comprises of employee representatives and employer representatives who are required to attend quarterly meetings to discuss topics ranging from the latest accident statistics, safety improvement measures, safety and health knowledge and tips as well as all other safety and health-related matters.



SUSTAINABILITY STATEMENT (CONT'D)

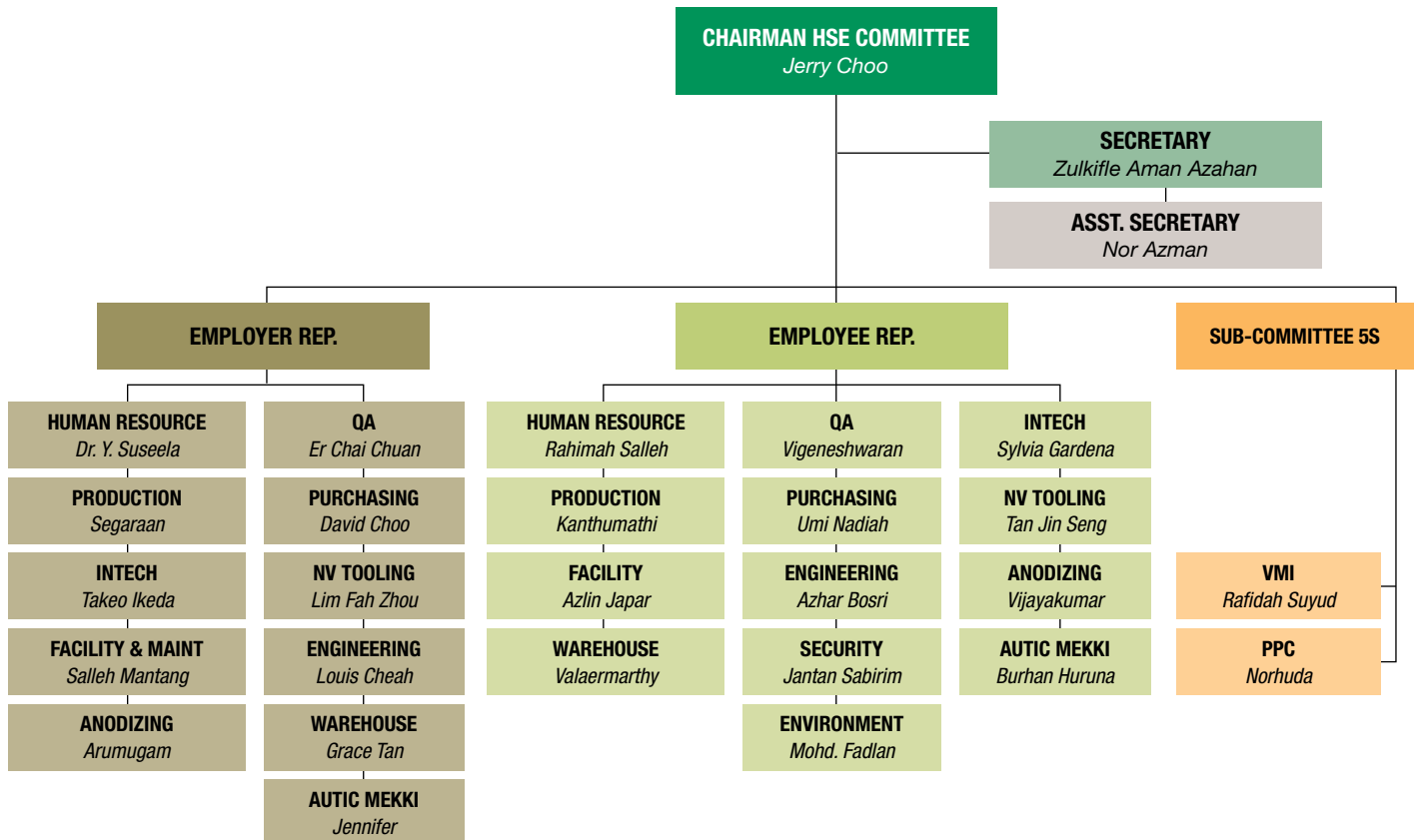


SOCIAL



OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Here is the organisational chart of our HSE Committee:



Notion remains committed to constantly enhancing its health and safety practices to reduce workplace health and safety accidents and sustain a safe working environment for our employees.

Notion's OSH measures and the HSE Committees are guided by the Group's internal HSE Policy. Key HSE Policy commitments included are:

- Complying with all applicable law and regulations related to HSE.
- Managing HSE risks and allocating reasonable resources to preventing HSE-related incidents and accidents.
- Provide HSE training and knowledge to employees.
- Investigating and reporting any accident illness or other dangerous occurrences and ensure they do not reoccur.
- Ensure that employees, customers, contractors, business partners and third parties such as suppliers of goods and services comply with all applicable laws and regulations related to HSE in dealing with the Notion.

SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

In addition to the HSE Policy, strong OSH at Notion is also guided by its Environmental Policy & Guidelines which promotes environmental, safety and health awareness and commitment to all employees and contractors by providing adequate environmental, safety and health instructions, information, training, and supervision. Our Environmental Policy & Guideline is cascaded to customers (via the Policy's Declaration to Customer form) and third-party procurement partners (via the Policy's Supplier / Vendor Acknowledgement form).

When it comes to OSH risk assessments, the HSE Committee has thoroughly assessed any work environments deemed high-risk and these particular environments are monitored more closely by the Group.

Notion does not have employees involved with work that have high incidences or high risks of any specific diseases. Some of the initiatives that Notion has directly taken to minimise the health and safety risks and hazards include the following:-

Providing personal protective equipment to employees

Maintaining tight supervision from our line leaders and supervisors

Ensuring competent personnel are handling key machinery and equipment (e.g. Boiler and other Pressure Vessels)

Going forward, Notion aims to implement suitable OSH targets to further bolster the performance and integrity health and safety excellence at the Group.

OSH TRAINING

Relevant Heads of Department from selected business units are to select their employees to attend internal and external training programmes. Notion's external trainings were conducted by third-party consultants while the internal trainings were done by Notion's own employees, with these trainings heavily emphasising workplace safety and health at workplace. These trainings are designed to facilitate constant awareness about safety and health while also identifying improvements that can be made to better preserve the employees' wellbeing while they work at Notion.

Here are the internal safety and health trainings Notion conducted for its employees in 2022:-

Date	Training Course	Plant No.	Attendance			Description (e.g. types of attendees)
			Target Attendance	Actual Attendance	Attendance Rate (%)	
1 January 2022	Fire Drill (Building Evacuation)	3	1400	1372	98.0	All workers
23-24 February 2022	Occupational Fire Fighting (Search and Rescue)	3	24	12	50.0	<ul style="list-style-type: none"> NV3 and NOVID PPE ERT Members
2-3 March 2022	Basic Occupational First Aid CPR and AED Training	3	25	24	96.0	<ul style="list-style-type: none"> NV3 and NOVID PPE ERT Members
7 June 2022	Safety And Emergency Release Training	1	-	7	100.0	-



SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



OSH TRAINING (CONT'D)

Date	Training Course	Plant No.	Attendance			Description (e.g. types of attendees)
			Target Attendance	Actual Attendance	Attendance Rate (%)	
27-28 June 2022	Basic Occupational First Aid CPR and AED Training	1	26	16	61.54	NV1 ERT Members
4 August 2022	Occupational Fire Fighting (Search and Rescue)	1	27	19	70.37	NV1 ERT Members
11 August 2022	Chemical Safety Management And Spill Handling Training	1	23	20	86.96	NV1 ERT Members
16 August 2022	Proper Way How To Use Good Lift	1	-	11	100.0	Supervisor and Leader Production
25 August 2022	LEV Assessment, Isokinetic Testing, Chemical Exposure Monitoring (CEM)	1	-	11	100.0	Managers
8 September 2022	Hearing Conservation Program (HCP) course	1	25	23	92.0	Supervisors
14 September 2022	Developing Effective Safety & Health Committee	1	28	27	96.43	Safety Health Committee (SHC)

11

total safety and health trainings conducted

1,542

total attendees for safety and health trainings

97.71%

training attendance rate

OSH PERFORMANCE

Notion consistently monitors, records and evaluates key OSH performance indicators in its work environments.

While the Group has yet to establish more OSH targets to benchmark its OSH performances against previous performances, Notion is aiming to rectify this in the future. Notion's OSH data has not received third-party verification, which the Group may also look into implementing in the coming reporting cycle. The Group's OSH performance details are shown here:-

	2019	2020	2021	2022
Fatalities	0	0	0	0
Total Lost Days from Incidents / Accidents	0	0	51	36

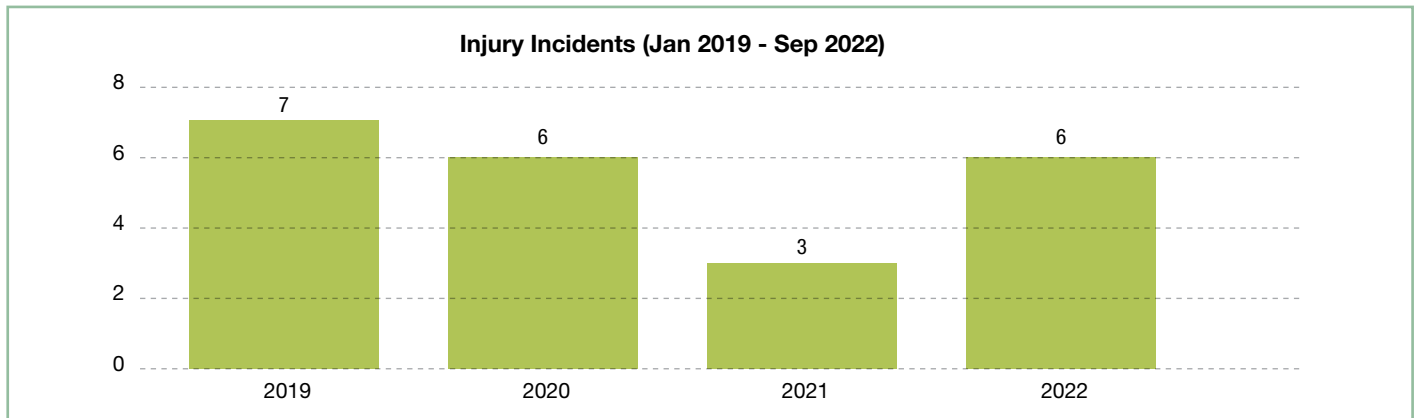
SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



OSH PERFORMANCE (CONT'D)



FY2022 data includes Notion International and Notion (Thailand) business entities.

In 2021 and 2022, total of 9 injury incidents were recorded, which is a reduction as compare to year 2019 and 2020 (13 injury incidents). 22 injury incidents in total have been recorded in the past 4 years.

For all incidents and accidents recorded, Notion investigates its root causes and subsequently implements corrective, as well as preventive, action plans to prevent the reoccurrence of accidents / incidents in the future

COVID-19 PANDEMIC

The emergence of the global COVID-19 pandemic back in FY2020 and its continued presence in our society saw Notion enacting its Standard Operating Procedures (“SOPs”) measures to protect the health of everyone in Notion’s workforce. Our SOPs are guided by the recommended policies and guidelines issued by Malaysia’s National Security Council or Majlis Keselamatan Negara (“MKN”), Ministry of Health (“MOH”) and the Ministry of International Trade and Industry (“MITI”). The Group ensured these protection and prevention measures were viable in line with business continuity.

Among the SOP compliance measures implemented at Notion include, but not limited to, the following: -

- Daily health self-declaration and temperature screening at all entrance;
- Provide sufficient personal protective equipment (“PPE”) for disinfection team and mask to all our employees;
- Provide signage and mark social distancing in the public areas
- Staggered break hours and rotation schedule by section
- Daily disinfection at all operation areas at every shift changes, common areas, and hostels
- Submit compliance record to JKKP on a weekly basis
- Strictly control and minimise hostel occupant outing movement to reduce infection risk
- Restricted movement such as deferring non-essential overseas business travels



SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL



COVID-19 PANDEMIC (CONT'D)

In the event of a confirmed COVID-19 positive case detected in any employee, that specific employee is made to self-quarantine for the set period stipulated by MOH. Notion will also closely monitor the progress of the infected employee to ensure they are fully recovered before entering the work premises. As of FY2022, Notion reported 460 confirmed cases of COVID-19 among employees, with all infected employees fully recovered since.

The Group has also encouraged its employees to get vaccinated. Notion registered with the Public-Private Partnership COVID-19 Immunisation Programme ("PIKAS") launched by the Malaysian government to allow the Group's employees to get vaccinated at the Setia City Convention Centre Vaccination Centre. As of FY2022, 100% of our employees have been fully vaccinated (received their required 2 doses of the vaccine).

Following the endemic phase Malaysia has entered into in regards to COVID-19 management, Notion continues to ensure that our employees remain aware, healthy and safe in the working environment to minimise or prevent potential operational disruption. Notion's workforce has also returned to 100% capacity at offices and work sites.

COMMUNITY ENGAGEMENT AND INVESTMENT

Notion promotes meaningful Corporate Social Responsibility ("CSR") initiatives that benefit our communities and citizens in need, as part of being a responsible corporate citizen. While the COVID-19 pandemic had disrupted many of our planned CSR activities, the return to normalcy in our post-pandemic society has allowed the Group to carry some out of its community development and engagement activities, in collaboration with charitable organisations.

Not only do our CSR initiatives help those who most need the aid in our communities, but they also positively impact our employees who are encouraged to volunteer and participate in these CSR initiatives. Promoting volunteerism in our employees can help to instill positive values of kindness and generosity in the organisation. Employee volunteers are suitably recognised through appropriate and Group-approved incentives.

While no community engagement activities were taken in FY2022 due to internal and external disruptions, we plan to resume these activities in the coming financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors recognises the importance of adopting high standards of corporate governance throughout the Company and the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the Group's financial performance.

The Board is committed to implement the revised Malaysian Code on Corporate Governance 2021 which was issued by the Securities Commission on 28 April 2021 ("**MCCG 2021**" or "**the Code**") wherever applicable and appropriate in the best interest of the shareholders of the Company.

This Corporate Governance Overview Statement ("**Statement**") sets out how the Company has applied the Principles of the Code and observed the Recommendations supporting the Principles and is to be read together with the Corporate Governance Report 2022 ("**CG Report**"), which is available for reference on the Company's corporate website at www.notionvtec.com as well as announcement made on the website of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and in conjunction with the other statements in the Annual Report (for example, Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report and Sustainability Statement). Where a specific Recommendation of the MCCG 2021 has not been observed during the financial year under review, the non-observance - including the reasons thereof and where appropriate, the alternative practice, if any, is mentioned in this Statement.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board's Roles and Responsibilities

The Board is led by the Executive Chairman and is supported by experienced Board members with a wide range of expertise, who play an important role in the stewardship of the direction and operations of the Group.

The Board is primarily responsible for the strategic direction of the Group. It delegates to and monitors the implementation of these directions by the Management.

The responsibilities of the Board include, inter-alia, the following:

- (a) Review and adopt a strategic plan for the Group.
 - The Board reviews the annual business plan and budgets and regularly monitors their progress throughout the year, using appropriate financial indicators and industry benchmarks.
 - The Board reviews the challenges of the Group's business and approves the Management's proposed strategic plan for the Group.
- (b) Oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed.
 - The Board guides the performance of the Group's business, not just year-to-year but in the long term.
- (c) Identify principal risks and ensure the implementation of appropriate systems to manage these risks.
 - The Board reviews the system and processes as well as the key responsibilities and assesses for reasonable assurance that the risks have been managed.
- (d) Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. Please refer to Statement on Risk Management and Internal Control for further details.
- (e) Ensure the integrity of the Company's financial and non-financial reporting.
- (f) Succession planning - including appointing, training, fixing the compensation of and, where appropriate, replacing key management.
- (g) Develop and implement a Corporate Disclosure Policy for the Group.
 - The Company's Executive Chairman, Executive Directors and Non-Executive Directors communicate with shareholders and respond to questions in relation to, amongst others, the corporate vision, strategies and developments, future prospects, financial results, business plans and operational matters during the Company's Annual General Meeting ("**AGM**").
 - The Board reviews the Corporate Disclosure Policy and Procedures as and when need arises.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1. Board's Roles and Responsibilities (Cont'd)

In discharging its duties, the Board delegates certain of its responsibilities to the Board Committees, namely Audit and Risk Management Committee (“**ARMC**”), Nomination Committee (“**NC**”) and Remuneration Committee (“**RC**”) which operate within defined Terms of Reference. The Chairmen of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and make recommendations to the Board for final decision, where necessary.

The Board conducts at least five meetings in each financial year. An annual meeting calendar is prepared and circulated to the Directors before the beginning of each year to help the Directors plan their schedule ahead. Additional meetings are also held as and when required. Scheduled Board meetings are structured with pre-set agendas. Board and Board Committee papers prepared by the Management provide the relevant facts and analysis for the Directors' information. The meeting agenda, the relevant reports and Board papers are furnished to the Directors and Board Committee members before the meeting to allow the Directors sufficient time to read for effective discussion and decision making at the meetings.

