

NOTIONVTEC

NOTION VTEC BERHAD

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



EMBRACE TRANSFORMATIVE JOURNEY

Annual Report 2023

ABOUT NOTION VTEC

✓ 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 strength of 2,000 people.

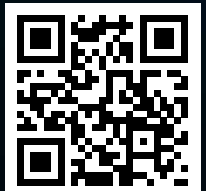
We have increased our regional footprint since 2010 by establishing a manufacturing base in Ayutthaya, Thailand. And we will continue to grow our manufacturing footprint in other locations and innovate, staying ahead to deliver the latest manufacturing processes and technology to our customers.

Our commitment is to become a Net Zero Carbon Group by 2030, aligning with our responsibility as a sustainable corporation and meeting the ESG agenda. To accomplish this goal, we have initiated impactful measures, such as installing rooftop solar energy system. Moving forward, we are dedicated to implementing additional strategies and activities to successfully reach our targets.

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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20th

Annual General Meeting
of Notion VTec Berhad

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

Date:

Friday, 1 March 2024

Time:

9.30 a.m.

CORPORATE INFORMATION

(AS AT 15 JANUARY 2024)

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

TEH SU-CHING

Independent Non-Executive Director

DATO' ABU BAKAR BIN MOHD NOR

Independent Non-Executive Director

ALVIN VONG CHEN WENG

Independent Non-Executive Director

**AUDIT AND RISK
MANAGEMENT COMMITTEE**

Teh Su-Ching (Chairperson)

Dato' Abu Bakar Bin Mohd Nor

Alvin Vong Chen Weng

REMUNERATION COMMITTEE

Alvin Vong Chen Weng

(Chairman)

Teh Su-Ching

Dato' Abu Bakar Bin Mohd Nor

NOMINATION COMMITTEE

Dato' Abu Bakar Bin Mohd Nor

(Chairman)

Teh Su-Ching

Alvin Vong Chen Weng

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)

(SSM PC No. 202008001023)

Tan Ai Ning (MAICSA 7015852)

(SSM PC No. 202008000067)

HEAD / MANAGEMENT OFFICELot 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**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 BerhadLevel 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

FINANCIAL HIGHLIGHTS

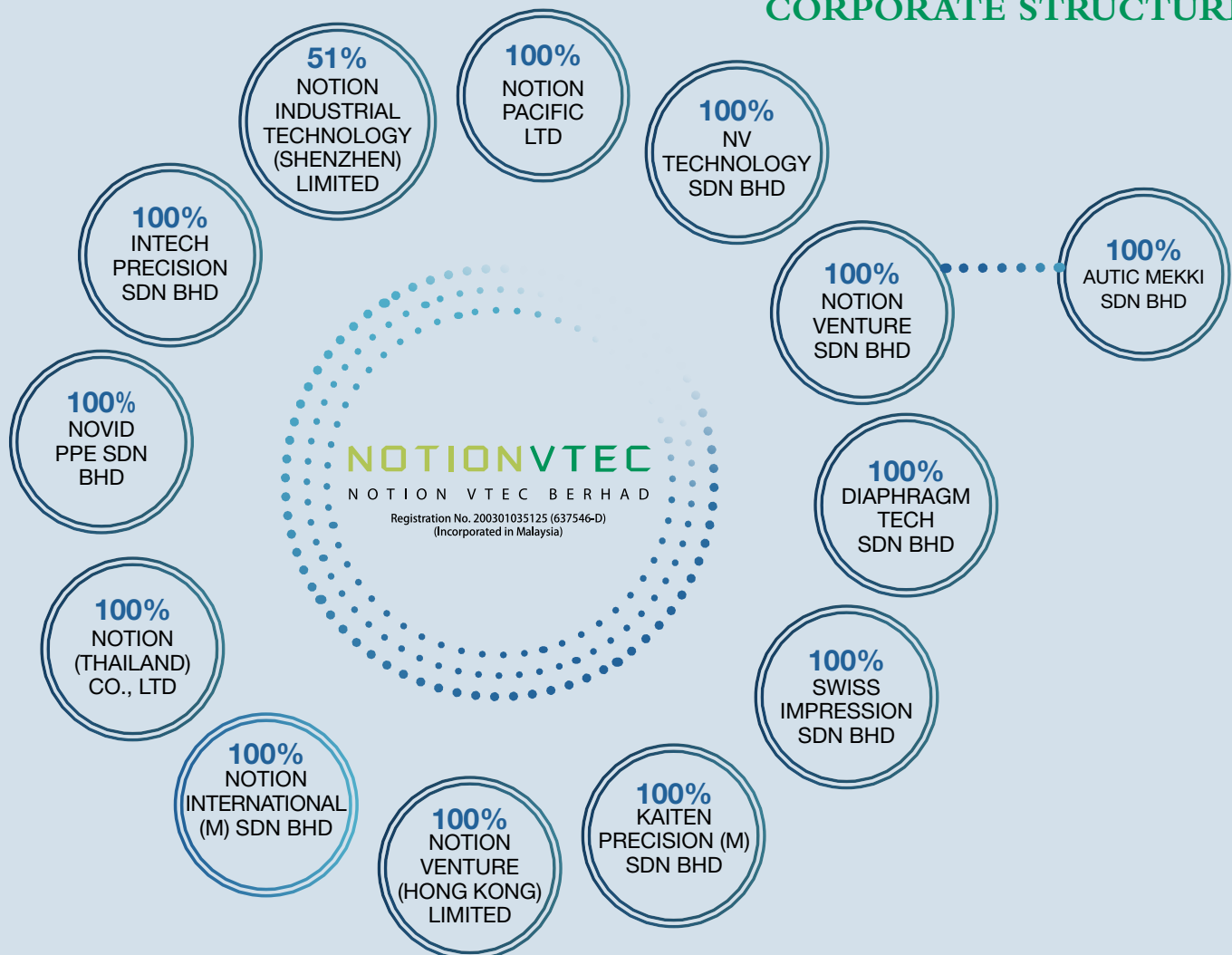
The table below sets out a summary of the audited consolidated results of the Notion Group for the financial years ended 30 September 2019 to 2023:

	2023	2022	2021	2020	2019
Revenue (RM'000)	345,258	334,146	352,915	242,747	237,687
(Loss)/Profit before Tax (RM'000)	(42,144)	18,976	(10,272)	6,840	14,090
(Loss)/Profit after Tax (RM'000)	(45,016)	9,379	(7,810)	6,323	7,543
(Loss)/Profit attributable to owners of the Company (RM'000)	(45,016)	9,379	(7,810)	6,323	7,543
(Loss)/Earning before interest, taxes, depreciation and amortisation ((LBITDA)/EBITDA) (RM'000)	(8,937)	55,188	27,922	40,987	44,925
No. of shares in issue ('000)	515,808*	515,682	515,370*	504,744*	499,733^
Net (Loss)/Profit per share (Sen)	(8.7)	1.8	(1.5)	1.3*	1.5^

* Based on weighted average paid up share capital.

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

CORPORATE STRUCTURE



BOARD OF DIRECTORS

(AS AT 15 JANUARY 2024)

THOO CHOW FAH

Executive Chairman	Malaysian	71	Male
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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.

WILLIAM CHOO WING HONG

Managing Director	Malaysian	59	Male
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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.

JOHN CHOO WING ONN

Executive Director	Malaysian	57	Male
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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 15 JANUARY 2024)

LEE TIAN YOKE*Executive Director*

Malaysian

53

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 Automotive and 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.

CHOO WING YEW*Executive Director*

Malaysian

62

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.

DATO' ABU BAKAR BIN MOHD NOR*Independent Non-Executive Director*

Malaysian

70

Male

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

BOARD OF DIRECTORS (CONT'D)

(AS AT 15 JANUARY 2024)

TEH SU-CHING

Independent Non-Executive Director

Malaysian

50

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 Committee and Remuneration Committee.

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.

Ms Teh 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.

Other than Notion VTec Berhad and the directorship as disclosed above, she does not hold any directorship in other public companies and listed issuers.

ALVIN VONG CHEN WENG

Independent Non-Executive Director

Malaysian

42

Male

Mr Alvin Vong Chen Weng was appointed to the Board on 17 April 2023. He is the Chairman of the Remuneration Committee as well as a member of the Audit and Risk Management Committee and Nomination Committee.

Mr Alvin Vong graduated with a Bachelor of Commerce in Management Accounting, Investment Finance and Information Management from University of Western Australia.

Mr Alvin Vong has over 15 years of experience in capital markets and has successfully listed EquitiesTracker Holdings Berhad on Bursa Malaysia's Leading Entrepreneur Accelerator Platform (LEAP) market in 2019.

His expertise includes building financial analytics and information on public listed companies in Malaysia, Singapore and Australia. In addition to his business experience, he is skilled in financial education and training, the courses he created are recognised by professional and regulatory bodies for professional education. His client base includes investment banks, brokers and retail investors.

In 2023, he has successfully navigated his group of companies in expanding their business to establish an onshore and offshore licensed fund management business. He is currently an Executive Director and Group Chief Executive Officer of EquitiesTracker Holdings Berhad.

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

Notes to Directors' profile:

1. Family Relationships

Mr William Choo Wing Hong, Mr John Choo Wing Onn and Mr 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 / Potential Conflict of Interest

None of the Directors has any conflict of interest / potential conflict of interest with the Group.

3. Conviction of Offences

None of the Directors has any conviction for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2023.

4. Attendances at Board Meetings

The details of the Directors' attendance at Board Meetings are set out on page 44 of this Annual Report.

5. Shareholdings

The details of the Directors' interest in the securities of the Company are set out on page 121 of this Annual Report.

KEY SENIOR MANAGEMENT

(AS AT 15 JANUARY 2024)

THOO CHOW FAH

Executive Chairman

| Malaysian | 71 | 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.