The Board adheres to the Recommendation of the Code, which requires the Directors to notify the Chairman, including an indication of time that will be spent in the new appointment, before accepting any new directorship. The information on their directorships will be shared with the Board in a quarterly update. None of the Directors hold more than 5 directorships in listed issuers which ensures that they devote sufficient time to their duties as Directors.

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities. Details of the Board members' attendance at the Board and Board Committee meetings for the financial year ended 30 September 2022 are as follows:

Director	Board	ARMC	NC	RC
Thoo Chow Fah	8/8	-	-	-
William Choo Wing Hong	7/8	-	-	-
John Choo Wing Onn	6/8	-	-	-
Lee Tian Yoke	8/8	-	-	-
Choo Wing Yew	8/8	-	-	-
Anita Chew Cheng Im	8/8	6/6	2/2	1/1
Dato' Abu Bakar Bin Mohd Nor	8/8	6/6	2/2	1/1
Ms Teh Su-Ching	7/8	6/6	2/2	1/1

2. Board Charter

The Board adopts the Board Charter which outlines the manner in which its constitutional powers and responsibilities are exercised and discharged, having regard to principles of good corporate governance, international best practices and applicable laws.

It also established to provide guidance and clarity on the Board's roles and responsibilities as well as the powers between the Board and the Management, the different committees established by the Board, as well as between the Chairman and Managing Director.

The Board Charter was last reviewed in November 2021 which can be found at our website at www.notionvtec.com. The Board will review the Board Charter and make necessary amendments as and when required to ensure they remain consistent with the Board's objectives, current law and practices. Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3. Code of Conduct and Code of Ethics

The Company has also set out Code of Conduct and Code of Ethics (“the Codes”) for its Directors, Management and employees. The Codes are established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group. In May 2020, the Company has adopted Anti Bribery and Corruption Policy to manage bribery and corruption risks of the Group as guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

The Code of Conduct has subsequently been reviewed and revised in August 2020 to ensure it is aligned with the Anti Bribery and Corruption Policy. The Codes shall be reviewed as and when required, summary of which is available on the corporate website at www.notionvtec.com.

4. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy and Procedure as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The Whistleblowing Policy and Procedure, which was adopted by the Board in May 2013 and reviewed by the Board in June 2020, provides an avenue for any directors, managers, officers and employees to report on any allegations of suspected improper activities, including those relating to financial reports, unethical or illegal conduct on a confidential basis.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Chairman of the ARMC (for matter relating to financial reporting, unethical or illegal conduct) or Head of Human Resources (for employment-related concerns).

5. Sustainability

The Board is mindful/aware of the importance of business sustainability, and takes into consideration the impact on the environmental, social and governance (“ESG”) aspects in conducting the Group’s businesses. The Group also embraces sustainability in its operations. The Group continuously and constantly monitors the targets and performances of the ESG and if necessary, communicates to all the stakeholders of the Group.

6. Clear Functions of the Board and Management

There is a clear division of functions between the Board and the Management to ensure that no single individual or group dominates the decision-making process.

The Executive Chairman leads the Board and is responsible for the leadership, effectiveness, conduct and governance of the Board.

The Managing Director executes the Group’s business plans, policies and decisions adopted by the Board and oversees as well as manages the day-to-day operations of the Group. The heads of divisions are responsible for supporting and assisting the Managing Director in implementing and running the Group’s day-to-day business.

The Independent Non-Executive Directors are actively involved in the various Board Committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance and controls. They provide a broader view, independent assessment and opinions on management proposals.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

7. Clear Division of Roles

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 Managing Director are held by separate members of the Board as recommended under the Code.

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 adherence to 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.

8. Directors’ Training

All Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training programmes, conferences, seminars, exhibitions and/or forums to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

During the financial year, our Board members attended several relevant seminars, exhibitions, forums and training programmes as follows:

- SCxSC Fintech Conference 2021
- SC Capital Market Cyber Simulation 2021: Debrief and Closing Session 3 2021
- Domestic Investment Seminar 2022
- Business Growth through the Malaysian Capital Market
- Inaugural Corporate Governance Awareness Campaign
- 2022 AOB Conversation with Audit Committees
- Leadership Skills for Developing and Leading High Performing Teams

The Board will continuously evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

9. Qualified and Competent Company Secretary

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 as a matter for the Board as a whole to decide. The Company Secretaries ensure that all Board and Board Committee meetings are properly convened and that records of the deliberations, proceedings and resolutions passed are properly recorded and statutory registers are properly maintained at the registered office of the Company.

The full Board or in their individual capacity in furtherance of their duties, shall be able to obtain an independent professional advice at the Company’s expense through an agreed procedure laid down formally.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

10. Access to Information and Advice

The Board has access to information within the Group and the advice and services of the Company Secretary. The Directors may obtain independent professional advice to enhance their duties whenever necessary at the Company's expense, subject to approval by the Chairman or the Board and depending on the quantum of the fees involved.

Board members are provided with all meeting materials including updates on operational, financial and corporate issues as well as minutes of meetings of the various Board Committees at least five (5) business days prior to the meetings to enable Directors to obtain further explanations/clarifications, if necessary, in order to ensure the effectiveness of the proceeding of the meetings.

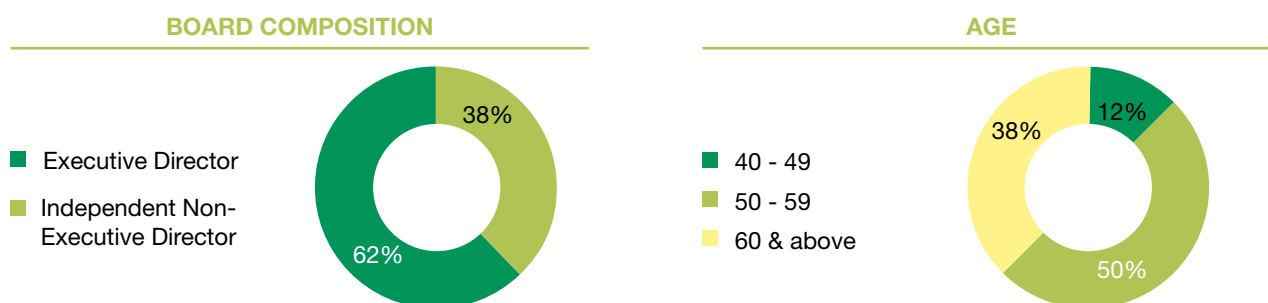
II. BOARD COMPOSITION

1. Composition and Diversity

During the financial year, the Board consists of eight (8) members comprising an Executive Chairman, four (4) Executive Directors and three (3) Independent Non-Executive Directors. This composition fulfills the requirements as set out in Paragraph 15.02(1) of the Main Market Listing Requirement ("MMLR") of Bursa Securities, which requires that at least two or one-third of the Board members, whichever is the higher, comprises Independent Non-Executive Directors.

The Board has every intention of meeting the Corporate Governance Blueprint 2011 on increasing women's participation to reach 30%. A Diversity Policy was adopted by the Board on 21 January 2015. The Board however believes that it is more important to have the right mix and skills at the Board instead of merely looking at percentages in order to carry out its duties effectively. The Board had in 2021 appointed a woman director to fill a casual vacancy and at the end of financial year 2022, there are two (2) female Independent Directors on Board.

The Directors, with their diverse backgrounds and specialisation, collectively bring with them a wide range of experience and expertise in relevant fields which are vital for the strategic success of the Group. The profile of each Director is presented on pages 4 to 6 of this Annual Report. The summary of Board composition as at 12 January 2023 is set out below:-



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

The Board acknowledges that the current composition of the Board does not meet the recommendation of Practice 5.2 of the MCCG 2021, which requires at least half of the Board comprises Independent Directors. However, the NC is of the view that the current Board size and composition is appropriate and effective, taking into account the nature and scope of the Company's operations. The Board opines that there is sufficient balance of independent and non-independent directors on the Board such that decisions made are fully discussed and examined, taking into account the interests of all stakeholders. The Board has been able to discharge its duties professionally and effectively, and uphold good governance in its conduct. The Board will constantly review the recommendations and work towards adoption of corporate governance best practices. The Board is also 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. Nevertheless, the Board will consider increasing the number of Independent Directors should there be a suitable candidate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Non-Independent Chairman

Our Executive Chairman, although not an independent member of the Board, provides strong leadership and objective judgement with regard to ensuring the adequacy and effectiveness of the Board's governance process. He is a founding member of the Group and has vast knowledge and experience in the industry that we are operating in. He has also been actively engaging with the investing community since the listing of our Company. Our Board is of the view that the separation of the positions of the Chairman and the Managing Director together with the independent directors, provide further assurance that there is a balance of power and authority on the Board, and effective stewardship of the Company in terms of strategies and business performance.

3. NC

The role of the NC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, professional expertise and character.

The NC comprises exclusively Non-Executive Directors who are independent. At the end of financial year, the members are as follows:-

Chairperson	:	Ms Anita Chew Cheng Im
Members	:	Dato' Abu Bakar Bin Mohd Nor Ms Teh Su-Ching

The Board had in January 2023 re-designated Dato' Abu Bakar Bin Mohd Nor, an Independent Non-Executive Director of the Company as Chairman of the NC whilst Ms Anita Chew Cheng Im be re-designated as member of the NC.

The Board does not consider it is 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.

During the financial year ended 30 September 2022, the NC undertook the following activities in the discharge of its duties:

- Reviewed and assessed the performance and effectiveness of the Board as a whole and Board committees;
- Reviewed the terms of office and performance of the ARMC and each of its members to determine such ARMC and members have carried out their duties in accordance with their terms of reference;
- Reviewed the independence of Independent Directors;
- Reviewed and recommended to the Board to put forth the proposal for the re-election of directors at the forthcoming AGM;
- Reviewed and discussed the succession planning of the Board and Senior Management in order to ensure that there are appropriate plans in place to fill vacancies and to meet the Group's future needs;
- Reviewed and assessed Directors' training needs;
- Reviewed the revised Terms of Reference of the NC;
- Reviewed the revised Assessment and Evaluation Forms of the Board, Board Committees, External Auditors and Internal Auditors; and
- Reviewed the Directors' Fit and Proper Policy.

4. Appointment to the Board and Re-election of Directors

The Board delegates to the NC the responsibility of recommending the appointment of any new Director. The NC is responsible to ensure that the procedure for appointing new Directors is transparent and that appointments are made on merit.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

4. Appointment to the Board and Re-election of Directors (Cont'd)

Following the amendments made to MMLR of Bursa Securities, the Board had in June 2022 adopted a Directors' Fit and Proper Policy which set out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Company.

In evaluating the suitability of candidates for the Board, the NC reviews the completed Fit and Proper Self-declaration Form and ensures that the candidates possess the necessary background, skills, professional expertise and character. During the financial year under review, there was no new appointment of Director.

The Company's Constitution provides that at least one-third of the Directors be subject to retirement by rotation at each AGM, and that all Directors retire once every three years and be eligible to offer themselves for re-election. The Constitution also provides that a Director who is appointed during the year be subject to re-election at the next AGM following his appointment.

The NC is also responsible to conduct the fit and proper assessments on the Directors who are due for retirement at the AGM. Based on the assessment, the NC and the Board satisfied with the performance of the Directors namely Mr Thoo Chow Fah, Mr Choo Wing Hong and Mr Lee Tian Yoke who will be subjected to retiring by rotation pursuant to Clause 95 of the Company's Constitution and being eligible, offered themselves for re-election.

5. Annual Evaluation

The assessment criteria of the Board and Board committees include an evaluation of the size and composition of the Board and Board committees, access to information, accountability, processes, Board's and Board committees' performance in relation to discharging its principal responsibilities, communication with Management and standards of conduct by the directors and committee members.

The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaire on a yearly basis. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant directors for re-election at the AGM.

The NC assessed the effectiveness of the Board, its Committees and the contribution of each Director by identifying the strengths and weaknesses of the Board on 16 November 2022.

6. Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinions, advice and judgement to ensure the interests of the Group, shareholders, employees, customers and other communities where the Group conducts its businesses are well represented and taken into account.

On 16 November 2022, the Board through the NC, has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the MMLR for the financial year ended 30 September 2022.

The current Independent Directors of the Company have fulfilled the criteria for "independence" as prescribed under Paragraph 1.01 and Practice Note 13 of the MMLR. The Company has also fulfilled the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

7. Tenure of Independent Directors

The Board does not establish any policy to fix the term limits for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that the Independent Directors' continued contribution, especially their invaluable knowledge of the Group and its operations gained through the years, will provide stability and benefits to the Board and the Company as a whole. The calibre, qualification, experience and personal qualities, and more importantly, the Director's integrity and objectivity in discharging his/her responsibilities in the best interest of the Company, predominantly determines the ability of the Director to serve effectively as an Independent Director.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

7. Tenure of Independent Directors (Cont'd)

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmation on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

Ms Anita Chew Cheng Im has served the Company as Independent Non-Executive Director for a cumulative term of fifteen (15) years. Pursuant to the mandatory twelve (12) years tenure limit for independent directors introduced via the enhanced Main Market Listing Requirements of Bursa Securities, all long serving Independent Directors of more than 12 years must resign or be re-designated as a non-Independent Directors on or before 1 June 2023.

Ms Anita Chew Cheng Im has expressed her wish to resign as an Independent Non-Executive Director before 1 June 2023. Subsequent to her resignation, none of the independent directors have served beyond nine (9) years.

III. REMUNERATION

The RC currently comprises the following members:

Chairman	:	Dato' Abu Bakar Bin Mohd Nor
Members	:	Ms Anita Chew Cheng Im
		Ms Teh Su-Ching

The primary functions of the RC are setting up the policy framework and recommending remuneration packages and other terms of employment of the executive directors to the Board. The remuneration of Executive Directors who incidentally are also our top 5 key management is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to effectively manage the business of the Group. The Executive Directors' remuneration are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken. The RC shall also abide to the Directors' Remuneration Policy in recommending the remuneration packages of the Directors.

The remuneration for the Independent Non-Executive Directors is decided by the Board as a whole, with the Director concerned abstaining from deliberations and voting on the decision of his/her individual remuneration package. The Board recommends the Directors' fees and benefits payable to Independent Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

Details of the Director Remuneration for the financial year ended 30 September 2022 are as follows:

Name	Salary (RM)	Fee (RM)	Other Emolument (RM)	Defined Contribution Plan (RM)	Share Based Payment (RM)
Mr Thoo Chow Fah	760,000	-	169,793	101,400	-
Mr Choo Wing Hong	1,026,000	-	170,507	135,980	-
Mr Choo Wing Onn	760,000	-	146,723	101,400	-
Mr Lee Tian Yoke	760,000	-	145,923	101,400	-
Mr Choo Wing Yew	760,000	-	146,423	101,400	-
Ms Anita Chew Cheng Im	-	92,400	7,500	-	-
Dato' Abu Bakar Bin Mohd Nor	-	92,400	7,500	-	-
Ms Teh Su-Ching	-	92,400	7,500	-	-
Total	4,066,000	277,200	801,869	541,580	-

For the financial year under review, the Directors of the Company do not receive any remuneration from the subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. ARMC

The ARMC comprises three (3) Independent Non-Executive Directors and all of them are financial literate and have sufficient understanding of the Group's business. The Chairman of the ARMC is not the Chairman of the Board ensuring that the impairment and objectivity of the Board's review of the ARMC findings and recommendations remain intact. The ARMC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the external auditors guided by the factors as prescribed under Paragraph 15.21 of the MMLR.

The ARMC's Term of Reference sets out its rights, duties, responsibilities and criteria on the composition of ARMC which includes a former key audit partner to observe cooling-off period of at least 3 years before being able to be appointed as member of ARMC.

The NC reviews the composition of the ARMC annually and recommends to the Board for approval ensuring that only Non-Executive Directors, majority of whom shall be Independent Directors, who are financially literate and are able to understand matters under the purview of the ARMC including financial reporting process are considered for membership on ARMC. All members of the ARMC undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The external auditors had met the ARMC without the presence of the executive Board members and management twice during the financial year (i.e. 22 February 2022 and 19 August 2022 respectively) on matters relating to the Group and its audit activities. During such meetings, the external auditors highlighted and discussed the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board.

The Company has also adopted the External Auditors Assessment Policy which outlined the guidelines and procedures for the ARMC to review, assess and monitor performance, suitability and independence of the external auditors. The ARMC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to ensure that does not give rise to a conflict of interest situation.

For the financial year ended 30 September 2022, fees paid to the external auditors, Crowe Malaysia PLT and its affiliated firms by the Company and the Group are stated in the table below:-

Nature of Services	Company (RM)	Group (RM)
Audit	63,000	319,000
Non-Audit	13,000	13,000
Total	76,000	332,000

2. Risk Management and Internal Control Framework

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. The Company had in August 2020 adopted Group Risk Management Policies and Procedures which articulates the organisation's risk management philosophy, the processes and practices that are in place to identify, communicate and manage material risk across the organisation.