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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 | 59 | 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.

JOHN CHOO WING ONN

Executive Director

| Malaysian | 57 | 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.

CHOO WING YEW

Executive Director

| Malaysian | 62 | 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.

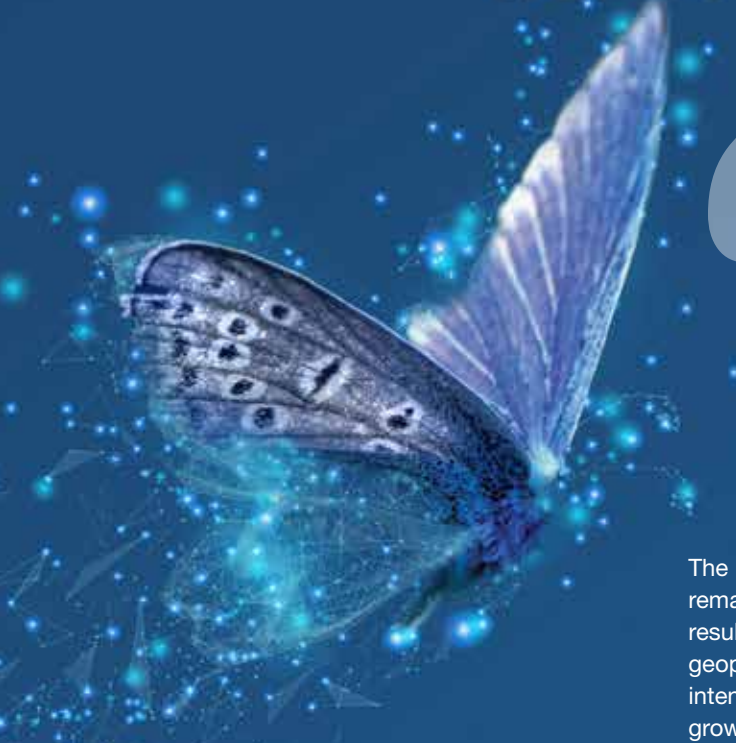
Mr Choo joined Notion Group as Financial Controller in May 2005 and is the key financial person of the Group.

KEY SENIOR MANAGEMENT (CONT'D)
(AS AT 15 JANUARY 2024)

LEE TIAN YOKE	
Executive Director	Malaysian 53 Male
<p>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 Automotive and HDD projects.</p> <p>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.</p> <p>He received his Certificate in Marketing from HELP Institute, Kuala Lumpur in 1994.</p>	

FLORIAN, LOUIS, RAYMOND GINESTE	
Chief Operating Officer	French 35 Male
<p>Mr Florian Gineste was appointed as a Chief Operating Officer of the Company on 23 June 2023. His primary responsibilities involve in collaborating with the Managing Director to implement the strategies of Notion Group and oversee its day-to-day business operations.</p> <p>Mr Florian Gineste began his career as a Research and Development Engineer at Safran S.A. He then joined Peugeot S.A. as an Engine Component Design and Product Engineer and subsequently joined BorgWarner Inc. as a Product Line Purchasing Leader. He has extensive experience in global customer relationship management and business operations in automotive and engineering industries.</p> <p>He holds a Bachelor's degree in Engineering from École Nationale Supérieure De Mécanique Et D'aérotechnique and a Master of Engineering Science from University of Poitiers.</p> <p>Mr Florian Gineste does not have any family relationship with any Director and/or major shareholders of the Company, nor any conflict of interest / potential conflict of interest with the Group. He has no convictions for any offences within the past five (5) years or has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2023, other than traffic offences (if any). He does not hold any directorship in public companies and listed issuers.</p>	

MANAGEMENT DISCUSSION & ANALYSIS



Fiscal policy should prepare for long-term spending challenges.

OECD Outlook 2024

GDP growth in the United States is projected at 2.4% in 2023, before slowing to 1.5% in 2024, and then picking up slightly to 1.7% in 2025 as monetary policy is expected to ease. In the euro area, which had been relatively hard hit by Russia's war of aggression against Ukraine and the energy price shock, GDP growth is projected at 0.6% in 2023, before rising to 0.9% in 2024 and 1.5% in 2025. China is expected to grow at a 5.2% rate this year, before growth drops to 4.7% in 2024 and 4.2% in 2025 on the back of ongoing stresses in the real estate sector and continued high household saving rates.

"The global economy continues to confront the challenges of both low growth and elevated inflation, with a mild slowdown next year, mainly as a result of the necessary monetary policy tightening over the past two years. Inflation has declined from last year's peaks. We expect that inflation will be back at central bank targets by 2025 in most economies," OECD Secretary-General Mathias Cormann said. "Over the longer term, our projections show a significant rise in government debt, in part as a result of a further slowdown in growth. Stronger efforts are needed to rebuild fiscal space, also by boosting growth. To secure stronger growth, we need to boost competition, investment and skills and improve multilateral co-operation to tackle common challenges, like reinvigorating global trade flows and delivering transformative action on climate change."

The Outlook highlights a range of risks. Geopolitical tensions remain a key source of uncertainty and have risen further as a result of the evolving conflict in Israel/Gaza. Amid heightened geopolitical tensions and a longer-term decline in the trade intensity of growth, the anticipated cyclical pick-up in trade growth could fail to materialise. On the upside, stronger consumer spending could push up growth if households make greater use of the savings accumulated since the COVID-19 pandemic, though this could also increase the persistence of inflation.

The Outlook lays out a series of policy recommendations, underlining the need to continue policies aimed at bringing down inflation, reviving global trade and adapting fiscal policy to meet long-term challenges.

The effects of the tightening of monetary policy since early 2022 are increasingly visible. Policy interest rates appear to be at or close to their peak in most economies. Monetary policy should remain restrictive until there are clear signs that inflationary pressures are durably reduced. No rate reductions are expected in the major advanced economies until well into 2024, and in some economies not before 2025. There is scope for rate reductions in many emerging market economies, but global financial conditions will limit the pace at which these can occur. Greater efforts should be made to ensure that markets remain open to help lead the way to the digital and green transitions. Fiscal policy should prepare for long-term spending challenges.

"Governments really need to start confronting the mounting challenges that public finances face, particularly from ageing populations and climate change," OECD Chief Economist Clare Lombardelli said. "Governments need to spend smarter, and policy makers need to contain current and future fiscal pressures while preserving investment and rebuilding buffers to respond to future shocks."

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Notion Group

Given the challenging economic conditions, particularly the increased risen interest rates and heightened inflation, we anticipate that orders from our customers will mirror the respective industry status and the strength and performance of individual companies.

We have recruited Mr Florian, Louis, Raymond Gineste as our new Chief Operating Officer, who has extensive experience in the automotive engineering industry in the Europe. He is collaborating with the Managing Director to implement the strategies of Notion Group and oversee its daily business operations. Besides that, he will also focus on enhancing the Group production efficiencies as well as other key management performance.

As the Group continues to focus on the precision engineering business, the Personal Protective Equipment (“PPE”) business is being sidelined until an opportune future time. We continue to invest in computer numerical control (CNC) machines to cater for growth in the Hard Disk Drive (“HDD”), Automotive and Electronic Manufacturing Services (“EMS”) businesses.

Notion (Thailand) Co., Ltd is undergoing a structural change as we move from a single customer to a multi customers environment as we add new business to the business unit.

For the foreseeable future, strong growth will be seen in the EMS sector based in Notion Johor as we add more product lines and manufacture to cater for this sector. There are plans to expand this operation overseas to cater to customers’ needs.

Financial and Operations Review

For the financial year ended 30 September 2023 (“FY2023”), our Group posted sales revenue of RM345.26 million which is 3.3% higher than FY2022 and recorded a loss after tax of RM45.02 million compared to a profit after tax of RM9.38 million in FY2022.

The breakdown of the Group’s revenue is shown below:

Segments	Revenue			
	FY2023		FY2022	
	RM'000	%	RM'000	%
HDD	79,051	23	126,612	38
Automotive	109,391	31	90,360	27
Engineered Products				
- Camera	15,950	5	13,771	4
- EMS and Others	134,019	39	82,856	25
PPE	6,847	2	20,547	6
Total	345,258	100	334,146	100

Loss before interest, taxes, depreciation and amortization (LBITDA) stood at RM8.94 million compared to the Earnings before interest, taxes, depreciation and amortization (EBITDA) of RM55.19 million recorded in FY2022.

Borrowings of the Group as at FY2023 was approximately RM36.33 million, giving a gearing ratio of 9.5%.

For the financial year under review, the Group invested RM15.59 million in capital expenditure.

Cash and cash equivalent as at FY2023 has improved and stood at RM49.70 million.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Notion's Outlook & Strategies

- Cashflow management remains a top priority. The Group needs to strengthen its multiple sources of income in various niche markets with reasonable margins and growing sales not just confining to the precision engineering sectors. It is in line with lowering the carbon footprint of the Groups' activities as required under the ESG agenda.
- There will be more emphasis on skills training and education across the Group's employees and management. With an ageing work force, we need fresh graduates and skilled artisans as replacement. There are plans for succession planning for the key senior management.
- We expect to deepen and broaden our relations with key customers especially in the EMS sector to include engineered plastics, different metals and customised engineered processes. We also desire to upgrade our customer service level to stay at the highest competitive mode.
- It is anticipated that the capital expenditure will increase in the FY2024 in line with customer demands and new orders obtained.

Group's Segmental Analysis

HDD Business

The data storage sector of which HDD is the main driver, has been under performing in this FY2023 due to reduced spending in data storage as a result of the trade war and tensions between China and the West. Also, increase interest rates has escalated cost of doing business and curtailment of spending worldwide.

The HDD business has been impacted with reduced orders but we expect a steady recovery of this sector in FY2024

Automotive Business

The automotive sector has performed well and we expect growth in this business mainly in the Electric Vehicle (EV) segment.

EMS/Camera Business

The Camera business is on a steady long-term decline and not expected to regain its former business potential.

On the other hand, we have high expectations for strong growth in the EMS sector in FY2024 as there are various new projects secured in the FY2023.

Risks

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

- Over reliance on a few MNC customers. Nonetheless, we have over the years started to diversify our customer base in different sectors and will continue intensify our efforts on this area.
- Appreciation/depreciation of the United State Dollar and the Euro against Malaysian Ringgit will bear strongly on the Group's performance 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 and natural calamity in our business operations area may disrupt our production and business operations. This risk is somewhat mitigated through our geographical locations.

Dividend

Although there is no change to the Dividend Policy, we point out that the recent major multi-million impairment to the PPE assets has dented our retained profits and it may be longer than expected before we can declare dividends.



SUSTAINABILITY STATEMENT

ABOUT THIS REPORT (GRI 2-3)

Notion VTec Berhad (“Notion”, “the Group”, “we” or “our”) is honoured to present our Annual Sustainability Statement for 2023 (“SS2023” or “the Statement”). This Statement provides an overview of the Group’s sustainability performance during the period of 1 October 2022 to 30 September 2023, unless stated otherwise. It also demonstrates historical statistical data for certain disclosures to indicate relevant trends for readers to better understand Notion’s comparative performance.

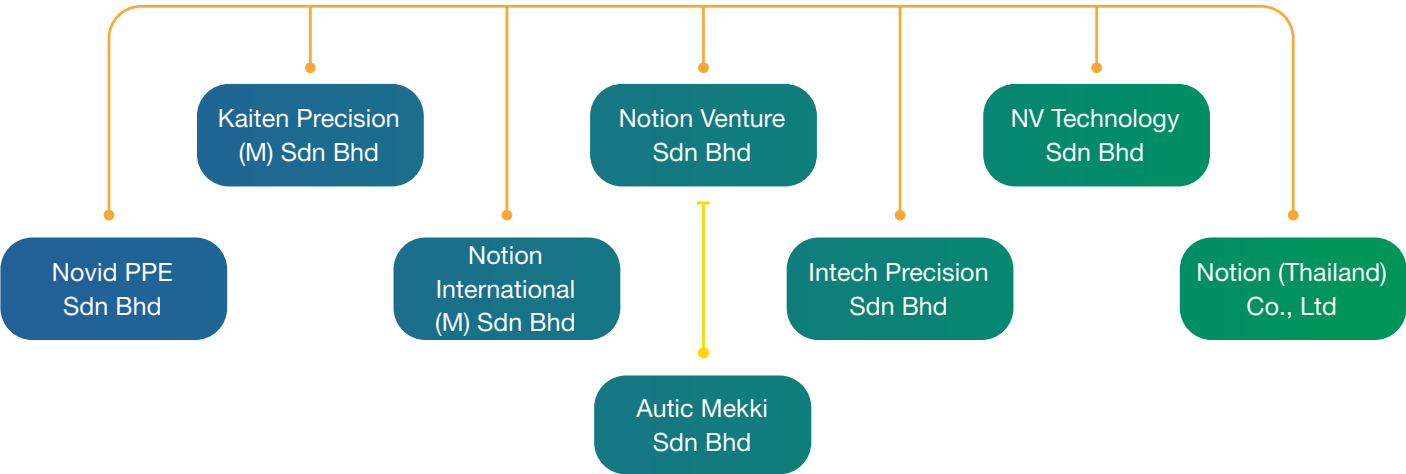
We restated information made from the previous reporting period, the aggregate numbers of various metrics would change this year as we are including Autic Mekki in the scope of reporting. We have also included missing past data of other subsidiaries. This would impact past as well as current data.



SCOPE AND BASIS OF SCOPE (GRI 2-2)

This Statement namely covers the Group and its active subsidiaries’ sustainability performance and progress of our business operations in Malaysia. Additionally, our overseas entity in Thailand is included in this reporting scope due to its significant revenue contribution to the Group. Unless otherwise mentioned, SS2023 excludes all outsourced activities and operations.

NOTIONVTEC
NOTION VTEC BERHAD
Registration No. 200301035125 (637546-D)
(Incorporated in Malaysia)



SUSTAINABILITY STATEMENT (CONT'D)

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), with reference to Bursa Securities’ Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiative (“GRI”) Standards.

FEEDBACK (GRI 2-3)

Our SS2023 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 5 1/2, Jalan Meru
41050 Klang, Selangor Darul Ehsan

SUSTAINABILITY GOVERNANCE (GRI 2-14)

Notion has established a sustainability governance structure to manage sustainability strategies for the Group, which enables us to run our businesses, make decisions, and carry out sustainable actions effectively, aiming to support a business that lasts.

The Board is ultimately responsible for Notion’s sustainability governance and establishes the direction for defining the Group’s sustainability strategies, objectives, and the material Environmental, Social and Governance (“ESG”) topics to emphasise. The Board receives support from several Board Committees such as the Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”), and Remuneration Committee (“RC”). These Board Committees are established to strengthen sustainability and corporate governance within the Group.

The implementation of initiatives and the advancement of sustainability practices are supervised and managed by a Sustainability Working Group (SWG), which includes Management Committee and Divisional Management. Management Committee, led by the Group Executive Chairman, determines the strategies and action plans relating to sustainability matters as well as presents sustainability-related matters to the Board for deliberation.

Divisional Management, consisting of the Operations Manager and Accounts Executive, is responsible for the day-to-day implementation of the organisation’s strategies and plans and collection for sustainability-related data against measurable indicators and performance.

Board of Directors

- Comprises of the Group Executive Chairman, Group Managing Director, Executive Directors and Independent Non-Executive Directors.
- Ultimately responsible for Notion’s sustainability governance and establishes the direction for defining the Group’s sustainability strategies, objectives, and the material ESG topic.
- Supported by the ARMC, NC and RC.

ARMC

NC

RC

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE (GRI 2-14) (CONT'D)

SUSTAINABILITY WORKING GROUP (SWG)	
Management Committee	
<ul style="list-style-type: none"> Led by the Group Executive Chairman. Determines the strategies and action plans relating to sustainability matters. Presents sustainability-related matters to the Board for deliberation. 	
Divisional Management	
<ul style="list-style-type: none"> Consists of the Operations Manager and Accounts Executive. Consolidate, develop, coordinate and implement day-to-day sustainability initiatives across the Group. Collect sustainability-related data against measurable indicators and performance. 	

STAKEHOLDER ENGAGEMENT (GRI 2-29)

Active engagement with our diverse stakeholders is a crucial element in sustaining efficient operations at Notion. Stakeholders, as per Notion's definition, encompass individuals, entities, or groups whose business model and strategies may be influenced by Notion, and conversely, may impact Notion's business operations.

Our key stakeholder groups include shareholders and investors, customers, suppliers and contractors, financiers, government agencies and regulators, employees, community and non-governmental organisations as well as industry associations. They were identified based on their different levels of influence over and dependence on our business.

Notion consistently engages and communicates with stakeholders to understand their requirements and expectations, consider their concerns, especially in relation to the Group's capacity for financial and non-financial value creation.

Stakeholder engagement takes place through various communication channels, including web-based media platforms, meetings, seminars, and face-to-face interactions. Notion's official website serves as an accessible platform for stakeholders and other users to access the latest corporate announcements, financial results, etc. The stakeholder engagement table highlighting the various types of stakeholder engagements as well as areas of interest identified is presented below:

Key Stakeholders	Engagement Channel	Frequency of meeting	Key Areas of Interest/Concern
Shareholders and Investors	Annual General Meetings	annually	<ul style="list-style-type: none"> Corporate governance practices Sustainable return and growth Return on investment Sustainable financial & operational performance
	Extraordinary general meetings	as needed	
	Investors Briefing	as needed	
	Corporate announcements	as needed	
	Media releases	as needed	
Customers	Daily engagements	as needed	<ul style="list-style-type: none"> Product quality & safety Fair & reasonable product pricing Products and services updates
	Briefings	as needed	
	Site visits	as needed	
	Advertisements and media releases	-	
Suppliers and contractors	Regular visits	as needed	<ul style="list-style-type: none"> Fair & robust procurement system Support of local businesses Social & environmental responsibility Ethics – anti-bribery & corruption
	Supplier evaluations and registration	as needed	

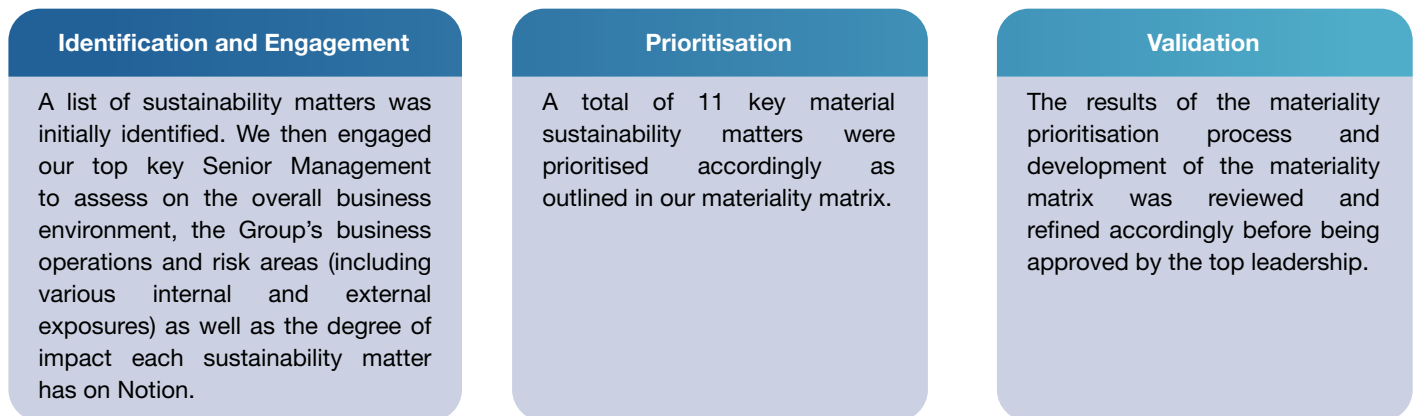
SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (GRI 2-29) (CONT'D)