The Group has engaged Cirrus Consulting Sdn Bhd to review the key risks over the strategic operation, reporting and compliance aspects to ensure proper management and mitigation of weakness.

Tricor Axcelasia Sdn Bhd was also appointed to carry out internal audit function and reports directly to the ARMC. The resources and scope of work covered by the internal audit function during the financial year under review, including its observation and recommendations, is provided in the Audit & Risk Management Committee Report of this Annual Report.

Details of the internal audit function together with the scope of the Group's internal control functions are set out in the Statement on Risk Management and Internal Control and ARMC Report of this Annual Report.

The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC.

Further information may be found in the Statement on Risk Management and Internal Control.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Company has established a corporate disclosure policy, which is made available on the corporate website, to ensure accurate, clear, timely and high quality disclosure of material information. To augment the process of disclosure, the Board has a section on the Company's website that provides the salient features of the Board Charter, Terms of Reference of each committee and the Company's Annual Report.

2. Conduct of general meeting

The AGM is the principal forum for dialogue and interaction with shareholders. At the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. The Executive Chairman, Managing Director, and Chairmen of each Board Committee and when necessary, the external auditors, are available to provide explanations on queries raised by shareholders and proxies during the general meetings. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. The Notice of AGM was circulated more than 28 days before the date of the meeting to enable shareholders to make the necessary arrangements to attend the AGM and go through the Annual Report and papers supporting the resolutions proposed. Such practice is in line with Practice 13.1 of the MCCG 2021.

3. Poll Voting

The Company has implemented poll voting for all the resolutions set out in the Notice of the general meetings of the Company to expedite verification and counting of votes. In addition, the Company appointed scrutineer to validate the votes cast at the general meetings.

Due to the Covid-19 outbreak and as part of the safety measures, the Company had conducted its fully virtual Eighteenth AGM in 2022 through live streaming from broadcast venue using Remote Participation and Voting ("RPV") facilities via TTIH Online Website at <https://tthh.online>. This is in line with the Guidance Note on the Conduct of General Meeting for Listed Issuers issued by the Securities Commission Malaysia. Shareholders used the RPV facilities to participate and vote remotely at the AGM. Shareholder who is unable to participate in the meeting is allowed to appoint his/her proxy or Chairman of the meeting as his/her proxy and indicate the voting instruction in the proxy form.

4. Communication and Engagement with Shareholders and Prospective Investors

The Group recognises the need to inform the shareholders of all significant developments concerning the Group on a timely basis, with strict adherence to the MMLR. Shareholders and prospective investors are kept informed of all major developments within the Group by way of announcements via the Bursa Link, the Company's Annual Reports, website and other circulars to shareholders with an overview of the Group's financial and operational performance.

FOCUS AREA ON CORPORATE GOVERNANCE

Corporate governance was clearly imperative for the Group against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices. Against the aforementioned setting, during the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders and addressing sustainability risks and opportunities for the Group.

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised by the Board will be those principles which have not been adopted by the Company as disclosed in the CG Report.

This Statement together with the CG Report was approved by the Board on 12 January 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the report of the Audit and Risk Management Committee ("ARMC") for the financial year ended 30 September 2022.

MEMBERSHIP

The members of ARMC are Non-Executive Directors with all of them being Independent Directors, namely:

Chairperson	: Ms Anita Chew Cheng Im (<i>Independent Non-Executive Director</i>)
Members	: Dato' Abu Bakar Bin Mohd Nor (<i>Independent Non-Executive Director</i>)
	: Ms Teh Su-Ching (<i>Independent Non-Executive Director</i>)

Ms Anita Chew Cheng Im, who is the Chairperson of the ARMC, holds a Bachelor of Economics Degree, majoring in Accounting. Dato' Abu Bakar Bin Mohd Nor is a Chartered Accountant, Institute of Chartered Accountant, England and Wales, whilst Ms Teh Su-Ching is a fellow member of the Association of Chartered Certified Accountants (ACCA), a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). This statement is made in compliance with Paragraph 15.09 (1)(c)(i) of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

MEETINGS OF THE ARMC

The ARMC met 6 times during the financial year ended 30 September 2022. The details of their attendance at meetings are as follows:-

Audit Committee	Number of Meetings Attended
Anita Chew Cheng Im (<i>Chairperson</i>)	6/6
Dato' Abu Bakar Bin Mohd Nor	6/6
Teh Su-Ching	6/6

The Terms of Reference of the ARMC is made available on the corporate website at www.notionvtec.com.

SUMMARY OF WORK OF THE ARMC

In discharging its functions and duties in accordance with its Terms of Reference, the ARMC had carried out the following work during the financial year ended 30 September 2022:-

1. At their meetings held on 22 February 2022 and 19 August 2022, the ARMC met with the external auditors in the absence of the Executive Board Members and Management to discuss on any significant audit issues which may have arisen in the course of their audit of the Group.
2. The ARMC had ensured that the quarterly financial results of the Group complied with the Malaysian Financial Reporting Standard ("MFRS") and Appendix 9B of the MMLR. The quarterly financial results for the fourth quarter ended 30 September 2021, first quarter ended 31 December 2021, second quarter ended 31 March 2022 and third quarter ended 30 June 2022 were reviewed by the ARMC at their meetings held on 30 November 2021, 22 February 2022, 26 May 2022 and 19 August 2022.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE ARMC (CONT'D)

3. The ARMC received and discussed the Internal Audit Reports containing the audit findings and recommendations made by the internal auditors on weaknesses in the systems of internal control and the Management responses on those issues. The ARMC monitored the progress on the corrective actions taken by the Management on a quarterly basis until it is satisfied that the weaknesses identified had been adequately addressed.
4. The ARMC reviewed the Enterprise Risk Management Report of the Group which prepared by the outsourced Risk Management Advisers so that to understand the risk profiles and performance of the business units.
5. At their meeting held on 19 August 2022, the ARMC met with the internal auditors in the absence of the Executive Board Members and Management to discuss on any significant audit issues which may have arisen in the course of their audit of the Group.
6. The Related Party Transactions, if any of the Group was reviewed by the ARMC at every quarterly meeting. The ARMC was satisfied that all Related Party Transactions were within arm's length, fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders.
7. At their meetings held on 29 November 2021 and 30 November 2021, the ARMC reviewed and discussed the following, amongst others:-
 - a. The Audit Review Memorandum by the External Auditors on the significant audit findings in respect of their audit of the Group for the financial year ended 30 September 2021.
 - b. Internal Audit Planning Memorandum for year 2021.
 - c. Update on the Enterprise Risk Management Report.
 - d. The quarterly financial results of the Group for the period ended 30 September 2021.
 - e. Related Party Transactions.
8. At their meeting held on 20 January 2022, the ARMC reviewed and discussed the following:-
 - a. The Audited Financial Statements for the financial year ended 30 September 2021.
 - b. The Audit Review Memorandum for the financial year ended 30 September 2021 by the External Auditors.
 - c. Reports for inclusion in the 2021 Annual Report, i.e. Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report.
 - d. Audit fee and non-audit services and fees incurred for the financial year ended 30 September 2021.
 - e. The assessment of the performance and independence of the External Auditors for the financial year ended 30 September 2021.
 - f. The assessment on the adequacy of the scope, functions, competency and resources of the internal audit functions.
 - g. Proposed re-appointment of Messrs Crowe Malaysia PLT as External Auditors for the financial year ended 30 September 2022 to the Board of Directors and subsequently to obtain the shareholders' approval.
 - h. The revised Terms of Reference of the ARMC.
9. At their meeting held on 22 February 2022, the ARMC reviewed and discussed the following:-
 - a. The quarterly financial results of the Group for the period ended 31 December 2021.
 - b. Related Party Transactions.
 - c. The Internal Audit Reports.
 - d. The Enterprise Risk Management Report.
 - e. Met with External Auditors without presence of the Executive Board members and Management of the Company.
 - f. Registers in relation to the Anti-Bribery and Corruption Policy.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE ARMC (CONT'D)

10. At their meeting held on 26 May 2022, the ARMC reviewed and discussed the following:-

- a. The quarterly financial results of the Group for the period ended 31 March 2022.
- b. Internal Audit Reports.
- c. Related Party Transactions.
- d. Registers in relation to the Anti-Bribery and Corruption Policy.

11. At their meeting held on 19 August 2022, the ARMC reviewed and discussed the following:-

- a. Internal Audit Reports.
- b. Internal Audit Planning Memorandum for the financial year 2022.
- c. The quarterly financial results of the Group for the period ended 30 June 2022.
- d. Audit Plan by the External Auditors for the financial year ended 30 September 2022.
- e. Met with Internal Auditors without presence of the Executive Board members and Management of the Company.
- f. Met with External Auditors without presence of the Executive Board members and Management of the Company.
- g. Related Party Transactions.
- h. Registers in relation to the Anti-Bribery and Corruption Policy.
- i. The Enterprise Risk Management Report.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by an independent external firm of professional Internal Auditors, Tricor Axcelasia Sdn Bhd, headed by its Director, Mr Chang Ming Chew, who is a certified internal auditor and a professional member of the Institute of Internal Auditors Malaysia (IA), which reports directly to the ARMC on its activities based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

The principal role of IA is to provide the ARMC with reports on the state of internal controls of the operating entities within the Group and the extent of compliance of such entities within the Group's established policies and procedures.

During the financial year under review, IA conducted series of audit assignments on entities in all operating segments of the Group.

The objective of internal audit is to assist the ARMC by independently evaluating and improving the effectiveness of the system of internal controls.

The main audit assignments were:

- Review of the Information Technology Governance Framework of Notion Venture Sdn Bhd;
- Review of the Financial Reporting Function of the Group; and
- Review of the Inventory Quantities Management (Raw Materials and Finished Goods) of Notion Venture Sdn Bhd and Notion International (M) Sdn Bhd.

Further details of the activities of internal audit function are set out in the Statement on Risk Management and Internal Control.

The cost incurred for the internal audit function of the Group for the financial year ended 30 September 2022 was RM66,000.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintain a sound system of risk management and internal control within the Group in order to safeguard shareholders' investments and the Group's assets. Pursuant to Paragraph 15.26(b) of the MMLR, the Board is pleased to provide this statement on risk management and internal control which is prepared in accordance with the guidelines set out in the Institute of Internal Auditors Malaysia's Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY OF THE BOARD

The Board affirms its overall responsibility for maintaining a sound system of risk management and internal control and for reviewing their adequacy and integrity so as to safeguard all its stakeholders' interests and to protect the Group's assets. These systems cover inter-alia, financial, operational and compliance systems controls and risk management. However, in view of the limitations that are inherent in any system of risk management and internal control, the system is designed to manage rather than to totally eliminate the risk of failure to achieve the Group's business activities.

Accordingly, the system of risk management and internal controls can only provide reasonable but not absolute assurance against material misstatement of losses and fraud.

The Board is pleased to disclose that there is an on-going systematic process in place for identifying, evaluating and managing the various diverse risks faced by the Group throughout the financial year under review. This process includes enhancing and regularly reviewing the system of risk management and internal control as and when there are changes to the business environment or regulatory guidelines.

The Board has received assurance from the Managing Director and Executive Director in charge of Finance that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the management of principal risks plays 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 potential risks are adequately addressed at various levels within the Group including but not limited to the effects of natural disasters, rioting by workers, fire, acts of sabotage and other debilitating incidents.

The Board believes that the sound system of risk management and internal control is built on a clear understanding and appreciation of the Group's risk management framework with the following key elements:

- risk management is embedded in the Group's management and operational framework and the employees are exposed and subjected to trainings on the Group's policies and procedures;
- risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats; and
- regular reporting and monitoring activities emphasise accountability and responsibility for managing risks.

The Board appointed Cirrus Consulting Sdn Bhd, an independent firm to assist the management in improving the current Risk Management Framework.

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The system of Group's risk management and internal control which is in placed during the financial year, encompasses, inter-alia, the following:

- ISO 9001:2008 Quality Management Systems has been implemented for the Company's main subsidiary, Notion Venture Sdn Bhd, where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by management and annual surveillance audits are conducted by an independent certification body to provide a high assurance of compliance;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

- A strategic planning and an annual budgeting process have been established and monitored on a regular basis;
- An organisational structure with defined responsibilities and delegation of authorities for committees of the Board and the management committee;
- Companies' policies and procedures, which set out guidelines and the expected standards for the Group's operations are under regular review and update so as to maintain its effectiveness at all times;
- Operational review meetings are held and attended by the executive directors and the department heads to access the performance of the Group's operations; and
- Regular production meetings which involved the senior production management and related units to promptly address any production problems faced.

INTERNAL AUDIT FUNCTION

The internal audit function has the primary objective of carrying out reviews of the internal control systems to determine if the internal control procedures have been complied with as well as to make recommendations to strengthen the system so as to foster a strong management control environment.

The Board is fully aware of the importance of the internal audit function and has engaged an independent professional firm (IA Firm) to provide independent assurance the Board requires on the effectiveness and efficiency of the Group's system of risk management and internal control.

The IA Firm adopts a risk based approach and prepares its audit strategy and plan based on the risk profiles from the risk assessment of the business units of the Group. Scheduled internal audits are carried out based on the annual audit plan approved by the ARMC.

On a quarterly basis, the IA Firm presents the ARMC with the internal audit reports which summarise the audit approach, scope, key risks, significant audit findings, the overall opinion for the internal control review and recommendations.

During the year under review, there was some weaknesses detected in certain divisions. The Management has subsequently addressed some of the issues and the others are being attended to for which a follow-up of the findings will be conducted.

The cost of internal audit function for the financial year ended 30 September 2022 was RM66,000.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this statement on risk management and internal control for inclusion in the Annual Report of the Company for the financial year ended 30 September 2022 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control ("the Statement") intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

STATE OF RISK MANAGEMENT AND INTERNAL CONTROL

The existing system of risk management and internal control has operated adequately for the financial year ended 30 September 2022 and up to the date of issuance of the financial statements.

Although there were certain weaknesses detected during the process of the internal audit function, the management is committed to rectify these weaknesses and follow up reviews will be constantly performed.

The Board is committed towards operating a sound system and will strive for continuous improvement where necessary, to further enhance the said system.

The Board is satisfied with the adequacy, effectiveness and integrity of the Group's system of risk management and internal control system.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 30 September 2022. All values shown in this report are rounded to the nearest thousand ("RM'000") except where otherwise indicated.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and providing management services to its subsidiaries. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	9,379	(18,346)

DIVIDENDS

No dividends were recommended, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

SHARE OPTIONS

The shareholders of the Company, by a resolution passed at the Extraordinary General Meeting held on 23 February 2017, approved the Long Term Incentive Plan comprising ESOS and Executive Share Grant Scheme. The ESOS became effective on 24 February 2017. The Board has subsequently approved for an extension of the Long Term Incentive Plan for another five (5) years commencing 24 February 2022.

The principal features of the ESOS and the movements in the number of options during the financial year are disclosed in Note 12 to the financial statements.

WARRANTS

On 14 March 2018, the Company issued 33,063,385 free Warrants-C on the basis of 1 warrant for every 10 existing ordinary shares held by shareholders of the Company.

The salient features of Warrants-C are as follows:

- (i) The warrants may be exercised at any time after the date of issue of the warrants until the expiry date which is the date occurring on the fifth (5th) anniversary of the issue of the warrants.
- (ii) Subject to adjustments, in accordance with the Deed Poll, during the exercise period each warrant entitles its registered holder to subscribe for one (1) new ordinary share at an exercise price of RM0.84 at any time from the date of issue up to the expiry date.



DIRECTORS' REPORT (CONT'D)

WARRANTS (CONT'D)

Pursuant to the Bonus Issue and Free Warrants Issue, an additional 16,529,337 Warrants-C ("Additional Warrants-C") were issued, whereby a holder of 2 existing Warrants-C received 1 new Warrants-C, and the exercise price of the Warrants-C was revised from RM0.84 to RM0.56 per Warrants-C with effect from 18 May 2020.

During the financial year, none of the Warrants-C was converted to ordinary shares. The number of outstanding Warrants-C as at 30 September 2022 was 49,588,723. The Warrants-C will expire on 14 March 2023.

BAD AND DOUBTFUL DEBTS

Before the financial statements were prepared, 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 impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of the allowance for impairment losses on receivables inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would 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

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or the Company which 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 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 the Company to meet their obligations when they fall due.

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 which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (CONT'D)

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and 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 results of the operations of the Group or the Company for the financial year in which this report is made.