Key Stakeholders	Engagement Channel	Frequency of meeting	Key Areas of Interest/Concern
Financiers / Banks / Analysts	Corporate announcements	as needed	<ul style="list-style-type: none"> Transparent & accurate disclosure
	Media	as needed	
Regulators	Compliance efforts, i.e. submission of reports	quarterly	<ul style="list-style-type: none"> Good governance Fair labour practices Safety at work Compliance with laws & regulations Greenhouse gas emissions ("GHG")
	Regular visits	as needed	
	Events, i.e. corporate, government and conferences	as needed	
	Media releases	as needed	
Employees	Performance evaluation	annually	<ul style="list-style-type: none"> Compensation & benefits Competency development Learning & development Rewards & recognition Safety at work
	Trainings and developments	as needed	
	Compensations and benefits	as needed	
	Corporate and community activities	annually	
Local Community / Non-Governmental Organisations / Industry Associations	Corporate social responsibilities activities	annually	<ul style="list-style-type: none"> Social & environmental responsibility Job opportunities for locals Stimulating local economies
	Industry associations	as needed	
	Sponsorships and donations	as needed	
	Media releases	as needed	
	Website/social media	as needed	

MATERIALITY ASSESSMENT (GRI 3-1)

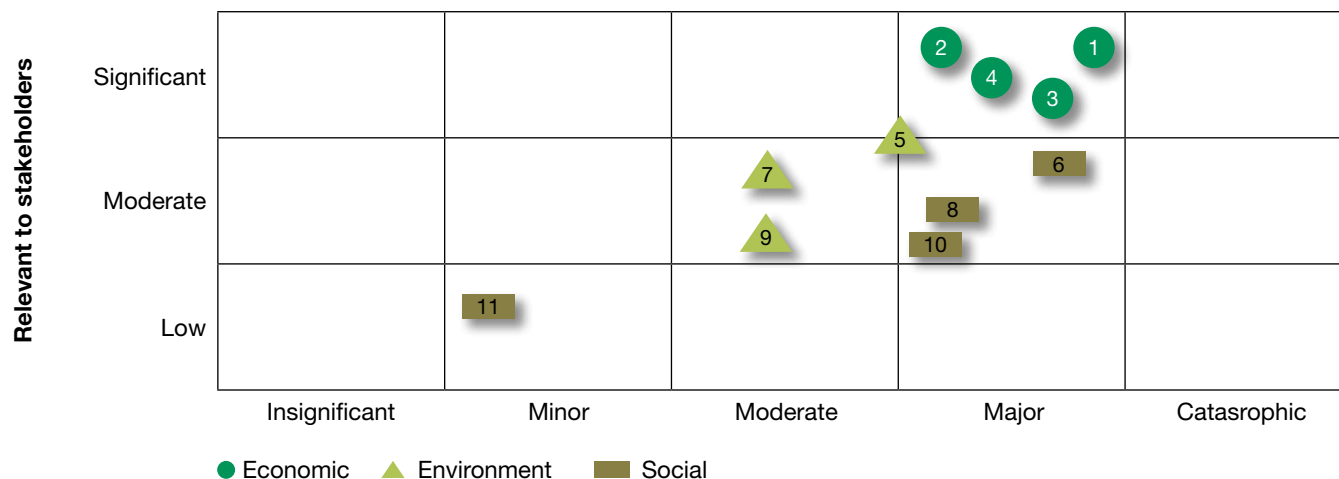
We acknowledge that our material matters can have direct or indirect impacts on our capacity to generate lasting value for our stakeholders. We conduct materiality assessment on annual basis to identify and respond to the needs of our stakeholders. Last year, a comprehensive materiality assessment was undertaken, involving our primary internal and external stakeholders, to guarantee that their interests and concerns are considered and addressed. The assessment results were revalidated and applied for this year. Our materiality assessment process is shown here:



Our existing 11 material matters are aligned with Notion's strategic priorities and stakeholders expectations. The significance of profitability is a top-priority concern for stakeholders because it serves as the cornerstone and capital to enhance our performance in other identified critical areas. As of the fiscal year 2023, there were no substantial changes in terms of the materiality of sustainability matters and the materiality matrix.

SUSTAINABILITY STATEMENT (CONT'D)

NOTION'S MATERIALITY MATRIX 2023 (GRI 3-2)



No.	Material Topic	No.	Material Topic
01	Direct economic impact	07	Energy and water
02	Product and service quality	08	Diversity and equal opportunity
03	Supply chain management	09	Emission and waste management
04	Anti-bribery and anti-corruption	10	Training and development
05	Compliance with environmental laws and regulations	11	Engagement with community
06	Safety and health		

SUSTAINABILITY FRAMEWORK (GRI 2-22, 2-23)

Our sustainable framework consists of 3 major focus areas: economic, environmental and social. These 3 focus areas are integrated into our business strategy to meet the needs of stakeholders. The objectives in these 3 focus areas are to provide excellent services, minimise environmental impact, and actively contribute to local communities. We commit to addressing issues related to each material topic to realise our sustainable business strategy and continually monitor our sustainable development performance.

Our Focus Areas		
Economic	Environmental	Social
Providing excellent services and creating value for stakeholders while upholding transparency and accountability	Reducing carbon emission and minimising environmental impacts of our operations	Cultivating an diverse culture, promoting employee wellness, and supporting the local community
Direct economic impact	Compliance with environmental laws and regulations	Safety and health
Product and service quality	Energy and water	Diversity and equal opportunity
Supply chain	Emission and waste management	Training and development
Anti-bribery and anti-corruption		Engagement with community

SUSTAINABILITY STATEMENT (CONT'D)



Economic

Direct Economic Impact (GRI 201-1)

Maintaining our financial performance and enhancing shareholder value through the growth and stability of financial performance is crucial for Notion. Economic performance serves as a strategic necessity, contributing positively to our environmental and social factors. For details of our financial results, please refer to the Management Discussion and Analysis and the Audited Financial Statements in this Annual Report.

Economic Performance			
	FY2021	FY2022	FY2023
Revenue (RM'000)	352.92	334.15	345.26
(Loss)/Profit After Tax (RM'000)	(7.81)	9.38	(45.02)

Product and Service Quality

Notion guarantees that its products and materials meet globally recognised standards and protocols by implementing quality management systems and obtaining certifications. This aligns with our sustainability development and improvement agenda. Our dedication to quality extends to enhancing customer satisfaction through a dual-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.

The Group follows International Organization for Standardization ("ISO") and International Automotive Task Force ("IATF") standards and offers effective mechanisms for managing the 3 pillars of sustainability. These certifications support quality improvement, enhancing confidence in Notion's products and services while strengthening trust among our associate partners and suppliers.

**Automotive
Quality**
IATF 16949

Environment
ISO 14001

Economic
ISO 9001

We acquired its ISO 9001 and ISO 14001 certifications to show our commitment to maintain high quality of our products. ISO 9001, an international standard, outlines requirements for a quality management system, whilst ISO 14001 standards offer a framework for organisations to structure and enhance their environmental management practices. These certifications are instrumental in advancing operational performance, proving high service quality, and bolstering our brand promotion.

SUSTAINABILITY STATEMENT (CONT'D)



Economic

Product and Service Quality (Cont'd)

Additionally, our adherence to the IATF 16949, a global Quality Management System Standard for the automotive industry, aligns with our commitment to serving European automotive clients. Notably, we are making progress in the early adoption of the Responsible Business Alliance standard, a prerequisite for many multinational customers.

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

Product Quality Certification				
Accreditation and Standard	Subsidiaries	Date First Awarded	Validity Period	Scope of Certification
ISO 9001:2015	Notion Venture Sdn Bhd	2 November 2006	27 June 2026	Manufacturing of precision mechanical parts and related components.
ISO 14001:2015	Notion Venture Sdn Bhd	10 August 2007	15 October 2024	Manufacture of automotive, camera parts, HDD, surface treatment components.
IATF 16949:2016	Notion Venture Sdn Bhd	4 December 2007	18 July 2024	Manufacturing of precision mechanical parts for brake systems (ABS, EBS, IBC) and absorbers.
ISO 9001 : 2015	Notion (Thailand) Co., Ltd	25 March 2023	24 March 2026	Manufacturing of precision machined metal parts and hard disk drive units.
IATF 16949 : 2016	Notion (Thailand) Co., Ltd	25 March 2023	24 March 2026	Manufacturing of precision machined metal parts.
ISO 14001 : 2015	Notion (Thailand) Co., Ltd	21 April 2021	20 April 2024	Manufacturing and coating of precision mechined metal parts.

Regarding customer satisfaction, Notion actively interacts with our customers and adapts solutions as needed to align with customers’ needs. We also hold meetings monthly to discuss targets, identification of root causes and improvement action plans, and to monitor the progress of implementation for quality-related initiatives. These efforts aim not only to enhance our relationship with customers but also to achieve high-quality production.

SUSTAINABILITY STATEMENT (CONT'D)



Economic

Anti-Bribery and Anti-Corruption (GRI 205-1, 205-2, 205-3)

Anti-Bribery and Corruption Policy (“ABC Policy”)

Notion maintains a zero-tolerance stance against all forms of bribery and corruption, both within the Group and throughout its value chain. In May 2020, the Group implemented the ABC Policy to address the bribery and corruption risks, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009. The Board oversees anti-bribery and anti-corruption matters within Notion and takes a leading role in developing, applying, and reviewing the Group’s ABC Policy to reinforce internal anti-corruption and anti-bribery efforts.

Applicable to all employees and business associates engaged in activities with the Group, the ABC Policy is complemented by the Anti-Bribery Management System (“ABMS”), which outlines policies and procedures aimed at preventing, identifying, and addressing bribery. The Chief Integrity Officer heads Notion’s broader anti-bribery and corruption compliance function.

The Group regularly communicates the ABC Policy’s guidelines and principles to employees through reminders from supervisors, the employee handbook, internal memos, office notice boards, Notion’s intranet, and the official website. Induction sessions for new employees include briefings on the Group’s policies, including those related to anti-corruption and anti-bribery.

Anti-corruption training has been conducted for Board members, senior management, and employees since FY2022. In FY2023, all employees have undergone this training, with employees required to sign and affirm their compliance with the ABC policy.

Percentage of Employees Who Have Received Training on Anti-corruption by Employee Category			
Employee Category	FY2021	FY2022	FY2023
Senior Management	NIL	100%	100%
Middle Management	NIL	100%	100%
Other Employee	NIL	100%	100%

Recognising the importance of risk assessment in good management practice and maintaining the integrity of the Group’s infrastructure, top-level management emphasizes the need for effective risk assessment embedded at all organisational levels. The Group has assessed 100% of its operations for corruption-related risks, reflecting its commitment to preventing and detecting corruption as part of its ongoing management practices.

Percentage of operations assessed for corruption-related risks		
	FY2022	FY2023
Percentage of operations assessed for corruption-related risks	100%	100%

Any violation of this ABC Policy or relevant local laws by an individual may lead to disciplinary measures and, in extreme cases, termination of employment. Additionally, legal action may be pursued if the Group’s interests suffer harm due to non-compliance or misconduct. Incidents of violations can be reported through the Group’s whistleblowing channel. In FY2023, Notion recorded zero incidents of corruption. The complete ABC Policy is accessible on the official website at <http://www.notionvtec.com/>.

Confirmed incidents of corruption and action taken			
	FY2021	FY2022	FY2023
Total number of confirmed incidents of corruption	0	0	0

SUSTAINABILITY STATEMENT (CONT'D)



Economic

Anti-Bribery and Anti-Corruption (GRI 205-1, 205-2, 205-3) (Cont'd)

Whistleblowing Policy and Procedure

Notion strongly opposes any misconduct, impropriety, policy non-compliance, statutory violations, or wrongdoing by employees, directors, associates, or external parties. The Whistleblowing Policy and Procedure serves as a secure and responsible mechanism for reporting concerns without the fear of reprisal. The objectives of the Whistleblowing Policy and Procedure and its mechanism are:

- 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.

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

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

The whistleblower can use the Whistleblower Report Form provided in the Whistleblowing Policy and Procedure as a guide to submit their information. Reports under this Policy should be directed to the Chairman of the ARMC (for financial reporting, unethical, or illegal conduct) and the Head of Human Resources (for employment-related matters).

Supply Chain Management (GRI 204-1)

Notion's procurement policy is designed to uphold confidentiality, prevent conflicts of interest, and ensure ethical dealings with suppliers. We are also committed to maintaining an ethical supply chain through robust governance and close collaboration with vendors and suppliers.

The ABC Policy, applicable to business associates engaged with the Group, extends to suppliers, vendors, contractors, and other third-party partners. These entities are informed of and expected to comply with the ABC Policy. All agreements with third-party partners include explicit contractual terms, including provisions mandating compliance with anti-bribery and anti-corruption standards outlined in the ABMS. The Group also regularly performs due diligence on both its employees and business partners, with additional assessments triggered as needed, especially in instances where there is suspicion of significant exposure to bribery and corruption risk (as indicated by the Supplier Evaluation Sheet).

When assessing new vendors and suppliers, Notion employs established criteria such as quality, pricing, payment terms, production capacity, historical records, and manpower resources. This ensures that raw materials and services procured by Notion come from reputable sources, contributing to the production of quality products. Due diligence is exercised before engaging with new business associates to confirm their acknowledgment of the Group's commitment to prohibiting bribery and corruption.

An annual assessment of existing suppliers is conducted, evaluating aspects such as quality, timely delivery, after-services, and handling of complaints. This assessment, using the Supplier Evaluation Sheet, serves as an audit and benchmarking tool. Suppliers are graded from A (excellent) to E (poor), with those achieving grade C and above considered qualified and those with grade D and below considered unqualified.

In a commitment to support the local economy and foster community development, the Group actively participates in local procurement, engaging with nearby suppliers. This practice not only contributes to the domestic economy but also aids in minimising environmental impacts associated with our business activities by sourcing materials locally.

Our approach to local procurement and supply chain is an ongoing process. We are dedicated to continual improvement and the enhancement of our supply chain policies and procedures. Throughout this journey, we ensure that all legal requirements are taken into account, and corresponding measures are implemented as necessary.

SUSTAINABILITY STATEMENT (CONT'D)



Social

Human Rights and Labour Standards

Notion regards its workforce as vital to the organisation's sustenance and pivotal to the Group's success. Therefore, considerable attention is dedicated to the management of human capital at Notion, ensuring the rights and well-being of both employees and leadership personnel are safeguarded. Oversight of human rights, labor standards, diversity, and equal opportunities falls under the purview of the Board.

The Group is committed to fair labour practices, adhering to the laws of the countries and communities where it operates, and upholding human rights standards. Notion operates in accordance with Malaysian laws, including the Malaysian Employment Act of 1955 and the Minimum Wages Order of 2016.

Our Code of Conduct and Code of Ethics firmly establish our policies on human rights and labour standards. The Group is committed to supporting and respecting human rights, treating its employees with fairness, dignity, and respect in the workplace. It advocates for equal employment opportunities, fosters a safe and harmonious working environment, and rejects any form of discrimination. Every individual working at Notion is obligated to honour the personal dignity, privacy, and rights of each person during the course of work and is prohibited from contributing to or causing the violation or circumvention of human rights.

Notion is aligned with key human rights standards, including:

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, promotions, and retention practices at Notion are entirely merit-based, ensuring equitable and consistent treatment for all employees. The Group is committed to non-discrimination based on factors such as age, gender, race, religion, sexual orientation, disability, and nationality, emphasising genuine diversity and equal opportunities in the workplace.

The Human Resource ("HR") Department serves as the primary force driving human rights and labour standards initiatives within the Group. This involves active participation in formulating and implementing relevant company policies, protocols, guidelines, and standards. Notion communicates its subscribed human rights and labour standards to employees through various channels, including employee inductions, departmental briefings, training sessions, email notifications, memos, the employee handbook, and verbal reminders. These efforts aim to enhance awareness and engagement among employees regarding their rights in the workplace.

The Group conducts risk assessments on reported labour issues within the company as deemed necessary. There is no historical record of human rights violations or labour non-compliance in the Group's history.

Number of substantiated complaints concerning human rights violations			
	FY2021	FY2022	FY2023
Number of substantiated complaints concerning human rights violations	0	0	0

SUSTAINABILITY STATEMENT (CONT'D)