DIRECTORS

The directors in office since the beginning of the financial year are:-

Thoo Chow Fah
 Choo Wing Hong
 Choo Wing Onn
 Choo Wing Yew
 Lee Tian Yoke
 Anita Chew Cheng Im
 Dato' Abu Bakar Bin Mohd Nor
 Teh Su-Ching

The directors of the Company's subsidiaries who served since the beginning of the financial year and up to the date of this report are similar to those disclosed above.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:-

Name of Director	Number of Ordinary Shares			Balance at 30.9.2022
	Balance at 1.10.2021	Bought	Sold	
Thoo Chow Fah				
- Direct	19,871,301	-	-	19,871,301
- Indirect *	1,582,962	-	-	1,582,962
Choo Wing Hong				
- Direct	35,782,939	3,390,000	-	39,172,939
Choo Wing Onn				
- Direct	42,521,766	-	(8,500,000)	34,021,766
Choo Wing Yew				
- Direct	13,649,887	-	-	13,649,887
Lee Tian Yoke				
- Direct	17,976,446	-	-	17,976,446
Dato' Abu Bakar Bin Mohd Nor				
- Direct	41,689	-	-	41,689
Anita Chew Cheng Im				
- Direct	450,000	-	-	450,000
Teh Su-Ching				
- Direct	5,000	-	-	5,000

* Deemed interested through spouse's shareholdings in the Company.



DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Name of Director	Number of Share Options		
	Balance at 1.10.2021	Granted	Exercised
Thoo Chow Fah	2,100,000	-	-
Choo Wing Hong	3,600,000	-	-
Choo Wing Onn	1,500,000	-	-
Choo Wing Yew	2,400,000	-	-
Anita Chew Cheng Im	450,000	-	-
Dato' Abu Bakar Bin Mohd Nor	750,000	-	-

Name of Director	Number of Warrants-C		
	Balance at 1.10.2021	Bought	Sold
Thoo Chow Fah			
- Indirect *	100,000	-	-
Choo Wing Yew			
- Direct	323,208	-	-
Dato' Abu Bakar Bin Mohd Nor			
- Direct	4,168	-	-

* Deemed interested through spouse's shareholdings in the Company.

Save as disclosed above, none of the other directors in office at the end of the financial year held any interests in shares, share options and Warrants-C in the Company or its related corporation during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration disclosed in Note 21 to the financial statements) 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 the director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of certain related party transactions as disclosed in Note 25 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement, apart from the Company's ESOS, 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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amounts of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM14,500 respectively.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 31 to the financial statements.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

The details of the auditors' remuneration for the financial year are as follows:

	Group RM'000	Company RM'000
Audit fees	319	63
Non-audit fees	13	13
	<hr/> 332	<hr/> 76

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 18 JANUARY 2023**

Thoo Chow Fah

Choo Wing Hong



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

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 68 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2022 and of their financial performance and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 18 JANUARY 2023**

Thoo Chow Fah

Choo Wing Hong

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Choo Wing Yew (MIA membership no.: 10180), 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 68 to 113 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovementioned Choo Wing Yew
at Klang in the State of Selangor Darul Ehsan
on this 18 January 2023

Choo Wing Yew

Before me

Tee Hsiao Mei
No: B 272
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NOTION VTEC BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Notion VTec Berhad, which comprise the statements of financial position as at 30 September 2022 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 113.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<u>Valuation of inventories (Refer to Notes 3 and 9 to the financial statements)</u> The Group carries significant inventories. Management periodically reviews the inventories for potential write-downs by considering their aging profile, estimation of market price fluctuations and net realisable value. These reviews involve judgements and estimation uncertainty in forming expectations about future assumptions, sales and demands.	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none">• Obtaining an understanding of:<ul style="list-style-type: none">• the Group's inventory management process;• how the Group identifies and assesses inventories write-downs; and• how the Group ascertains the accounting estimates for inventories write down.• Observing year end physical inventory count to examine physical existence and condition of the inventories.• Reviewing certain ageing analysis of inventories and testing the reliability thereof.• Examining the perpetual records for inventories movements and to identify slow moving items.• Making inquiries of management regarding the action plans to clear slow moving and obsolete inventories.• Reviewing net realisable value of certain inventories.• Evaluating the reasonableness and adequacy of inventories written down and written off.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF NOTION VTEC BERHAD

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><u>Impairment of property, plant and equipment (Refer to Note 4 to the financial statements)</u></p> <p>The Group carries significant property, plant and equipment. The Group reviewed its property, plant and equipment for indications of impairment and where such indications exist, the Group performed impairment test by engaging external independent valuer to determine the fair value less cost to sell.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • Evaluating whether the method used by the Group in measuring the recoverable amount is in accordance to the requirements of MFRS 136 Impairment of Assets. • Evaluating the qualifications and competency of the external independent valuer and discussing the scope of work with the external independent valuer to determine whether there were any matters that might have affected the external independent valuer's objectivity or placed limitations in their scope of work. • Making enquiries of and challenging on the key assumptions and inputs used in the measurement method. • Evaluating whether the key assumptions and inputs used are reasonable. • Testing the mathematical accuracy of the impairment assessment. • Assessing the adequacy of disclosure in the financial statements as required by the relevant accounting standards.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF NOTION VTEC BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF NOTION VTEC BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Shah Alam

18 January 2023

Cheah Siong Hon

03538/11/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	320,854	360,832	2	2
Right-of-use assets	5	2,482	3,205	-	-
Intangible assets	6	-	-	-	-
Investments in subsidiaries	7	-	-	83,779	83,779
Other investment	8	-	-	-	-
		323,336	364,037	83,781	83,781
CURRENT ASSETS					
Inventories	9	86,142	69,380	-	-
Receivables	10	114,027	82,738	140,895	154,718
Prepayments		1,295	1,003	-	-
Current tax assets		8,401	11,741	20	-
Cash and cash equivalents	11	18,123	22,707	1,560	1,345
		227,988	187,569	142,475	156,063
TOTAL ASSETS		551,324	551,606	226,256	239,844
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	211,145	211,145	211,145	211,145
Share option reserve		4,949	4,949	4,949	4,949
Currency translation reserve		(104)	3,244	-	-
Capital reserve		4,800	4,800	-	-
Retained profits		201,191	191,812	2,216	20,562
TOTAL EQUITY		421,981	415,950	218,310	236,656
NON-CURRENT LIABILITIES					
Loans and borrowings	13	23,291	34,771	-	-
Lease liabilities	14	1,597	2,061	-	-
Retirement benefits	15	798	693	-	-
Deferred tax liabilities	16	11,442	4,991	-	-
Deferred income on government grants	17	5,987	4,731	-	-
		43,115	47,247	-	-
CURRENT LIABILITIES					
Loans and borrowings	13	28,458	31,261	-	-
Lease liabilities	14	1,221	1,347	-	-
Payables	18	56,165	55,757	7,946	3,187
Current tax liabilities		384	44	-	1
		86,228	88,409	7,946	3,188
TOTAL LIABILITIES		129,343	135,656	7,946	3,188
TOTAL EQUITY AND LIABILITIES		551,324	551,606	226,256	239,844

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



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Revenue	19	334,146	352,915	6,240	6,240
Cost of sales		(302,013)	(325,563)	-	-
Gross profit		32,133	27,352	6,240	6,240
Other income		50,828	16,545	55	114
		82,961	43,897	6,295	6,354
Marketing and distribution expenses		(8,288)	(10,168)	-	-
Administrative and other operating expenses		(51,526)	(39,486)	(24,638)	(8,238)
Finance costs		(4,171)	(4,515)	(3)	(2)
Profit/(Loss) before tax	20	18,976	(10,272)	(18,346)	(1,886)
Tax (expense)/reversal	22	(9,597)	2,462	-	(20)
Profit/(Loss) for the financial year		9,379	(7,810)	(18,346)	(1,906)
Other comprehensive income:-					
<i>Item that will be reclassified subsequently to profit or loss:-</i>					
Currency translation differences for foreign operation		(3,348)	(5,128)	-	-
Total other comprehensive expense for the financial year		(3,348)	(5,128)	-	-
Total comprehensive income/(expense) for the financial year		6,031	(12,938)	(18,346)	(1,906)
Earnings/(Loss) per share:	23				
- Basic (sen)		1.82	(1.52)		
- Diluted (sen)		1.82	(1.52)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

Group	Non-distributable			Distributable			Total Equity RM'000
	Share Capital RM'000	Share Option Reserve RM'000	Currency Translation Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	
Balance at 1 October 2020	208,850	5,630	8,372	4,800	1,960	197,662	427,274
Currency translation differences for foreign operation	-	-	(5,128)	-	-	-	(5,128)
Total other comprehensive expense for the financial year	-	-	(5,128)	-	-	-	(5,128)
Loss for the financial year	-	-	-	-	-	(7,810)	(7,810)
Total comprehensive expense for the financial year	-	-	(5,128)	-	-	(7,810)	(12,938)
Issuance of shares pursuant to ESOS	2,295	(681)	-	-	-	-	1,614
Realisation of revaluation reserve	-	-	-	-	(1,960)	1,960	-
Total transactions with owners	2,295	(681)	-	-	(1,960)	1,960	1,614
Balance at 30 September 2021/ 1 October 2021	211,145	4,949	3,244	4,800	-	191,812	415,950
Currency translation differences for foreign operation	-	-	(3,348)	-	-	-	(3,348)
Total other comprehensive expense for the financial year	-	-	(3,348)	-	-	-	(3,348)
Profit for the financial year	-	-	-	-	-	9,379	9,379
Total comprehensive (expense)/income for the financial year	-	-	(3,348)	-	-	9,379	6,031
Balance at 30 September 2022	211,145	4,949	(104)	4,800	-	201,191	421,981

Company	Non-distributable		Distributable	
	Share Capital RM'000	Share Option Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1 October 2020	208,850	5,630	22,468	236,948
Loss for the financial year (representing total comprehensive expense)	-	-	(1,906)	(1,906)
Issuance of shares pursuant to ESOS	2,295	(681)	-	1,614
Total transactions with owners	2,295	(681)	-	1,614
Balance at 30 September 2021/1 October 2021	211,145	4,949	20,562	236,656
Loss for the financial year (representing total comprehensive expense)	-	-	(18,346)	(18,346)
Balance at 30 September 2022	211,145	4,949	2,216	218,310

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before tax	18,976	(10,272)	(18,346)	(1,886)
Adjustments for:-				
Amortisation of deferred income on government grants	(328)	(288)	-	-
Bad debts written off	951	-	-	-
Deposit written off	848	6	-	-
Depreciation of property, plant and equipment	31,344	33,405	-	-
Depreciation of right-of-use assets	1,627	1,269	-	-
Gain on disposal of intangible assets	-	(1,121)	-	-
Gain on disposal of plant and equipment	(975)	(147)	-	-
Impairment loss on amount owing by a subsidiary	-	-	16,980	-
Impairment loss on investment in a subsidiary	-	-	-	41
Fair value loss on other investment	-	500	-	500
Impairment loss on plant and equipment	13,863	-	-	-
Impairment loss on receivables	206	923	-	58
Increase in liabilities for retirement benefits	132	104	-	-
Insurance claims	-	(365)	-	-
Interest expense	3,645	4,039	-	-
Interest income	(76)	(231)	(13)	(114)
Inventories written down	4,919	3,159	-	-
Inventories written off	2,126	491	-	-
Plant and equipment written off	-	1	-	-
Reversal of impairment loss on receivables	(360)	(194)	-	-
Reversal of inventories written down	(2,793)	(844)	-	-
Unrealised gain on foreign exchange	(2,390)	(87)	-	-
Waiver of amount owing to a subsidiary	-	-	(41)	-
Operating profit/(loss) before working capital changes	71,715	30,348	(1,420)	(1,401)
Changes in:-				
Inventories	(21,014)	(25,273)	-	-
Receivables and prepayments	(33,226)	(2,114)	-	(58)
Payables	408	(4,772)	290	130
CASH FROM/(FOR) OPERATIONS	17,883	(1,811)	(1,130)	(1,329)
Payment for retirement benefits	(18)	-	-	-
Interest paid	(3,645)	(4,039)	-	-
Tax refund/(paid)	534	(2,262)	(21)	(8)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	14,754	(8,112)	(1,151)	(1,337)

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

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

		Group	Company	
Note	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Advances to subsidiaries	-	-	(3,157)	(31,221)
Interest received	76	231	13	114
Insurance claims received	-	365	-	-
Proceeds from disposal of plant and equipment	2,102	1,776	-	-
Proceeds from disposal of intangible assets	-	7,052	-	-
Purchase of property, plant and equipment	24	(7,129)	-	(2)
Purchase of other investment	-	(500)	-	(500)
NET CASH FOR INVESTING ACTIVITIES	(4,951)	(53,970)	(3,144)	(31,609)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES				
Advances from subsidiaries	-	-	4,510	-
Drawdown of hire purchase	24	11,340	-	-
(Decrease)/Increase in short-term loans and borrowings (net)	24	(5,045)	-	-
Grant received	17	1,584	-	-
Proceeds from issuance of shares	-	1,614	-	1,614
Repayment of lease liabilities	24	(1,494)	-	-
Repayment of hire purchase obligations	24	(13,775)	-	-
Repayment of term loans	24	(6,803)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(14,193)	3,720	4,510	1,614
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
	(4,390)	(58,362)	215	(31,332)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD				
	22,707	82,712	1,345	32,677
CURRENCY TRANSLATION DIFFERENCES				
	(194)	(1,643)	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD				
11	18,123	22,707	1,560	1,345

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are those of investment holding and providing management services to its subsidiaries. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan and its principal place of business is located at Lot 6123, Jalan Haji Salleh, Batu 5½ Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 January 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following MFRSs became effective for the financial year under review:-

MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

The initial application of the above MFRSs did not have any significant impacts on the financial statements of the Group.

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but not yet effective:-

MFRSs (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 101: <i>Non-current liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation of Financial Statements (Cont'd)

MFRSs (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
Amendments to MFRS 116: <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

2.2 Basis of Consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

- (a) the aggregate of:
 - (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary is recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, Plant and Equipment

Property, plant and equipment, other than freehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and capital work-in-progress are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.7.

Capital work-in-progress and freehold land are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Factory buildings	2% - 11%
Factory equipment and machinery	5% - 25%
Furniture, fittings and office equipment	10% - 30%
Motor vehicles	20%
Renovation	20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

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, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

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

2.4 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessee Accounting

Initial Recognition and Measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Leases (Cont'd)

Lessee Accounting (Cont'd)

Subsequent Measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.7.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

Lessor Accounting

When the Group or the Company acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group and the Company have not entered into any finance lease.

2.5 Investments in Subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.7.

2.6 Intangible Assets

Intangible assets of the Group consist of digital assets. Intangible assets are stated at valuation less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7.

Revaluations are made with sufficient regularity at the end of each reporting period such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period.

A revaluation increase is recognised in other comprehensive income and accumulated in equity as revaluation surplus or recognised in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease is recognised in profit or loss or recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the same asset.

2.7 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss or in respect of a revalued asset, treated as a revaluation decrease.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Impairment of Non-financial Assets (Cont'd)

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss or in respect of a revalued asset, treated as a revaluation increase. An impairment loss on goodwill is not reversed.

2.8 Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.9 Financial Assets

Financial assets of the Group and the Company consist of receivables and cash and cash equivalents.

Initial Recognition and Measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.14). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent Measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 Financial Instruments. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial Assets (Cont'd)

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.10 Financial Liabilities

Financial liabilities of the Group consist of payables, loans and borrowings and financial guarantee contracts.

Initial Recognition and Measurement

A financial liability is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus transaction costs.

Subsequent Measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

2.11 Functional and Foreign Currencies

Foreign Currency Transactions and Translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity as currency translation reserve.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Functional and Foreign Currencies (Cont'd)

Foreign Operations (Cont'd)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation are reclassified to profit or loss as part of the gain or loss on disposal.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

2.12 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.13 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Fair Value Measurement (Cont'd)

Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

The fair values of financial guarantee contracts are estimated based on probability-adjusted discounted cash flow analysis after considering the probability of default by the debtors (i.e. Level 3).

2.14 Revenue from Contracts with Customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.
- (v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sales of Goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Rendering of Services

The Company determines that the transfer of control of promised services generally coincides with the Company's performance as the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Company measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Other Income

Dividend income is recognised in profit or loss only when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income is recognised in profit or loss using the effective interest method.

Operating lease income is accounted for on a straight-line method over the lease term.

2.16 Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statements of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statements of comprehensive income.

2.17 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss in the period in which the associated services are rendered by the employee.

Defined Contribution Plans

Contributions to defined contribution plans are recognised in profit or loss in the period in which the associated services are rendered by the employee.

Defined Benefit Plans

The Group operates an unfunded final salary defined benefit plan for their employees in accordance with the local requirement prevailing in Thailand. The liability in respect of the defined benefit plan is the present value of the future benefits that employees have earned in return for their services rendered in the current and prior periods. The calculation is performed using the projected unit credit method, with actuarial valuations being carried out with sufficient regularity at an interval of not more than three years such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period. All components of defined benefit costs are recognised in profit or loss in the period in which they are incurred, except for re-measurements of the defined benefit liability which are recognised in other comprehensive income.

Share-based Payments

The Employees' Share Option Scheme ("ESOS") of the Company grants the Group's eligible employees options to subscribe for shares in the Company at pre-determined subscription prices. These equity compensation benefits are treated as equity-settled share-based payment transactions and recognised in profit or loss with a corresponding increase in equity over the vesting period as share option reserve. The total amount to be recognised is determined by reference to the fair value of the share options at grant date and the estimated number of share options expected to vest on vesting date.

Upon expiry or exercise of the share option, the share option reserve is transferred to retained profits and to share capital if new ordinary shares are issued, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Income Taxes

Income taxes for the financial year comprise current tax and deferred tax.

Current tax represents 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 by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit 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 to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.20 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand 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. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

2.21 Contingent Liabilities

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, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2.22 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Valuation of 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 may result in revisions to the valuation of inventories. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 9).

Impairment of Receivables

The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 10).

Impairment of Property, plant and equipment

The Group assesses whether there are any indicators of impairment on its property, plant and equipment and right-of-use assets at each reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

The Group has determined the recoverable amount of its CGU based on the higher of the value in use calculation and the fair value less costs of to sell.

The Group engaged an external independent valuer to determine fair value for one of its CGU as at 30 September 2022. The fair value was determined using the depreciated replacement cost method. The valuations have been performed by the valuer and are based on factors which affect the value such as location, accessibility, market conditions, size, age and asset conditions. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM'000	Factory equipment and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
Balance at 1 October 2020 (Restated)	136,692	437,567	18,600	7,610	41,844	3,905	646,218
Additions	124	56,380	2,706	291	3,235	158	62,894
Disposals	-	(7,527)	-	(15)	-	-	(7,542)
Write-offs	-	-	(8)	-	-	-	(8)
Transfer/Reclassification	-	3,366	-	-	-	(3,366)	-
Currency translation differences	(2,014)	(3,053)	(94)	(53)	(79)	(35)	(5,328)
Balance at 30 September 2021/ 1 October 2021 (Restated)	134,802	486,733	21,204	7,833	45,000	662	696,234
Additions	-	5,154	992	-	657	326	7,129
Disposals	-	(7,809)	-	-	-	-	(7,809)
Transfer/Reclassification	-	-	421	-	-	(421)	-
Currency translation differences	(290)	(470)	(31)	(8)	(488)	(1)	(1,288)
Balance at 30 September 2022	134,512	483,608	22,586	7,825	45,169	566	694,266
Depreciation and Impairment Losses							
Balance at 1 October 2020 (Restated)							
Accumulated depreciation	9,675	248,686	13,795	6,018	27,083	-	305,257
Accumulated impairment loss	-	3,602	210	94	646	-	4,552
	9,675	252,288	14,005	6,112	27,729	-	309,809
Depreciation	1,694	24,695	1,450	450	5,116	-	33,405
Disposals	-	(5,899)	-	(14)	-	-	(5,913)
Write-offs	-	-	(7)	-	-	-	(7)
Currency translation differences	(182)	(1,629)	(47)	(34)	-	-	(1,892)
Balance at 30 September 2021 (Restated)							
Accumulated depreciation	11,187	265,905	15,191	6,420	32,199	-	330,902
Accumulated impairment loss	-	3,550	210	94	646	-	4,500
	11,187	269,455	15,401	6,514	32,845	-	335,402



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land and buildings RM'000	Factory equipment and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
<u>Depreciation and Impairment Losses (Cont'd)</u>							
Balance at 1 October 2021 (Restated)	11,187	269,455	15,401	6,514	32,845	-	335,402
Depreciation	1,701	22,853	1,665	450	4,675	-	31,344
Impairment loss	666	13,197	-	-	-	-	13,863
Disposals	-	(6,682)	-	-	-	-	(6,682)
Currency translation differences	(47)	(445)	(15)	(8)	-	-	(515)
Balance at 30 September 2022							
Accumulated depreciation	12,841	281,631	16,841	6,862	36,874	-	355,049
Accumulated impairment loss	666	16,747	210	94	646	-	18,363
	13,507	298,378	17,051	6,956	37,520	-	373,412
<u>Carrying Amount</u>							
Balance at 1 October 2020 (Restated)	127,017	185,279	4,595	1,498	14,115	3,905	336,409
Balance at 30 September 2021 (Restated)	123,615	217,278	5,803	1,319	12,155	662	360,832
Balance at 30 September 2022	121,005	185,230	5,535	869	7,649	566	320,854

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group as at the end of the reporting period are as follows:-

	2022 RM'000	Group 2021 RM'000 (Restated)
Freehold land and buildings	22,375	22,531
Factory equipment and machinery	78,259	70,425
Motor vehicles	190	268
	100,824	93,224

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The carrying amounts of property, plant and equipment acquired under term loan facilities which remained outstanding as at the end of the reporting period are as follows:-

	Group	
	2022 RM'000	2021 RM'000 (Restated)
Freehold land and buildings	17,906	17,922
Factory equipment and machinery	19,139	20,266
	<u>37,045</u>	<u>38,188</u>

The carrying amounts of plant and equipment acquired under hire purchase financing which remained outstanding as at the end of the reporting period are as follows:-

	Group	
	2022 RM'000	2021 RM'000
Factory equipment and machinery	59,120	50,159
Motor vehicles	190	268
	<u>59,310</u>	<u>50,427</u>

Personal Protective Equipment ("PPE") Segment

During the financial year, an impairment indicator exists arising from the losses recorded in the PPE segment due to decline in average selling prices of PPE and oversupply of PPE in the market.

The Group utilised 3 lines of plant and machinery in its PPE segment during the financial year while the remaining lines of plant and machinery have yet to commission.

The recoverable amount for the 3 lines of fully operation plant and machinery was determined using fair value less cost to sell (Level 3 fair value calculation) which is based on the valuation report obtained from an external independent valuer as stated in Note 3. Based on the valuation report, the recoverable amount of the said plant and machinery was higher than the carrying amounts of the plant and machinery. Hence, the Group has determined that no impairment loss is required on these plant and machinery.

The recoverable amount which is measured at fair value for the impairment assessment of property, plant and equipment is set out below:

	Total (RM'000)	Quoted prices in active markets (Level 1) (RM'000)	Significant observable input (Level 2) (RM'000)	Significant unobservable input (Level 3) (RM'000)
Plant and machinery for which recoverable amount is measured at fair value	30,570	-	-	30,570



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Personal Protective Equipment ("PPE") Segment (Cont'd)

	Valuation technique	Significant unobservable input
Plant and machinery (included in Property, Plant and Equipment)	Depreciated Replacement Cost Method	Aggregated amount of gross replacement cost of the plant, machinery from which appropriate deductions may then be made for the age and asset condition.

For the remaining lines of plant and machinery that have yet to commission, full impairment loss of RM13,142,000 has been provided in the statements of comprehensive income under the line of 'administrative and other operating expenses'. The impairment loss was recognised within the PPE segment in the Group's segment reporting (Note 26).

Precision Engineering Segment

The continuing losses position in one of the subsidiary within the Precision Engineering segment since previous financial years has been identified as an indicator for impairment of property, plant and equipment. Based on the impairment assessment, an impairment loss of RM721,000 has been provided in the statements of comprehensive income under the line of 'administrative and other operating expenses'. The impairment loss was recognised within the Precision Engineering Segment in the Group's segment reporting (Note 26).

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>			
Balance at 1 October 2020	12	587	599
Movement during the year	2	-	2
Balance at 30 September 2021/1 October 2021	14	587	601
Movement during the year	-	-	-
Balance at 30 September 2022	14	587	601
<u>Accumulated Depreciation</u>			
Balance at 1 October 2020	12	587	599
Depreciation	-	-	-
Balance at 30 September 2021/1 October 2021	12	587	599
Depreciation	-	-	-
Balance at 30 September 2022	12	587	599
<u>Carrying Amount</u>			
Balance at 1 October 2020	-	-	-
Balance at 30 September 2021	2	-	2
Balance at 30 September 2022	2	-	2

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

5. RIGHT-OF-USE ASSETS

Group	Factory buildings RM'000	Total RM'000
<u>Cost</u>		
Balance at 1 October 2020 (Restated)	3,410	3,410
Additions	3,067	3,067
Written off	(133)	(133)
Balance at 30 September 2021/1 October 2021 (Restated)	6,344	6,344
Additions	904	904
Written off	(226)	(226)
Balance at 30 September 2022	7,022	7,022
<u>Accumulated Depreciation</u>		
Balance at 1 October 2020 (Restated)	2,003	2,003
Depreciation	1,269	1,269
Written off	(133)	(133)
Balance at 30 September 2021/1 October 2021 (Restated)	3,139	3,139
Depreciation	1,627	1,627
Written off	(226)	(226)
Balance at 30 September 2022	4,540	4,540
<u>Carrying Amount</u>		
Balance at 1 October 2020 (Restated)	1,407	1,407
Balance at 30 September 2021 (Restated)	3,205	3,205
Balance at 30 September 2022	2,482	2,482

The Group leases factory buildings from third parties for 2 to 6 years.

6. INTANGIBLE ASSETS

	Group 2021 RM'000
Balance at 1 October 2020	5,931
Disposal	(5,931)
Balance at 30 September	-

If the intangible assets were measured using the cost model, the carrying amounts would be as follows:-

	Group 2021 RM'000
Balance at 1 October 2020	4,401
Disposal	(4,401)
Balance at 30 September	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost	98,862	98,903
Employees' shares options granted to employees of subsidiaries	5,477	5,477
Accumulated impairment losses	(20,560)	(20,601)
	83,779	83,779

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		2022	2021	
		%	%	
Notion Venture Sdn. Bhd. ("NVSB")	Malaysia	100	100	Design and volume production of high precision metal machining of hard disk drive, computer, consumer electronic and electrical and automotive industries' components, and its related research and development activities; and manufacturing of the personal protective equipment and medical related materials, components, devices or products and other related activities.
Notion International (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of high precision components; production, sales and marketing of personal protective equipment and medical related components, devices and products; and plastic injection moulding and sub-assembly.
Notion (Thailand) Co. Ltd. ^(a)	Thailand	100	100	Design and manufacture of precision components.
Kaiten Precision (M) Sdn. Bhd. ("KPSB")	Malaysia	100	100	Design and development leading to the mass-production of high precision micro-parts and related research and development activities.
Novid PPE Sdn. Bhd.	Malaysia	100	100	Production, sales and marketing of personal protective equipment and medical related components, devices and products.
Intech Precision Sdn. Bhd.	Malaysia	100	100	Designing, developing, manufacturing and marketing of precision jigs and fixtures, tools and dies for stamping, precision mould parts for stamping, trim and form tools for the semiconductor industry, and precisioning machine parts for the automotive and other high value-added industries.
NV Technology Sdn. Bhd.	Malaysia	100	100	Design, development and modification of cutting tool geometry, regrind and re-sharpening of special cutting tools using computer numerical control tools and cutter grinder and other grinding operations and also involved in the marketing of diamond abrasive grinding wheels, polycrystalline diamond and polycrystalline cubic nitride inserts.
Diaphragm Tech Sdn. Bhd.	Malaysia	100	100	Inactive.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		2022 %	2021 %	
Swiss Impression Sdn. Bhd.	Malaysia	100	100	Inactive.
Notion Venture (Hong Kong) Limited ^(b)	Hong Kong	100	100	Inactive.
Notion Pacific Ltd ^(c)	United Arab Emirates	-	100	Inactive.
<u>Subsidiary of NVSB</u>				
Autic Mekki Sdn. Bhd. ("AMSB")	Malaysia	100	100	Provision of surface treatment, electrolysis nickel plating, chrome plating, electroplating and anodizing metal or other similar materials.

^(a) not audited by Crowe Malaysia PLT.

^(b) not required to be audited and consolidated using unaudited financial statements.

^(c) struck off during the financial year.

8. OTHER INVESTMENT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted investment in Malaysia:				
- unquoted shares at fair value through profit or loss	1,000	1,000	1,000	1,000
Less: Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	(1,000)	(1,000)	(1,000)	(1,000)
	-	-	-	-

The fair values of unquoted investment were measured using the adjusted net asset method which involved deriving the fair values of the investee's equity instruments by reference to the fair values of their assets and liabilities (i.e. Level 3).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

9. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
<u>Cost</u>		
Raw materials	21,046	13,463
Work-in-progress	14,815	18,959
Consumables	6,905	6,690
Finished goods	29,799	29,156
<u>Net realisable value</u>		
Raw materials	94	12
Work-in-progress	1,047	266
Finished goods	12,436	834
	86,142	69,380
Recognised in profit or loss:-		
Inventories recognised as cost of sales	302,013	325,563
Inventories written down (Note 20)	4,919	3,159
Inventories written off (Note 20)	2,126	491
Reversal of inventories written down (Note 20)	(2,793)	(844)

10. RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables:-				
- Unrelated parties	98,433	63,258	-	-
- Allowance for impairment loss	(683)	(556)	-	-
	97,750	62,702	-	-
Other receivables:-				
- Unrelated parties	16,586	20,686	-	-
- Allowance for impairment loss	(309)	(650)	-	-
	16,277	20,036	-	-
- Related party	58	58	58	58
- Allowance for impairment loss	(58)	(58)	(58)	(58)
	-	-	-	-
- Subsidiary	-	-	157,875	154,718
- Allowance for impairment loss	-	-	(16,980)	-
	-	-	140,895	154,718
	16,277	20,036	140,895	154,718
	114,027	82,738	140,895	154,718

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

10. RECEIVABLES (CONT'D)

The currency profiles of receivables are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Euro	16,837	10,156	-	-
Ringgit Malaysia	36,185	32,137	140,895	154,718
Thai Baht	23,513	14,423	-	-
United States Dollar	37,488	26,020	-	-
Others	4	2	-	-
	114,027	82,738	140,895	154,718

Trade Receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 30 September 2022, there were 2 (2021 - 3) major customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to RM42,573,238 (2021 - RM34,304,758). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Belgium	2,224	1,880
Brazil	530	815
China	3,024	873
Germany	1,639	524
Hong Kong	272	761
Japan	4,215	1,779
Malaysia	21,845	14,917
Mexico	2,031	1,613
Philippines	1,472	-
Poland	4,541	1,828
Thailand	44,100	28,884
United States of America	11,128	8,175
Others	729	653
	97,750	62,702

The credit terms of trade receivables range from 30 to 120 days (2021 - 30 to 120 days). The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Not past due	58,303	31,677
Past due 1 to 30 days	23,594	20,886
Past due 31 to 120 days	14,715	9,237
Past due more than 120 days	1,138	902
	97,750	62,702



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

10. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. The changes in the loss allowance are as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Balance at 1 October 2021/2020	556	497
Impairment loss recognised (Note 20)	187	253
Impairment loss reversed (Note 20)	-	(194)
Impairment loss written off	(60)	-
Balance at 30 September	683	556

The above loss allowance is in respect of individually assessed credit-impaired trade receivables. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables that are not credit-impaired are not considered to be material and hence, have not been recognised.

Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand. The amounts owing by unrelated parties and related party mainly consist of advances and refundable deposits which have no fixed repayment terms.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses. The changes in the loss allowance are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Balance at 1 October 2021/2020	708	538	58	500
Impairment loss recognised (Note 20)	19	670	16,980	58
Impairment loss reversed (Note 20)	(360)	-	-	-
Transfer to other investment	-	(500)	-	(500)
Balance at 30 September	367	708	17,038	58

The above loss allowance was individually determined after considering the adverse financial conditions of the other receivables who have defaulted in payments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Highly liquid investments	673	661	673	661
Term deposits (fixed rate)	64	62	46	45
Cash and bank balances	17,386	21,984	841	639
	18,123	22,707	1,560	1,345

The effective interest rate of term deposits as at 30 September 2022 was 3.05% (2021 - 1.70% to 2.06%) per annum.

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The currency profiles of cash and cash equivalents are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Euro	862	1,580	-	-
Ringgit Malaysia	11,024	9,373	1,560	1,345
Thai Baht	4,733	9,333	-	-
United States Dollar	1,496	2,396	-	-
Others	8	25	-	-
	18,123	22,707	1,560	1,345

12. SHARE CAPITAL

	No. of ordinary shares ('000) with no par value	RM'000
<u>Issued and fully paid:-</u>		
Balance at 1 October 2020	513,086	208,850
Issuance of shares pursuant to ESOS	2,596	2,295
Balance at 30 September 2021/2022	515,682	211,145

The shareholders of the Company, by a resolution passed at the Extraordinary General Meeting held on 23 February 2017, approved the Long Term Incentive Plan comprising ESOS and Executive Share Grant Scheme. The ESOS became effective on 24 February 2017. The Board has subsequently approved for an extension of Long Term Incentive Plan to another five (5) years commencing 24 February 2022.