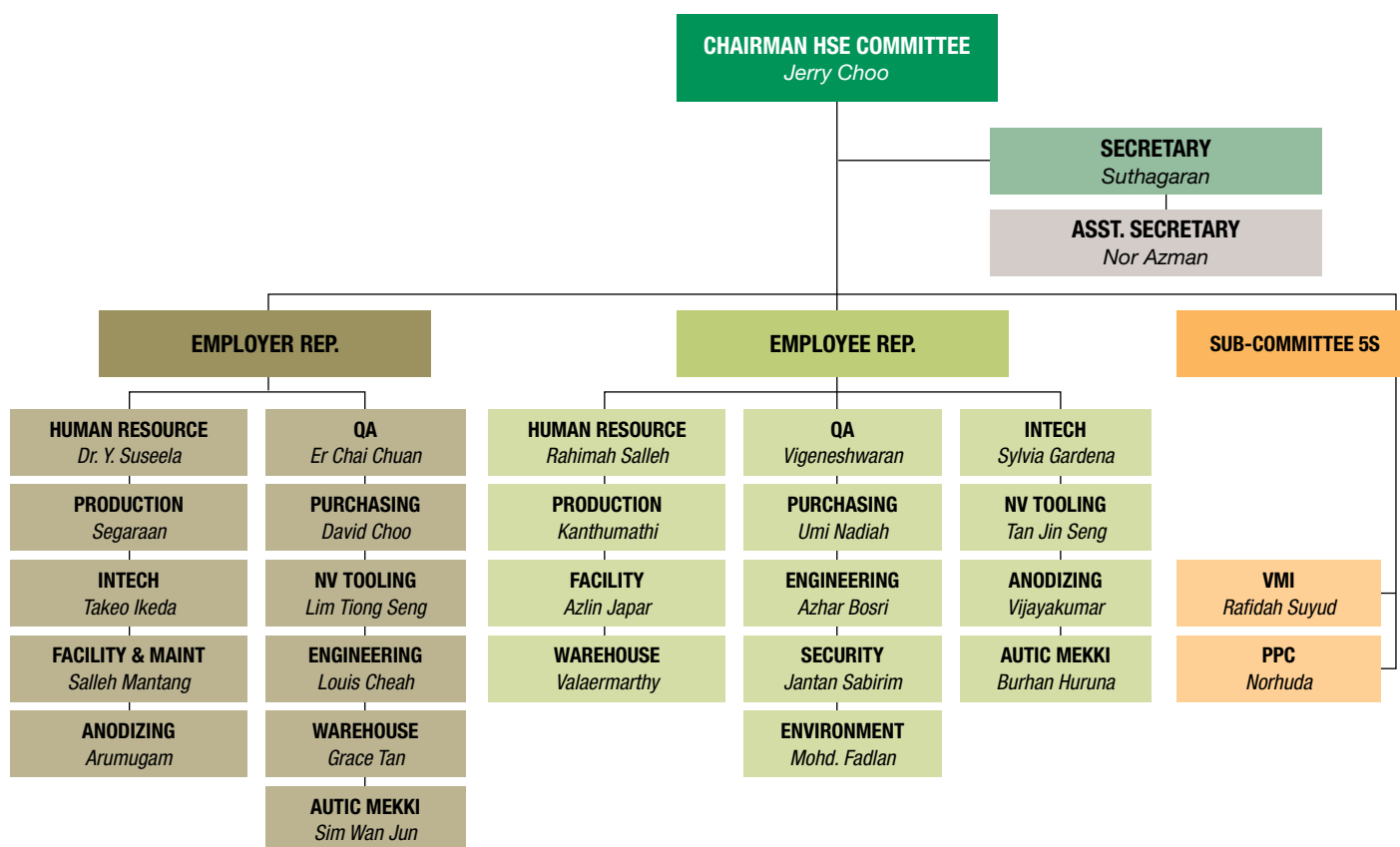
Social

Occupational Safety and Health (GRI 403-1, 403-4, 403-5, 403-9)

Occupational Safety and Health (“OSH”) is a crucial focus at Notion. The Group implements effective measures to actively safeguard the health and safety of its employees, addressing any underlying OSH issues that may arise within the organisation.

Health, Safety, and Environment (“HSE”) Committee

The Board is responsible for overseeing this critical subject. Additionally, a HSE Committee is set up at each subsidiary within the Group to oversee the monitoring, implementation, and management of HSE-related initiatives. Each HSE Committee includes both employee and employer representatives who are obligated to participate in quarterly meetings. These sessions cover a range of topics, including the latest accident statistics, safety improvement measures, safety and health knowledge, tips, and all other matters related to safety and health. Here is the organisational chart of our HSE Committee:



Notion’s OSH measures and the HSE Committee is 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 (GRI 403-1, 403-4, 403-5, 403-9) (Cont'd)

Environmental Policy & Guidelines

In addition to the HSE Policy, OSH practices at Notion are guided by Environmental Policy & Guidelines. This framework promotes awareness and commitment to environmental, safety, and health principles among all employees and contractors by providing comprehensive instructions, information, training, and supervision.

The Environmental Policy & Guideline is communicated to customers through the Policy's Declaration to Customer form and to third-party procurement partners via the Policy's Supplier/Vendor Acknowledgement form.

Regarding OSH risk assessments, the HSE Committee has diligently evaluated work environments identified as high-risk, and these specific environments receive heightened monitoring by the Group.

Notion does not engage employees in work associated with a high incidence or high risk of specific diseases. The Company has implemented various initiatives directly aimed at minimising health and safety risks and hazards.

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)

OSH Training

The Heads of Department in specific business units are responsible for choosing employees to participate in both internal and external training programs. External training sessions at Notion are carried out by third-party consultants, while internal training is conducted by Notion's own staff. Below are the internal safety and health training programs conducted for Notion employees in 2023:

OSH Training data						
Date	Training Course	Plant No.	Attendance			Attendees
			Target Attendance	Actual Attendance	Attendance Rate (%)	
29 May 2023	Awareness On Duty Of Care	External	1	1	100.00%	Safety Assistant
20 Jun 2023	OSH Management Audit Training	Plant 1	22	16	72.73%	Supervisors
26 July 2023	Fire Drill (Building Evacuation)	Plant 1	41	41	100.00%	ERT Members
9 Aug 2023	First Aider Competency Programme	Plant 1 & Plant 3	25	21	84.00%	ERT Members
10 Aug 2023	Understanding And Implementing Of ISO	External	1	1	100.00%	Safety Health Officer
21 Aug 2023	Forklift Operator Training	Plant 1 & Plant 3	25	19	76.00%	Supervisor, Leader and Forklift Operator
23 Aug 2023	Occupational Fire Fighting Training	Plant 1	20	16	80.00%	ERT Members

SUSTAINABILITY STATEMENT (CONT'D)



Social

Occupational Safety and Health (GRI 403-1, 403-4, 403-5, 403-9) (Cont'd)

OSH Training (Cont'd)

In 2023, a total of 72 participants were given various trainings on health and safety standards.

Number of employees and contractors trained on health and safety standards			
	FY2021	FY2022	FY2023
Number of employees and contractors trained on health and safety standards	47	138	72

5

total health and safety trainings
conducted

113

total attendances for safety and
health trainings

85%

training attendance rate

OSH Performance

Notion consistently monitors, records and evaluates key OSH performance indicators in its work environments. The Group's OSH performance details are shown below:

OSH Performance			
	FY2021	FY2022	FY2023
Total Hours Worked	2,226,224	3,878,096	3,428,864
No. of Fatality	0	0	0
Total No. of Lost Time Injuries	4	3	3
Lost Time Injury Rate (LTIR) ¹	0.36	0.15	0.17

¹ Long Time Injury Rate = Number of lost time injuries in the reporting period *200,000/ Total number of hours worked in the reporting period

Diversity and Equal Opportunity (GRI 405-1)

Employee Diversity

Notion is committed to cultivating an optimal working environment that fully utilises the talents, skills, knowledge, and potential of all employees by maintaining a diverse and inclusive workplace. This approach enables the organisation and its workforce to benefit from a broad array of perspectives, thoughts, experiences, and abilities, fostering a dynamic and high-performance work culture.

In line with this philosophy, the Group actively seeks to attract employees with diverse backgrounds, ages, and experiences, taking into account their individual goals and aspirations. The organisation is dedicated to embracing diversity in the workplace, managing it across various factors such as age, gender, ethnicity, nationality, sexual orientation, cultural background, and other personal considerations.

Notion regards gender diversity as a crucial aspect of sustainable business development. Acknowledging that the engineering and manufacturing industries, in which the Group operates, are often male-dominated, we actively promote the participation of female employees in all aspects of our business operations. Importantly, we are committed to ensuring that gender is not a discriminatory factor in our hiring processes.

SUSTAINABILITY STATEMENT (CONT'D)



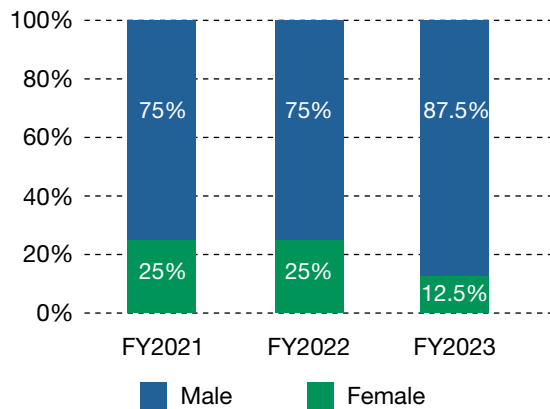
Social

Diversity and Equal Opportunity (GRI 405-1) (Cont'd)

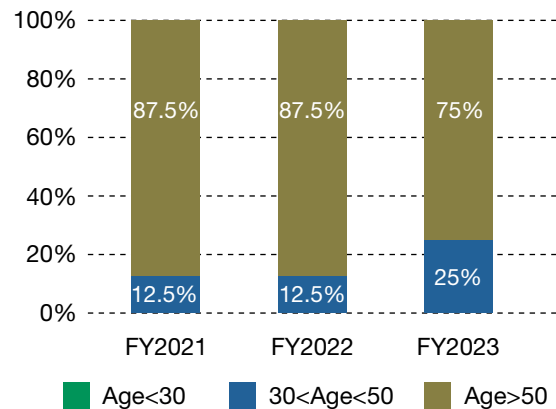
Employee Diversity (Cont'd)

Board Diversity

Board Diversity by Gender

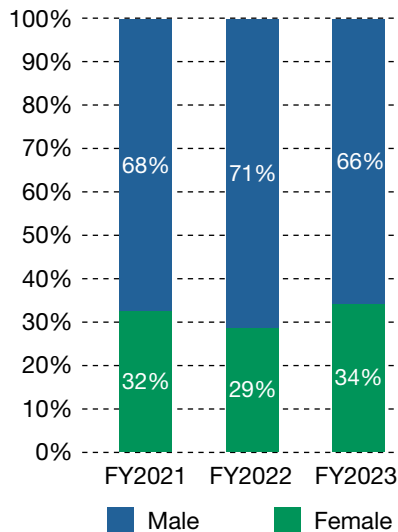


Board Diversity by Age

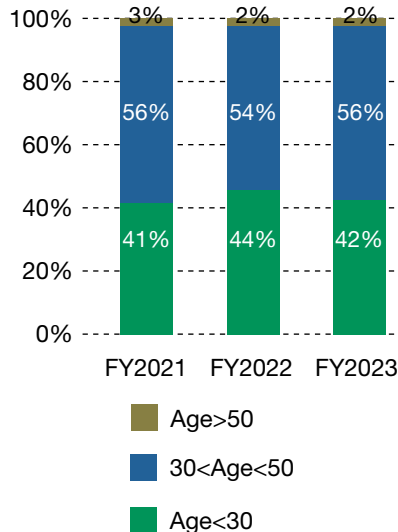


Workforce Profile: Total employees of 1949 in 2023

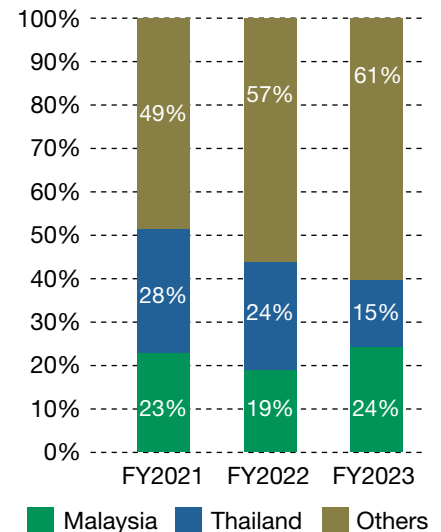
Gender Diversity



Age Diversity



Ethnic Diversity



SUSTAINABILITY STATEMENT (CONT'D)

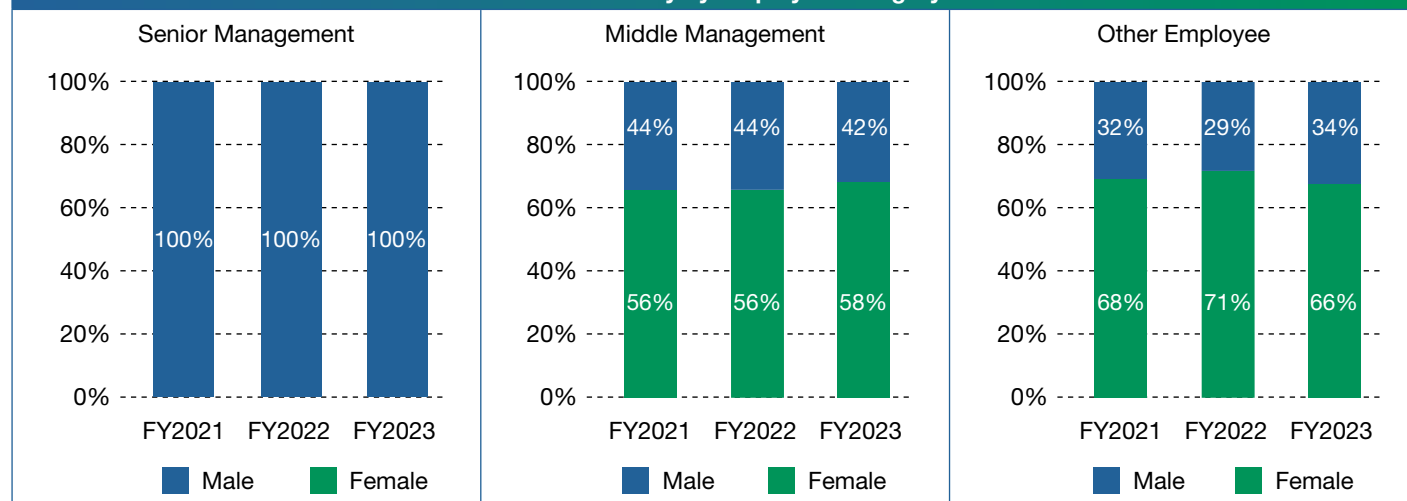


Social

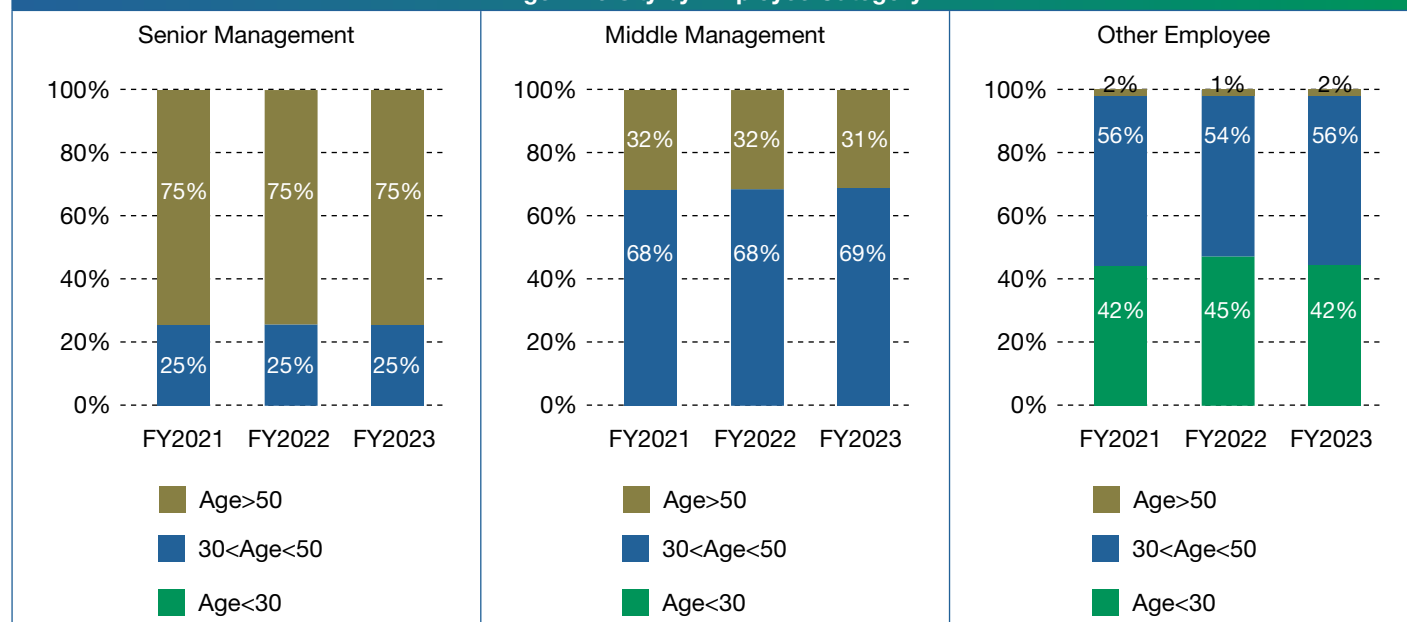
Diversity and Equal Opportunity (GRI 405-1) (Cont'd)

Employee Diversity (Cont'd)

Gender Diversity by Employee Category



Age Diversity by Employee Category



SUSTAINABILITY STATEMENT (CONT'D)



Social

Training and Development (GRI 404-1, 404-2)

The Group recognises the significance of employee training and development, understanding that it not only contributes to personal growth but also enhances work knowledge, productivity, and performance.

Notion's HR Department takes the lead in implementing employee training programs, following approval from relevant leadership. Training needs are identified through discussions and feedback from employees, supervisors, and Heads of Department, ensuring targeted efforts to address identified training gaps.

Training sessions are comprehensive, covering various aspects such as safety, quality, waste management, human resource management, leading practices, competencies, professionalism, and soft skills. These courses are facilitated by both in-house and external trainers, through webinars, and public programs, catering to employees at all levels. Each division has an allocated annual budget to identify and design suitable training and development plans, including external programs to keep employees updated on the latest issues.

In FY2023, total training hours for Notion were 273 hours. Highlights of Notion's trainings are highlighted in the table below:

Training hours by types									
Training type	FY2021			FY2022			FY2023		
	No. of pax	Training hours	Total cost (RM)	No. of pax	Training hours	Total cost (RM)	No. of pax	Training hours	Total cost (RM)
Internal	39	273	20,150	1,208	8	-	144	175	65,020
External	2	14	550	103	232	40,282	30	70	17,440
Virtual	5	35	4,090	-	-	-	4	28	1,700
Total	46	322	24,790	1,311	240	40,282	178	273	84,160

* Fire drills were done in-house. No cost was involved.

* The above table excluded training hours of Notion Thailand.

Total hours of training by employee category				
Employee Category		FY2021	FY2022	FY2023
Senior Management	Total hours of training	24	24	32
Middle Management	Total hours of training	24	24	184
Other Employee	Total hours of training	274	192	57
Total		322	240	273

Employee Retention (GRI 401-1, 401-2, 401-3)

Notion ensures sound management of its hiring and attrition processes to cultivate stability in its total workforce, which is currently at 1949 employees (inclusive of local and foreign employees) as of FY2023.

SUSTAINABILITY STATEMENT (CONT'D)



Social

Employee Retention (GRI 401-1, 401-2, 401-3) (Cont'd)

Our recruiters focus primarily on evaluating skills, experience, and capabilities when identifying and selecting the most suitable candidates for a job. We also actively support the hiring of local talents to bolster the domestic talent pool. In the fiscal year 2023, Notion welcomed a total of 29 new employees. The year saw 23 employees leaving through resignation.

Total number of new hires by employee category			
Employee Category	FY2021	FY2022	FY2023
Technical Employee	14	16	13
Administrative Employee	7	5	3
Production Employee	34	35	13
Total	55	56	29

Total number of employee turnover by employee category			
Employee Category	FY2021	FY2022	FY2023
Technical Employee	9	10	3
Administrative Employee	2	5	7
Production Employee	23	24	13
Total	34	39	23

In 2023, Notion had a voluntary turnover rate of approximately 1.18%.