The principal features of the ESOS are as follows:-

- At any point of time when the offer is made, the maximum number of shares to be issued under the ESOS shall not exceed 15% of the total issued and fully paid-up share capital of the Company during the duration of the ESOS.
- An employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least 18 years of age and has been confirmed and serving on a full time basis.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

12. SHARE CAPITAL (CONT'D)

- (iii) All non-executive directors who have been appointed to the Board shall be eligible to participate in the ESOS in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad and subject to the Constitution of the Company.
- (iv) The ESOS shall be valid for a duration of 5 years from the effective date.
- (v) The exercise price shall be determined based on the weighted average market price of shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10%.
- (vi) The employees' entitlement to the options is vested upon acceptance of the offer by the grantee, which shall be no later than 30 days from the date of offer.
- (vii) The new shares to be allotted and issued upon exercise of any options granted under the scheme will, upon allotment and issuance, rank pari passu in all respects with the then existing shares and paid-up shares in the Company, save and except that the new shares so allotted and issued will not be entitled to any right, dividend, allotment and/or distribution declared, made or paid, the entitlement date of which precedes the date of exercise of the options.

The movements in the number of options during the financial year are as follows:-

	Number of Options Over Ordinary Shares	Weighted Average Exercise Price RM	Weighted Average Share Price RM	Weighted Average Remaining Contractual Life
As at 1 October 2020	22,323,102	0.59		
Exercised	(2,595,892)	0.53		
Outstanding as at 30 September 2021	19,727,210	0.59	0.81	0.4 years
Exercisable as at 30 September 2021	19,254,510			
Outstanding as at 30 September 2022	19,727,210	0.59	0.36	4.4 years
Exercisable as at 30 September 2022	19,254,510			

The fair value of share options granted since the effective date of the ESOS was measured using the Black Scholes Model with the following inputs:-

Grant date	Option 1 27.2.2017	Option 2 12.12.2017	Option 3 28.5.2020
Fair value at grant date (RM)	0.36	0.22	0.28
Weighted average share price (RM)	0.88	0.53	0.65
Exercise price (RM)	0.80	0.44	0.56
Expected volatility (%)	45.25	55.80	60.80
Option life (years)	4.4	4.2	3.0
Expected dividends (%)	2.26	5.66	1.14
Risk-free interest rate (%)	3.69	3.68	2.27

The expected volatility reflects the assumption that historical volatility is indicative of future trends but may not necessarily be the actual outcome. No other features of the share options granted were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

13. LOANS AND BORROWINGS

	Group	
	2022 RM'000	2021 RM'000 (Restated)
Secured		
Hire purchase payables	30,611	33,046
Term loans (floating rate)	14,183	20,986
Revolving credits	5,000	12,000
Trust receipt	1,955	-
	51,749	66,032
Disclosed as:-		
- Current liabilities	28,458	31,261
- Non-current liabilities	23,291	34,771
	51,749	66,032

Hire purchase payables are secured against the assets acquired thereunder (Note 4). Term loans are secured against certain property, plant and equipment (Note 4).

The effective interest rates of loans and borrowings as at 30 September 2022 ranged from 1.31% to 6.54% (2021 - 1.31% to 6.54%) per annum.

Except for hire purchase payables and term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Hire purchase payables are repayable in 5 years. The repayment analysis is as follows:-

	Group	
	2022 RM'000	2021 RM'000 (Restated)
Minimum hire purchase payments:-		
- Within 1 year	16,212	14,236
- Later than 1 year and not later than 2 years	13,200	13,295
- Later than 2 years and not later than 5 years	3,991	8,684
Total contractual undiscounted cash flows	33,403	36,215
Future finance charges	(2,792)	(3,169)
Present value of term loans:-		
- Within 1 year	14,701	12,459
- Later than 1 year and not later than 2 years	6,644	12,385
- Later than 2 years and not later than 5 years	9,266	8,202
	30,611	33,046

The fair values of hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rate of hire purchase payables.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

13. LOANS AND BORROWINGS (CONT'D)

Term Loans

Term loans are repayable over 1 to 5 years. The repayment analysis are as follows:-

	Group	
	2022 RM'000	2021 RM'000 (Restated)
Gross loan instalments:-		
- Within 1 year	7,709	7,986
- Later than 1 year and not later than 2 years	4,779	7,602
- Later than 2 years and not later than 5 years	5,822	10,570
Total contractual undiscounted cash flows	18,310	26,158
Future finance charges	(4,127)	(5,172)
Present value of term loans:-		
- Within 1 year	6,802	6,802
- Later than 1 year and not later than 2 years	4,308	6,802
- Later than 2 years and not later than 5 years	3,073	7,382
	14,183	20,986

The fair values of term loans are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of term loans.

14. LEASE LIABILITIES

	Group	
	2022 RM'000	2021 RM'000 (Restated)
Gross lease liabilities:-		
- Within 1 year	1,362	1,498
- 1 to 5 years	1,668	2,200
Total contractual undiscounted cash flows	3,030	3,698
Future finance charges	(212)	(290)
Present value of lease liabilities	2,818	3,408
Disclosed as:-		
- Current liabilities	1,221	1,347
- Non-current liabilities	1,597	2,061
	2,818	3,408

The incremental borrowing rate applied to lease liabilities as at 30 September 2022 ranged from 5.64% to 5.75% (2021 - 5.64%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

15. RETIREMENT BENEFITS

The Group operates final salary defined benefits plan with guaranteed lump sum payment at retirement and early retirement for its eligible employees.

The present value of defined benefit obligation is as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Balance at 1 October 2021/2020	693	627
Defined benefit costs (Note 20)	132	104
Paid during the year	(18)	-
Currency translation differences	(9)	(38)
Balance at 30 September	798	693

The components of defined benefit costs are as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Current service cost	114	95
Interest expense	18	9
	132	104

The principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:-

	Group	
	2022	2021
	%	%
Discount rate	3.11	1.86
Future salary growth	3.50	3.50

The following table demonstrates the sensitivity analysis of the defined benefit obligation if significant actuarial assumptions at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:-

	Group	
	2022	2021
	RM'000	RM'000
Increase in discount rate by 1%	732	627
Decrease in discount rate by 1%	871	762
Increase in expected rate of salary by 1%	875	764
Decrease in expected rate of salary by 1%	728	626

The weighted average duration of the defined benefit obligations is 8.96 years (2021 - 9.77 years).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

16. DEFERRED TAX LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Balance at 1 October 2021/2020	4,991	8,622
Deferred tax expense relating to origination and reversal of temporary differences (Note 22)	8,494	(2,567)
Deferred tax liabilities overprovided in the prior year (Note 22)	(2,043)	(1,064)
Balance at 30 September	11,442	4,991
In respect of (deductible)/taxable temporary differences of:-		
- Inventories	(834)	(1,760)
- Financial instruments	(738)	(3,569)
- Property, plant and equipment	18,049	21,304
- Unabsorbed capital allowances	(3,107)	(10,585)
- Unutilised tax losses	(1,928)	(399)
	11,442	4,991

17. DEFERRED INCOME ON GOVERNMENT GRANTS

	Group	
	2022 RM'000	2021 RM'000
Balance at 1 October 2021/2020	4,731	5,019
Grants received during the financial year	1,584	-
Recognised in profit or loss (Note 20)	(328)	(288)
Balance at 30 September	5,987	4,731

The Group received grants from the Malaysian Investment Development Authority ("MIDA") for modernisation and upgrading of its existing manufacturing activities. The grants covered 50% of the costs of the assets subject to the limits approved.

18. PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables	25,429	17,061	-	-
Other payables:-				
- Subsidiaries	-	-	6,743	2,274
- Unrelated parties	30,736	38,696	1,203	913
	30,736	38,696	7,946	3,187
	56,165	55,757	7,946	3,187

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

18. PAYABLES (CONT'D)

The currency profiles of payables are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	48,368	29,856	7,946	3,187
Thai Baht	3,867	2,470	-	-
United States Dollar	2,895	22,083	-	-
Others	1,035	1,348	-	-
	56,165	55,757	7,946	3,187

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 90 days terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amount owing to subsidiaries is repayable on demand. The amounts owing to unrelated parties mainly consist of sundry payables for acquisition of plant and equipment, and accruals for operating expenses which are generally due within 30 to 90 days.

19. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:-				
Sale of goods	334,146	352,915	-	-
Rendering of services	-	-	6,240	6,240
	334,146	352,915	6,240	6,240

The other information on the disaggregation of revenue is disclosed in Note 26. Information about disaggregation of revenue from contracts with customers of the Company has not been disclosed as the Company derives the revenue mainly from rendering management services to subsidiaries in Malaysia.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

20. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Auditors' remuneration:-				
- Audit fee:-				
- Crowe Malaysia PLT	319	282	63	63
- Other auditors	24	28	-	-
- Non-audit fees:-				
- Crowe Malaysia PLT	13	17	13	13
- Member firms of Crowe Malaysia PLT	77	69	8	12
Bad debts written off	951	-	-	-
Depreciation of property, plant and equipment (Note 4)	31,344	33,405	-	-
Depreciation of right-of-use assets (Note 5)	1,627	1,269	-	-
Deposit written off	848	6	-	-
Personnel expenses (Note 21)	79,165	79,177	6,832	6,796
Impairment loss on receivables (Note 10)	206	923	-	58
Fair value loss on other investment	-	500	-	500
Impairment loss on amount owing by a subsidiary (Note 10)	-	-	16,980	-
Impairment loss on investment in a subsidiary (Note 7)	-	-	-	41
Impairment loss on plant and equipment (Note 4)	13,863	-	-	-
Interest expense for lease liabilities	193	184	-	-
Interest expense for financial liabilities not at fair value through profit or loss	3,452	3,855	-	-
Inventories written down (Note 9)	4,919	3,159	-	-
Inventories written off (Note 9)	2,126	491	-	-
Loss on foreign exchange:				
- Realised	25	116	-	-
Plant and equipment written off (Note 4)	-	1	-	-
Rental expenses	1,707	1,068	-	-
Retirement benefits (Note 15)	132	104	-	-
Amortisation of deferred income on government grants (Note 17)	(328)	(288)	-	-
Gain on disposal of plant and equipment	(975)	(147)	-	-
Gain on disposal of intangible assets	-	(1,121)	-	-
Gain on foreign exchange:				
- Realised	(6,955)	(3,578)	-	-
- Unrealised	(2,390)	(87)	-	-
Insurance claim	(32,628)	(365)	-	-
Interest income for financial assets not at fair value through profit or loss	(76)	(231)	(13)	(114)
Reversal of impairment loss on receivables (Note 10)	(360)	(194)	-	-
Reversal of inventories written down (Note 9)	(2,793)	(844)	-	-
Rental income	(1,178)	(21)	-	-
Waiver of amount owing to a subsidiary	-	-	(41)	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

21. PERSONNEL EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive directors:-				
- Short-term employees' benefits	4,845	5,009	4,845	5,009
- Defined contribution plan	542	570	542	570
	5,387	5,579	5,387	5,579
Non-executive directors:-				
- Short-term employees' benefits	300	309	300	309
	300	309	300	309
	5,687	5,888	5,687	5,888
Other employees:-				
- Short-term employees' benefits	70,511	70,414	1,019	808
- Defined contribution plans	2,967	2,875	126	100
	73,478	73,289	1,145	908
	79,165	79,177	6,832	6,796

22. TAX EXPENSE/(REVERSAL)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax based on results for the year:-				
- Current tax	2,902	1,140	-	-
- Deferred tax (Note 16)	8,494	(2,567)	-	-
	11,396	(1,427)	-	-
Tax under/(over) provided in prior year:-				
- Current tax	244	29	-	20
- Deferred tax (Note 16)	(2,043)	(1,064)	-	-
	9,597	(2,462)	-	20

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) before tax	18,976	(10,272)	(18,346)	(1,886)
Tax at the statutory tax rate of 24%	4,554	(2,465)	(4,403)	(453)
Non-deductible expenses	2,384	1,139	4,212	472
Non-taxable income	(1,424)	(113)	(1)	(19)
Increase in unrecognised deferred tax assets	7,944	1,759	192	-
Utilisation of deferred tax assets not recognised in prior years	(1,737)	(1,747)	-	-
Differential in tax rate of foreign subsidiary	(325)	-	-	-
Tax under/(over) provided in prior year:-				
- Current tax	244	29	-	20
- Deferred tax	(2,043)	(1,064)	-	-
	9,597	(2,462)	-	20



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

22. TAX EXPENSE/(REVERSAL) (CONT'D)

The future availability of deductible temporary differences and unutilised tax credits for which no deferred tax assets have been recognised are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	(738)	2,769	(2)	(1)
Unabsorbed capital allowances	17,752	3,671	2	1
Unutilised tax losses	21,443	11,820	1,426	628
Others	6,764	1,097	-	-
	45,221	19,357	1,426	628

The Group's and the Company's unutilised tax losses are imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2021 can only be carried forward for another 10 (2021 - 10) consecutive years of assessment (i.e. from year of assessments 2021 to 2031). The unabsorbed capital allowances are allowed to be carried forward indefinitely.

23. EARNINGS/(LOSS) PER SHARE

The earnings/(loss) per share is calculated by dividing the Group's profit/(loss) for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:-

	Group	
	2022	2021
Profit/(Loss) for the financial year (RM'000)	9,379	(7,810)
Number of shares in issue at 1 October 2021/2020 ('000)	515,682	513,086
Effect of shares issued pursuant to ESOS and Warrants ('000)	-	2,284
Weighted average number of shares for computing basic earnings per share ('000)	515,682	515,370
Weighted average number of shares for computing diluted earnings per share ('000)	515,682	515,370
Basic earnings/(loss) per share (sen)	1.82	(1.52)
Diluted earnings/(loss) per share* (sen)	1.82	(1.52)

* The effects of potential ordinary shares arising from the conversion of ESOS and warrants are anti-dilutive and accordingly, they have been ignored in the calculation of dilutive loss per share. As a result, the diluted loss per ordinary share is the same as basic loss per share.

24. NOTES TO THE STATEMENTS OF CASH FLOWS

	Group	
	2022	2021
	RM'000	RM'000
Purchase of Property, Plant and Equipment		
Cost of property, plant and equipment purchased	7,129	62,894
Net cash disbursed	7,129	62,894

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

24. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

	Group	
	2022 RM'000	2021 RM'000
Acquisition of Right-of-use Assets		
Cost of right-of-use assets acquired	904	3,067
Acquisition by means of leases	(904)	(3,067)
Net cash disbursed	-	-
Revolving Credits		
Balance at 1 October 2021/2020	12,000	-
Net cash flow changes	(7,000)	12,000
Balance at 30 September (Note 13)	5,000	12,000
Lease Liabilities (Restated)		
Balance at 1 October 2021/2020	3,408	1,521
Additions	904	3,067
Repayments	(1,494)	(1,180)
Balance at 30 September (Note 14)	2,818	3,408
Term Loans		
Balance at 1 October 2021/2020	20,986	27,221
Repayments	(6,803)	(6,235)
Balance at 30 September (Note 13)	14,183	20,986
Hire Purchase Payables		
Balance at 1 October 2021/2020	33,046	35,525
Additions	11,340	8,458
Repayments	(13,775)	(10,937)
Balance at 30 September (Note 13)	30,611	33,046
Trust Receipt		
Balance at 1 October 2021/2020	-	-
Net cash flow changes	1,955	-
Balance at 30 September (Note 13)	1,955	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

25. RELATED PARTY DISCLOSURES

Significant transactions with related parties during the financial year are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Other key management personnel compensation:-				
- Short-term employee benefits	2,618	2,595	607	313
- Defined contribution plan	264	241	78	40
	2,882	2,836	685	353
Management fee charged to subsidiaries	-	-	6,240	6,240
Rental expense charged by a director	60	60	-	-

26. SEGMENT REPORTING

Group

Operating Segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:-

- (i) Precision Engineering: Manufacture of high volume precision components and tools including design, other related activities and incidental services.
- (ii) Personal Protective Equipment: Manufacture of personal protective equipment and medical related materials, components, devices or products and other related activities.

The accounting policies and measurement bases of the segment items reported are the same as those disclosed in Note 2. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties.

	Precision Engineering	Personal Protective Equipment	Total
	RM'000	RM'000	RM'000
2022			
Revenue			
External revenue	313,599	20,547	334,146
Represented by:-			
<u>Revenue recognised at a point of time</u>			
- Sale of goods	313,599	20,547	334,146

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

26. SEGMENT REPORTING (CONT'D)

Operating Segments (Cont'd)

	Precision Engineering RM'000	Personal Protective Equipment RM'000	Total RM'000
2022			
Results			
Segment profit/(loss)	39,877	(30,498)	9,379
Segment profit/(loss) includes the following:-			
Amortisation of deferred income on government grants	(288)	(40)	(328)
Bad debts written off	-	951	951
Depreciation of property, plant and equipment	25,839	5,505	31,344
Depreciation of right-of-use assets	1,132	495	1,627
Deposit written off	848	-	848
Gain on disposal of plant and equipment	(975)	-	(975)
Impairment loss on plant and equipment	721	13,142	13,863
Impairment loss on receivables	82	124	206
Retirement benefits	132	-	132
Insurance claims	(29,536)	(3,092)	(32,628)
Interest expense	2,882	763	3,645
Interest income	(75)	(1)	(76)
Inventories written down	795	4,124	4,919
Inventories written off	2,126	-	2,126
Personnel expenses	76,933	2,232	79,165
Realised (loss)/gain on foreign exchange	(6,955)	25	(6,930)
Reversal of impairment loss on receivables	(360)	-	(360)
Reversal of inventories written down	(2,793)	-	(2,793)
Unrealised gain on foreign exchange	(2,390)	-	(2,390)
Assets			
Segment assets	462,526	88,798	551,324
Additions to non-current assets other than financial instruments:-			
Property, plant and equipment	4,750	2,379	7,129
Right-of-use assets	904	-	904
Liabilities			
Segment liabilities	109,208	20,135	129,343
2021			
Revenue			
External revenue	264,511	88,404	352,915
Represented by:-			
Revenue recognised at a point of time			
- Sale of goods	264,511	88,404	352,915



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

26. SEGMENT REPORTING (CONT'D)

Operating Segments (Cont'd)

	Precision Engineering RM'000 (Restated)	Personal Protective Equipment RM'000	Total RM'000
2021			
Results			
Segment (loss)/profit	(20,007)	12,197	(7,810)
Segment (loss)/profit includes the following:-			
Amortisation of deferred income on government grants	(288)	-	(288)
Depreciation of property, plant and equipment	30,116	3,289	33,405
Depreciation of right-of-use assets	774	495	1,269
Deposit written off	6	-	6
Fair value loss on other investment	500	-	500
Gain on disposal of intangible assets	(1,121)	-	(1,121)
Gain on disposal of plant and equipment	(147)	-	(147)
Impairment loss on receivables	923	-	923
Retirement benefits	104	-	104
Insurance claims	(365)	-	(365)
Interest expense	3,765	274	4,039
Interest income	(231)	-	(231)
Inventories written down	3,159	-	3,159
Inventories written off	491	-	491
Personnel expenses	77,137	2,040	79,177
Plant and equipment written off	1	-	1
Realised gain on foreign exchange	(3,578)	116	(3,462)
Reversal of impairment loss on receivables	(194)	-	(194)
Reversal of inventories written down	(844)	-	(844)
Unrealised gain on foreign exchange	(87)	-	(87)
Assets			
Segment assets	435,958	115,648	551,606
Additions to non-current assets other than financial instruments:-			
Property, plant and equipment	13,086	49,808	62,894
Right-of-use assets	3,067	-	3,067
Liabilities			
Segment liabilities	111,328	24,328	135,656

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

26. SEGMENT REPORTING (CONT'D)

Geographical Information

In presenting information about geographical areas, segment revenue is based on the geographical location of customers whereas segment assets are based on the geographical location of assets.

	Group External Revenue		Group Non-current Assets	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Belgium	9,460	8,788	-	-
Brasil	2,901	4,550	-	-
China	5,888	6,500	-	-
Denmark	8,661	-	-	-
Germany	3,864	2,577	-	-
Hong Kong	1,835	2,153	-	-
Japan	12,356	6,702	-	-
Malaysia	93,160	152,412	293,339	313,030
Mexico	8,744	11,432	-	-
Philippines	5,173	146	-	-
Poland	23,759	26,321	-	-
Singapore	1,751	393	-	-
Thailand	126,029	103,371	29,997	51,007
United States of America	28,208	25,717	-	-
Others	2,357	1,853	-	-
	334,146	352,915	323,336	364,037

Major Customers

The major customers that contributed 10% or more of the Group's total revenue are as follows:-

	Group External Revenue	
	2022	2021
	RM'000	RM'000
Customer I ^(a)	67,713	44,411
Customer II ^(a)	49,232	45,327

^(a) The identity of the major customer has not been disclosed as permitted by MFRS 8 Operating Segments.

27. COMMITMENT FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2022	2021
	RM'000	RM'000
Contracted but not provided for	9,948	746



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

28. FINANCIAL GUARANTEE CONTRACTS

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM230,602,000 (2021 - RM214,461,000). The total utilisation of those credit facilities as at 30 September 2022 amounted to approximately RM41,647,831 (2021 - RM65,822,125).

The aforementioned financial guarantee contracts should have been recognised in the statements of financial position in accordance with the recognition and measurement policies as stated in Note 2.10. All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses. The financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

	Company	
	2022 RM'000	2021 RM'000
Contractual undiscounted cash flows		
- on demand or within one year	41,648	65,822

29. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 28.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 10. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

In addition, the Company's liquidity risk exposure resulting from the financial guarantee contracts is disclosed in Note 28, representing the total utilisation of the credit facilities by its subsidiaries as at the end of the reporting period.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

29. FINANCIAL RISK MANAGEMENT (CONT'D)

Currency Risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currencies, i.e. Ringgit Malaysia ("RM") and Thai Baht ("THB"). The major foreign currencies transacted are Euro ("EUR"), Japanese Yen ("JPY") and United States Dollar ("USD"), and the gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are receivables (Note 10), cash and cash equivalents (Note 11) and payables (Note 18).

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:-

- (i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Increase/ (Decrease) in Profit 2022 RM'000	Group (Decrease)/ Increase in Loss 2021 RM'000
Appreciation of EUR against RM by 10%	1,345	(892)
Depreciation of EUR against RM by 10%	(1,345)	892
Appreciation of USD against RM by 10%	2,743	(481)
Depreciation of USD against RM by 10%	(2,743)	481

Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's practice to maintain a mix of fixed and floating rate financial instruments.

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Increase/ (Decrease) in Profit 2022 RM'000	Group (Decrease)/ Increase in Loss 2021 RM'000
Increase in interest rates by 100 basis points	(146)	251
Decrease in interest rates by 100 basis points	146	(251)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

30. CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure.

The Group monitors capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Loans and borrowings	51,749	66,032
Lease liabilities	2,818	3,408
Total interest-bearing debts	54,567	69,440
Total equity	421,981	415,950
Total capital	476,548	485,390
Debt-to-equity ratio	0.13	0.17

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) The World Health Organisation declared the novel coronavirus ("COVID-19") a global pandemic on 11 March 2020. Following the declaration the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and remain uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic. Nevertheless, with the Group's past focus on cost efficiency, strong cash position, resilient fundamentals and diversification into healthcare segments, the Group expects to sustain its operational and financial performance for the financial year ending 30 September 2022.

- (ii) On 3 November 2021, the Board has announced that both Insureds and Insurers have attended the arbitration hearing and have filled the necessary documents to the arbitrators pertaining to the fire incident that occurred at its main manufacturing plant in Klang, Selangor.

On 26 May 2022, NVSB, KPSB and AMSB (collectively referred to as "Claimants") received the Arbitrator's Final Award in respect of the arbitration initiated against AXA, QBE and MSIG (collectively referred to as "Respondents"). In the Award, the Tribunal has made the following orders:

- The Respondents shall pay the Claimants the sum of RM21,218,783;
- The Respondents shall pay the Claimants interest at 5% per annum simple interest on the sum of RM21,218,783 from 2 May 2018 until the date of full payment of the sums ordered to be paid by this Award;
- The Respondents shall pay the costs of the Arbitration and the legal and other costs incurred by the Claimants; and
- All other claims are dismissed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (ii) On 30 May 2022, AXA has made a payment of RM26,134,742 to NVSB being full and final settlement for the loss incurred and interest on the loss incurred as well as partial payment for the costs of the Arbitration and the legal and other costs incurred. Breakdown of the payment received is as follows:

- a) The loss incurred at a sum of RM21,218,783;
- b) The interest at 5% per annum simple interest totalling at RM4,328,050; and
- c) The partial payment on the costs of the Arbitration and the legal and other costs incurred amounted to RM587,909.

On 9 June 2022, NVSB received further RM1,400,000 from AXA being settlement on the expertise fees for the solicitor and legal.

- (iii) On 20 December 2021, the Group has announced that the factory building which is located at Lot 6071, Jalan Haji Abdul Manan, Batu 5 ½, Jalan Meru 41050 Klang, Selangor Darul Ehsan ("the Factory") has been affected by the flood due to the continuous heavy rain on 18 and 19 December 2021. The Factory is for the production of gloves and computer numerical control machining under the automotive segment. All the assets are adequately covered by insurance and sufficient insurance coverage has been taken for consequential business loss due to flood.

On 27 January 2022, the Company has submitted a total claim of RM8,129,348 to the insurer in respect of the claim under the Material Damage Section. Meanwhile, claim under the business interruption loss arising from the flood incident has yet to be determined.

On 22 March 2022, while the claim under the Industrial All Risk Insurance Cover arising from the flood incident is still being assessed, the insurer has made an interim settlement of RM2,000,000 in respect of the flood loss at the Factory to its wholly-owned subsidiary, NVSB.

- (iv) On 4 April 2022, a wholly owned subsidiary of the Company, Notion Pacific Ltd has been struck off from the Register of Companies following the publication of the notice on the website of RAK ICC.

32. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

- (i) On 22 November 2022, the Board has announced that the insurer has made a payment of RM2,572,830 to its wholly-owned subsidiary, NVSB as full and final settlement of the flood loss at the Factory.

33. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported 2021 RM'000	As Restated 2021 RM'000
Consolidated Statement of Financial Position (Extract):-		
<u>Non-current Assets</u>		
Property, plant and equipment	309,088	360,832
Right-of-use assets	54,949	3,205



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

33. COMPARATIVE FIGURES (CONT'D)

	As Previously Reported 2021 RM'000	As Restated 2021 RM'000
<u>Non-current Liabilities</u>		
Loans and borrowings	14,184	34,771
Lease liabilities	22,648	2,061
<u>Current Liabilities</u>		
Loans and borrowings	18,802	31,261
Lease liabilities	13,806	1,347
Consolidated Statement of Comprehensive Income (Extract):-		
Cost of sales	(313,526)	(325,563)
Administrative and other operating expenses	(51,523)	(39,486)
Consolidated Statement of Cash Flows (Extract):-		
Depreciation of property, plant and equipment	30,503	33,405
Depreciation of right-of-use assets	4,171	1,269
Gain on disposal of property, plant and equipment	(121)	(147)
Gain on disposal of right-of-use assets	(26)	-
<u>Cash Flows (For)/From Investing Activities</u>		
Proceeds from disposal of plant and equipment	1,278	1,776
Proceeds from disposal of right-of-use assets	498	-
<u>Cash Flows (For)/From Financing Activities</u>		
Drawdown of lease liabilities	8,458	-
Drawdown of hire purchase	-	8,458
Repayment of lease liabilities	(12,117)	(1,180)
Repayment of hire purchase	-	(10,937)

LIST OF PROPERTIES

HELD AS AT 30 SEPTEMBER 2022

Location	Approximate Age of Building (years)	Date of Acquisition/ Completion	Land Area (sq ft)	Tenure	Net Book Value (RM)
1½ Storey Semi-Detached Light Industrial Factory held under HS(M) No.22229, PT No.27966, Mukim Kapar, Daerah Klang Address: No. 11, Jalan Teruntum 20 KU/08, Jalan Teratai, Batu 5½, Jalan Meru, 41050 Klang, Selangor	18	26 February 2004	7,653	Freehold	440,027
1½ Storey Semi-Detached Light Industrial Factory held under HS(M) No. 22230, PT No. 27967, Mukim Kapar, Daerah Klang Address: No. 11A, Jalan Teruntum 20 KU/08, Jalan Teratai, Batu 5½, Jalan Meru, 41050 Klang, Selangor	18	26 February 2004	7,653	Freehold	440,027
3 Storey Office Building with Factory Building held under HS(D) No.13321, PT No.371 & HS(D) No.22781, PT No.10649, Mukim Kapar, Daerah Klang Address: Lot 6123, Jalan Haji Salleh, Batu 5½, Jalan Meru, 41050 Klang, Selangor	17	10 August 2006	304,988	Freehold	52,036,100
Factory Buildings under the land title deed No. 9845, Lot No.112, Survey Page No.623, Khan Ham Sub District, U Thai District, Ayutthaya Province, Thailand Address: No. 1/48, Rojana Industrial Park Moo 5, Tambol Kanham, Amphur U-Thai. Pranakorn Sri Ayutthaya, 13210, Thailand	25	02 October 2009	262,937	Freehold	16,126,815
1½ Storey light industrial factory held under HS(M) 19366, PT24011, Mukim Kapar, Daerah Klang Address: No. 31, Jalan Keledang 9, Off Jalan Meru, 41050 Klang, Selangor	26	28 January 2010	1,959	Freehold	167,111
1½ Storey light industrial factory held under HS(M) 19373, PT24018, Mukim Kapar, Daerah Klang Address: No. 45, Jalan Keledang 9, Off Jalan Meru, 41050 Klang, Selangor	26	28 January 2010	1,970	Freehold	167,111



LIST OF PROPERTIES (CONT'D)

HELD AS AT 30 SEPTEMBER 2022

Location	Approximate Age of Building (years)	Date of Acquisition/ Completion	Land Area (sq ft)	Tenure	Net Book Value (RM)
1½ Storey light industrial factory held under HS(M) 19374, PT24019, Mukim Kapar, Daerah Klang Address: No. 47, Jalan Keledang 9, Off Jalan Meru, 41050 Klang, Selangor	26	28 January 2010	1,970	Freehold	167,111
1½ Storey light industrial factory held under HS(M) 19375, PT24020, Mukim Kapar, Daerah Klang Address: No. 49, Jalan Keledang 9, Off Jalan Meru, 41050 Klang, Selangor	26	28 January 2010	1,970	Freehold	167,111
1½ Storey light industrial factory held under HS(M) 19376, PT24021, Mukim Kapar, Daerah Klang Address: No. 51, Jalan Keledang 9, Off Jalan Meru, 41050 Klang, Selangor	26	28 January 2010	3,197	Freehold	334,222
2 Storey Office Building with Factory building held under HS(D) No.22776 PT No.10644, Mukim Kapar, Daerah Klang Address: Lot 6123, Jalan Haji Salleh, Batu 5½, Jalan Meru, 41050 Klang, Selangor	26	29 April 2010	108,931	Freehold	3,593,700
1½ Storey light industrial factory held under HS(M) 19372, PT24017, Mukim Kapar, Daerah Klang Address: No. 43 Jalan Keledang 9, Off Jalan Meru, 41050 Klang, Selangor	26	08 February 2012	1,970	Freehold	197,544
1 Storey Factory with a 2 Storey Office held under HS(D) No.135933, PT No.52829, Mukim Kapar, Daerah Klang Address: Lot 6071, Jalan Haji Manan, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor	30	13 March 2012	283,952	Freehold	16,721,394
1 Storey Industrial Lot, Sri Ayutthaya, Thailand Address: 63 Tambon Thanu, Amphur Uthai, Pra Nakhon Sri Ayutthaya Province, Thailand	28	11 August 2016	92,311	Freehold	3,271,479

LIST OF PROPERTIES (CONT'D)

HELD AS AT 30 SEPTEMBER 2022

Location	Approximate Age of Building (years)	Date of Acquisition/ Completion	Land Area (sq ft)	Tenure	Net Book Value (RM)
2 Storey Industrial Lot, Sri Ayutthaya, Thailand Address: 40 Moo 4 Tambon U-Thai, Amphur Uthai, Pra Nakhon Sri Ayutthaya Province, Thailand	15	03 May 2018	163,439	Freehold	9,020,810
1 plot of Industrial Land, Johor Bahru Address: Plot 4, HSD 547617, PTD 200311, Mukim Pulau, Johor Bahru	8	28 February 2018	136,583	Freehold	11,572,565
2 Storey Industrial Lot Address: No. 2, Jalan Haji Manan 3/KU8 Kawasan Perindustrian Meru Barat 41050 Klang, Selangor	5	30 July 2018	41,591	Freehold	6,581,940
TOTAL					121,005,067



ANALYSIS OF SHAREHOLDINGS

AS AT 30 DECEMBER 2022

SHAREHOLDINGS

Issued Shares : 515,681,575 ordinary shares
Class of Shares : Ordinary shares
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 : 17,250

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	1,072	6.214	48,570	0.010
100 - 1,000	2,352	13.635	1,489,116	0.289
1,001 - 10,000	8,526	49.426	44,928,436	8.712
10,001 - 100,000	4,728	27.409	146,772,781	28.462
100,001 - 25,784,077 (*)	572	3.316	322,442,672	62.527
25,784,078 and above (**)	0	0.000	0	0.000
TOTAL :	17,250	100.000	515,681,575	100.000

Remark :

* - Less than 5% of issued shares

** - 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 DECEMBER 2022

No.	Name	No. of Shares	%
1	THOO CHOW FAH	19,871,301	3.852
2	CHOO WING HONG	37,172,939	7.207
3	CHOO WING ONN	34,021,766	6.597
4	LEE TIAN YOKE	17,976,446	3.485
5	CHOO WING YEW	13,649,887	2.646
6	TEH SU-CHING	5,000	0.000
7	DATO' ABU BAKAR BIN MOHD NOR	41,689	0.008
8	ANITA CHEW CHENG IM	450,000	0.087

SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares	%
1	CHOO WING HONG	37,172,939	7.207
2	CHOO WING ONN	34,021,766	6.597

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 DECEMBER 2022

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No.of Shares	%
1	CHOO WING ONN	21,829,766	4.233
2	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING HONG	18,000,000	3.490
3	LEE TIAN YOKE	17,976,446	3.485
4	CHOO WING HONG	16,172,939	3.136
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING ONN	12,192,000	2.364
6	TAN PAU SON	11,407,200	2.212
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THOO CHOW FAH	8,250,000	1.599
8	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR LGT BANK AG (FOREIGN)	6,596,200	1.279
9	CHOO WING LEONG	5,995,475	1.162
10	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING YEW	5,917,800	1.147
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THOO CHOW FAH	5,850,000	1.134
12	THOO CHOW FAH	5,771,301	1.119
13	CHOO WING YEW	4,500,000	0.872
14	ENG HONG PALM OIL MILL SDN BERHAD	4,449,000	0.862
15	ER SOON PUAY	3,350,000	0.649
16	CHOO WING YEW	3,232,087	0.626
17	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING HONG	3,000,000	0.581
18	CHOO WING KIN	2,929,550	0.568
19	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG MOO LING	2,856,400	0.553
20	THO SIEW WAH	2,830,000	0.548
21	ANG ENG SOON	2,630,000	0.510
22	YUEN THUI YANG	2,362,563	0.458
23	LIEW CHOW THAI	2,300,000	0.446
24	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (HOUSE ACCOUNT)	2,280,000	0.442
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN (7007197)	2,120,000	0.411
26	TAN SOOK WANG	1,924,665	0.373
27	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN	1,865,800	0.361
28	CHOO WAI SOOK	1,582,962	0.306
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	1,465,800	0.284
30	TAN PHANG EYONG	1,400,000	0.271
TOTAL		183,037,954	35.494



ANALYSIS OF WARRANT HOLDINGS

AS AT 30 DECEMBER 2022

WARRANTS-C HOLDINGS

No. of warrants C in issue : 49,588,723
Exercise price of the warrants C : RM0.56
Issue date of the warrants C : 14 March 2018
Expiry date of the warrants C : 14 March 2023

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No.of Warrants	%
1 - 99	1,469	36.147	33,859	0.068
100 - 1,000	917	22.564	406,702	0.820
1,001 - 10,000	1,112	27.362	4,722,761	9.524
10,001 - 100,000	493	12.131	16,469,536	33.213
100,001 - 2,479,435 (*)	72	1.772	21,424,865	43.205
2,479,436 and above (**)	1	0.024	6,531,000	13.170
TOTAL :	4,064	100.000	49,588,723	100.000

Remark :

* - Less than 5% of issued warrants

** - 5% and above of issued warrants

DIRECTORS' WARRANT HOLDINGS

ACCORDING TO THE WARRANT HOLDERS AS AT 30 DECEMBER 2022

No.	Name	Holdings	%
1	THOO CHOW FAH	-	-
2	CHOO WING HONG	-	-
3	CHOO WING ONN	-	-
4	LEE TIAN YOKE	-	-
5	CHOO WING YEW	-	-
6	TEH SU-CHING	-	-
7	DATO' ABU BAKAR BIN MOHD NOR	4,168	0.008
8	ANITA CHEW CHENG IM	-	-

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

AS AT 30 DECEMBER 2022

LIST OF TOP 30 WARRANT HOLDERS

No.	Name	Holdings	%
1	MOHD RODZI BIN IBRAHIM	6,531,000	13.170
2	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	2,000,000	4.033
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD GAN KAH HOOI	1,540,000	3.105
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD AHMAD FIRDAUS BIN AFANDI	1,000,000	2.016
5	MOHD ISA BIN MOHD SALLEH	700,000	1.411
6	YAP CHEE WEI	630,000	1.270
7	AHMAD SYATHIBI BIN MOHAMAD	620,000	1.250
8	ARVIN KUMAR A/L VIJAYAKUMAR	600,000	1.209
9	GEE HIN ENGINEERING SDN BHD	600,000	1.209
10	LEOW SOON SENG	500,000	1.008
11	CHEAH SAW AN	480,000	0.967
12	MANJEET SINGH A/L TARA SINGH	400,000	0.806
13	MAZNITA BINTI MOHAMED	400,000	0.806
14	WONG LUP MUN @ WONG CHENG HOH	380,400	0.767
15	MOHAMAD AZLAN BIN ABDULLAH	367,000	0.740
16	EMMY SHERINA BINTI ISMAIL HASHIM	348,000	0.701
17	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR FARIDAH BINTI AMIRUDDIN (SMART)	300,000	0.604
18	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR BALIA YUSOF BIN WAHI (SMART)	300,000	0.604
19	ISHVERJEET SINGH A/L KERNAIL SINGH	300,000	0.604
20	KONG CHOOI YEE	300,000	0.604
21	OOI ENG HOCK	300,000	0.604
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ANNE YEE (E-SJA)	287,100	0.578
23	HOO KAI YEONG	280,000	0.564
24	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN PHILIP (001)	280,000	0.564
25	LEE ENG GEE	263,500	0.531
26	LIEW CHOW THAI	255,500	0.515
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE MING SEONG	249,200	0.502
28	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CH'NG GIAT HUN	247,500	0.499
29	MOHAMMAD ZUBAIRI BIN MOHD NOR	244,000	0.492
30	ABDUL RONI BIN MOHD SURI	234,300	0.472
TOTAL		20,937,500	42.222



ADDITIONAL COMPLIANCE

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 2016 so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 September 2022 and 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 which disclose with reasonable accuracy of the financial position of the Group and Company and are kept in accordance with the Companies Act 2016. 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.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company did not undertake any corporate proposal to raise proceeds during the financial year.

LONG TERM INCENTIVE PLAN ("LTIP")

The Company had at the Extraordinary General Meeting held on 23 February 2017 obtained its shareholders' approval to establish the LTIP which comprising the ESOS and ESGS. The LTIP shall be in force for a period of five (5) years from the effective date of 24 February 2017.

The Board had subsequently approved for an extension of LTIP which expiring on 23 February 2022 to another five (5) years commencing from 24 February 2022.

ADDITIONAL COMPLIANCE (CONT'D)

A detailed breakdown of the allocation of the options as at 30 September 2022 is as follows:-

- (a) The total number of options granted, exercised and outstanding during the financial year under review:

Number of Options - Exercisable	Grand Total	Directors
As at 1 October 2021	19,254,510	10,800,000
Exercised	-	-
As at 30 September 2022	19,254,510	10,800,000

- (b) Percentage of options applicable to Directors and Senior Management under the LTIP since the commencement of LTIP up to financial year ended 30 September 2022:

Directors and Senior Management	Since the commencement of the LTIP up to financial year ended 30 September 2022
Aggregate maximum allocation	12,500,000
Actual percentage granted	36%

- (c) The table below set out the options granted to Non-Executive Directors during the financial year under review:

Name	As at 1 October 2021	Granted	Exercised	Balance as at 30 September 2022
Anita Chew Cheng Im	450,000	-	-	450,000
Dato' Abu Bakar Bin Mohd Nor	750,000	-	-	750,000

Pursuant to Paragraph 8.20 of the Listing Requirements, the Non-Executive Directors shall not sell, transfer or assign the new shares obtained through the exercise of the options offered to them within 1 year from the date of offer.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth (“19th”) Annual General Meeting (“**AGM**”) of NOTION VTEC BERHAD (“**Company**”) will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (“**Broadcast Venue**”) on Thursday, 2 March 2023 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 2022 together with the Reports of the Directors and Auditors thereon.
(Please refer to Note (i) of the Explanatory Notes)
2. To re-elect the following Directors who are retiring in accordance with Clause 95 of the Constitution of the Company:
 - i. Mr Thoo Chow Fah **(Ordinary Resolution 1)**
 - ii. Mr Choo Wing Hong **(Ordinary Resolution 2)**
 - iii. Mr Lee Tian Yoke **(Ordinary Resolution 3)**
(Please refer to Note (ii) of the Explanatory Notes)
3. To approve the payment of Directors’ Fees of up to RM350,000 (2021: RM300,000) and benefits payable to the Directors of the Company of up to RM50,000 (2021: RM50,000) from 2 March 2023 until the conclusion of the next AGM of the Company.
(Ordinary Resolution 4)
(Please refer to Note (iii) of the Explanatory Notes)
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Ordinary Resolution 5)

Special Business

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

5. **Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Companies Act 2016 (“the Act”)**

“**THAT** pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in 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 total number of issued shares of the Company (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT in connection with the above, pursuant to Section 85 and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

(Ordinary Resolution 6)
(Please refer to Note (iv) of the Explanatory Notes)

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. **Approval for an ex-gratia payment to Ms Anita Chew Cheng Im**

“**THAT** approval be and is hereby given for the Company to grant an ex-gratia payment of RM150,000 to Ms Anita Chew Cheng Im who has resigned as an Independent Non-Executive Director on 20 January 2023, in recognition and appreciation of her past service and contribution to the Company **AND THAT** authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary and/or desirable to give full effect to this resolution.”

(Ordinary Resolution 7)
(Please refer to Note (v) of the Explanatory Notes)

7. To transact any other business that may be transacted at the 19th AGM of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

By Order of the Board

Tai Yit Chan (SSM PC No. 202008001023) (MAICSA 7009143)

Tan Ai Ning (SSM PC No. 202008000067) (MAICSA 7015852)

Evelyn Tan Li Yi (SSM PC No. 202208000105) (MAISCA 7065803)

Company Secretaries

Selangor Darul Ehsan

30 January 2023

Explanatory Notes:

i. **Agenda 1 - To receive the Audited Financial Statements**

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

ii. **Ordinary Resolutions 1 to 3 - Re-election of Directors**

The profiles of the Directors who are standing for re-election as per Agenda item no. 2 are set out in the Board of Directors' profile for Annual Report 2022.

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:

a. **Ordinary Resolution 1 - Re-election of Mr Thoo Chow Fah as Executive Chairman**

As the Chairman of the Board, Mr Thoo Chow Fah demonstrates sound leadership skills and encourages open communication which allows the Board members to raise important matters without inhibition. He is also familiar with the Group's business operations and able to provide valuable input to steer the Group forward. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Executive Chairman of the Company.

b. **Ordinary Resolution 2 - Re-election of Mr Choo Wing Hong as Managing Director**

Mr Choo Wing Hong shows exemplary leadership in building businesses and creating value, he has contributed significantly to the Group by providing valuable input and steer the Group forward in the past years with notable achievements during his tenure as Managing Director of the Company.

c. **Ordinary Resolution 3 - Re-election of Mr Lee Tian Yoke as Executive Director**

Mr Lee Tian Yoke is familiar with the Group's business operations and heads the marketing team of the Group. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Executive Director of the Company.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

iii. **Ordinary Resolution 4 - Directors' Fees and Benefit Payable**

The Board is proposing an increase of Directors' Fee upon taking into account the ever-increasing demands on the Directors, such as escalating legal compliance, including the corporate liabilities they entail and exceedingly onerous duties of the Directors. Hence, the fees of Independent Non-Executive Director should reflect the intricate roles and responsibilities of the Directors and the required time commitment expected of them.

iv. **Ordinary Resolution 6 - Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Act**

The Ordinary Resolution 6 is to obtain a general mandate for issuance of shares by the Company under Section 76 of the Act.

The proposed Ordinary Resolution 6 if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s). This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 18th AGM held on 3 March 2022 and which will lapse at the conclusion of the 19th AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

v. **Ordinary Resolution 7 - Approval for an ex-gratia payment to Ms Anita Chew Cheng Im, the former Independent Non-Executive Director of the Company**

Pursuant to Section 230(1) of the Act, any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

Ms Anita Chew Cheng Im, aged 56, was appointed to the Board of Notion VTec Berhad on 29 June 2007. During the financial year 2022, she had served as Chairperson of the Audit and Risk Management Committee and Nomination Committee and member of the Remuneration Committee. At the AGM held on 3 March 2021, Ms Anita Chew Cheng Im was re-elected as Director of the Company. During last year's AGM held on 3 March 2022, the shareholders approved her continuation in office as Independent Non-Executive Director up to this AGM as her term as an independent director has exceeded twelve (12) years.

Ms Anita Chew Cheng Im has then on 20 January 2023 resigned as Independent Non-Executive Director of the Company. In recognition of Ms Anita Chew Cheng Im's commitment, dedication and contribution to the Company, and as a gesture appreciation for Ms Anita Chew Cheng Im's 15 years of service with the Company, the Board recommended that the proposed ex-gratia payment of RM150,000 to Ms Anita Chew Cheng Im be approved and it would be a one-off payment from the Company which, if approved by shareholders, shall be paid in 2023.

Notes:

1. The AGM of the Company will be conducted entirely through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator for the AGM to facilitate the RPV via TIH Online website at <https://tih.online>. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for the AGM.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

2. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at www.notionvtec.com to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely via the RPV facilities.
3. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the meeting to be present at the main venue. Members/proxies are **NOT** to be physically present at the Broadcast Venue on the day of the AGM.
4. Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
5. A member entitled to attend and vote at the AGM 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. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.
6. A member may appoint up to 2 proxies to attend the AGM. Where a member appoints 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 exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
7. 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.
8. 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 office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre, at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the AGM or at any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via TIH Online website at <https://tiah.online>. Please refer to the Administrative Guide for further information on electronic submission.
9. For the purpose of determining who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 22 February 2023 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at the AGM and entitled to appoint proxy or proxies.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



FORM OF PROXY

NOTIONVTEC

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)
(Incorporated in Malaysia)

No. of Shares held	CDS Account No.

I/We, _____ (name of shareholder as per NRIC)

NRIC No./Passport No./Registration No. _____ of _____

_____ (full address)

being a Member(s) of NOTION VTEC BERHAD, hereby appoint _____ (name of proxy as per NRIC)

NRIC/Passport No. _____ of _____ (full address)

and/or failing him/her, _____ (name of proxy as per NRIC) NRIC/Passport No. _____

of _____ (full address) or

the Chairman of the Nineteenth ("19th") Annual General Meeting ("AGM") as *my/our proxy to vote for *me/us on *my/our behalf at the 19th AGM of the Company to be conducted fully virtual at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, on Thursday, 2 March 2023 at 9.30 a.m. or at any adjournment thereof and to vote as indicated below:

Agenda			For	Against
1	To re-elect Mr Thoo Chow Fah as Director.	Ordinary Resolution 1		
2	To re-elect Mr Choo Wing Hong as Director.	Ordinary Resolution 2		
3	To re-elect Mr Lee Tian Yoke as Director.	Ordinary Resolution 3		
4	To approve the payment of Directors' Fees and benefits payable to the Directors of the Company from 2 March 2023 until the conclusion of the next AGM of the Company.	Ordinary Resolution 4		
5	To re-appoint Crowe Malaysia PLT as auditors of the Company.	Ordinary Resolution 5		
6	To approve the proposed authority to allot and issue shares pursuant to Section 76 of the Companies Act 2016.	Ordinary Resolution 6		
7	To approve an ex-gratia payment to Ms Anita Chew Cheng Im, a former Independent Non-Executive Director of the Company.	Ordinary Resolution 7		

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.

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

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total:		100%

If you wish to appoint other person(s) to be your proxy/proxies, kindly strike out the words "the Chairman of the Nineteenth ("19th") Annual General Meeting ("AGM")" and insert the name(s) of the person(s) desired.

* Delete if not applicable

Signature of Shareholder or Common Seal

Dated this _____ day of _____ 2023.



NOTES :

- (1) The AGM of the Company will be conducted entirely through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator for the AGM to facilitate the RPV via TIH Online website at <https://tiah.online>. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for the AGM.
- (2) Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at www.notionvtec.com to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely via the RPV facilities.
- (3) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue. Members/proxies are **NOT** to be physically present at the Broadcast Venue on the day of the AGM.
- (4) Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- (5) A member entitled to attend and vote at the AGM 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. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.
- (6) A member may appoint up to 2 proxies to attend the AGM. Where a member appoints 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 exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (7) 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.
- (8) 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 office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre, at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the AGM or at any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via TIH Online website at <https://tiah.online>. Please refer to the Administrative Guide for further information on electronic submission.
- (9) For the purpose of determining who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 22 February 2023 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at the AGM and entitled to appoint proxy or proxies.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 January 2023.

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STAMP

THE SHARE REGISTRAR

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Please Fold Here



www.notionvtec.com

NOTIONVTEC
NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)
(Incorporated in Malaysia)

Lot 6123, Jalan Haji Salleh, Batu 5 1/2,
Jalan Meru, 41050 Klang,
Selangor Darul Ehsan, Malaysia.