New hire and turnover rate			
	FY2021	FY2022	FY2023
New hire rate (%)	2.84%	2.29%	1.49%
Turnover rate (%)	1.75%	1.60%	1.18%

Remuneration and Benefits

Notion is committed to offering equitable and competitive compensation and benefits packages in adherence to legal and regulatory standards, aiming to enhance employee retention, morale, and satisfaction. Moreover, we provide a comprehensive range of benefits, including medical leaves, annual leaves, and more, with 100% of permanent employees entitled to these benefits. The evaluation of benefits for each employee is based on factors such as longevity, tenure, and job position at Notion. The Company consistently assesses benefits and monetary compensation in alignment with the latest industry best practices to ensure a competitive remuneration package. 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)

SUSTAINABILITY STATEMENT (CONT'D)



Social

Employee Retention (GRI 401-1, 401-2, 401-3) (Cont'd)

Remuneration and Benefits (Cont'd)

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 in FY2023 (Post Parental Leave)		
	Male	Female
Return to Work Rates (Return to work after parental leave period)	100%	100%
Retention Rates (Remain with the organisation for 12 months or more post parental leave)	100%	100%

Data Privacy and Cybersecurity (GRI 418-1)

The Group adheres fully to the Personal Data Protection Act, and consistently upholds rigorous privacy and cybersecurity measures to safeguard the confidentiality of extensive data stored for clients, customers, and internal teams.

Notion established firewall system, shielding our networks from external cyber threats. To combat phishing emails received by employees, ongoing training is provided to help them distinguish between genuine and deceptive emails. Employees also have the option to forward suspected phishing emails to the Group's Information Technology team for authentication.

In the fiscal year 2023, there were no recorded data breaches, and no substantiated complaints were received regarding customer data losses or breaches of customer privacy.

Number of substantiated complaints concerning breaches in customer privacy or data loss			
	FY2021	FY2022	FY2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

Community Engagement and Investment (GRI 201-1)

Notion actively advocates impactful Corporate Social Responsibility ("CSR") programs that contribute to the welfare of our communities and support citizens in need, aligning with our commitment to responsible corporate citizenship. These CSR initiatives not only provide assistance to those in our communities but also have a positive influence on our employees, who are encouraged to engage in volunteer activities. Encouraging volunteerism among our staff fosters positive values of kindness and generosity within the organisation. Employee volunteers receive recognition through suitable incentives approved by the Group.

Contribution to community 2023			
Name of Activity	Amount contributed (RM)	Estimated number of beneficiaries	Description
Village Administration (Meru)	500	10	Donated for village community activities such as "Gotong-Royong".

Community Investment Performance for Last 3 Years			
	FY2021	FY2022	FY2023
Total amount invested where the target beneficiaries are external to Notion (RM)	30,000	1,000	500
Total number of beneficiaries of the investment in communities	50	30	10

SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Community Engagement and Investment (GRI 201-1) (Cont'd)

During the FY2023, Notion took initiative to co-organise Blood Donation Programme with the support from the Blood Transfusion Unit of Hospital Tengku Ampuan Rahimah at its manufacturing plant on 9 February 2023. This Blood Donation Programme aimed to replenish the blood supply of Hospital Tengku Ampuan Rahimah during this critical periods.

Notion managed to attract 200 individuals to participate in this programme, out of which, a total of 185 individuals were qualified to the cause.

Notion would like to take the opportunity to thank co-organiser and all participants for the success of the programme, and would continue to make a positive social impact by organising more of such events.

Compliance with Environmental Laws and Regulations

Notion is fully aware of the potential regulatory penalties and fines associated with improper disposal of hazardous waste, emissions, and discharges. Recognising that violations of environmental regulatory compliance can harm Notion's reputation, we are committed to preventing environmental pollution at our operational sites by implementing rigorous monitoring and mitigation protocols.

The Group takes a proactive approach to manage both existing and potential environmental issues. This involves monitoring the environmental performance at our workplaces and establishing and executing mitigation plans to prevent any potential adverse impacts on the environment resulting from our operations. In support of this, employees are provided with the necessary knowledge and training to comprehend environmental standards and all sustainability aspects relevant to the Group.

Notion has implemented standard operating procedures, conducts internal and external audits, and undergoes inspections by local authorities, among other measures. These efforts are in place to strengthen compliance, meet regulatory requirements, and minimise regulatory risks to our business. In FY2023, zero environmental non-compliance incidents occurred and no related fines or penalties were received.

Energy Consumption and Emission (GRI 302-1, 305-1, 305-2, 305-3, 305-4)

Emissions and energy are crucial factors in our materiality matrix, reflecting the Group's recognition of climate change risks that could affect operational schedules, logistical value chains, and resource extraction and manufacturing processes. These risks may arise from events such as severe and unpredictable floods and storms.

In order to reduce the impact, we are diligent in overseeing the emissions and energy usage of operations, which may play a role in climate change, but also in executing initiatives aimed at mitigating any adverse climate effects resulting from the Group's activities. For example, Notion encourages electricity-saving initiatives among employees and in its work processes such as enhancing work efficiency to make sure the production will be done within working hours to minimise the use of electricity, or the photocopy machines and computer are preset with power saving settings. Additionally, we are looking into installing a solar panel system within our factory premises to lower energy consumption and reduce carbon emissions.

The main source of emission for Notion would be from the direct consumption of fossil fuel sources such as diesel and petrol (Scope 1) for company vehicles and purchased electricity (Scope 2). We adopted GHG protocol to calculate Scope 1 and 2 emissions.

SUSTAINABILITY STATEMENT (CONT'D)

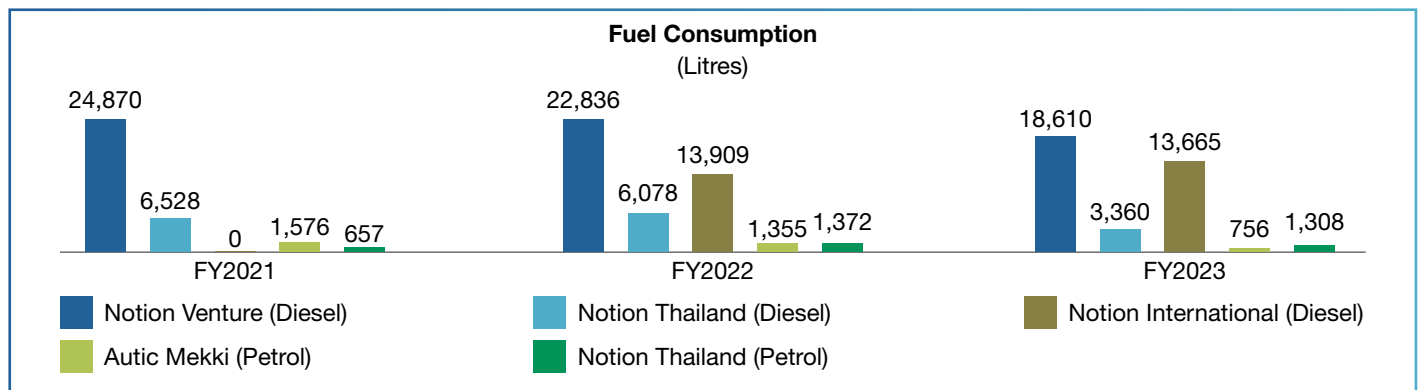


Environmental

Energy Consumption and Emission (GRI 302-1, 305-1, 305-2, 305-3, 305-4) (Cont'd)

Fuel consumption

Scope 1 emissions refer to the direct GHG emissions generated by the Group's fuel consumption. In FY2023, we recorded total 35,635 litres diesel consumption that decreased by 16.8% compared with 42,823 litres in FY2022.



Fuel Consumption				
		FY2021	FY2022	FY2023
Total Fuel Consumption	Diesel (Litres)	31,398	42,823	35,635
	Petrol (Litres)	2,233	2,727	2,064
Notion Venture	Diesel (Litres)	24,870	22,836	18,610
Autic Mekki	Petrol (Litres)	1,576	1,355	756
Notion Thailand	Diesel (Litres)	6,528	6,078	3,360
	Petrol (Litres)	657	1,372	1,308
Notion International	Diesel (Litres)	-	13,909	13,665

Electricity Usage

In terms of electricity usage, the total consumption in FY2023 was 49,347 MWh, which is a reduction of almost 27,854 MWh (36% decrease) compared to FY2022 due to the installation of solar panel on the factory rooftops.

Electricity Consumption in (KwHr)				
	Unit	FY2021	FY2022	FY2023
Total	Kwhr	63,344,952	77,201,068	49,347,051
Autic Mekki	Kwhr	10,744,472	19,819,843	9,812,655
Notion Venture	Kwhr	37,765,570	41,542,145	26,955,012
Notion Thailand	Kwhr	12,494,413	13,153,276	10,251,052
Notion International	Kwhr	2,340,497	2,685,804	2,328,332

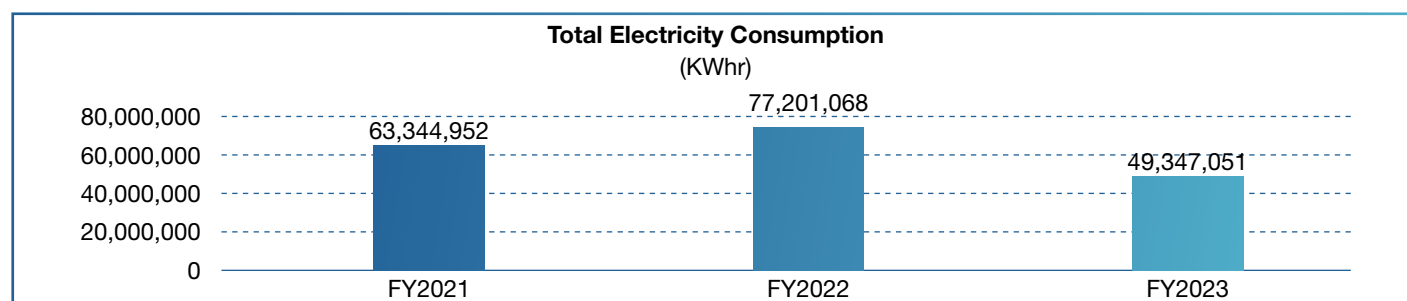
SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Energy Consumption and Emission (GRI 302-1, 305-1, 305-2, 305-3, 305-4) (Cont'd)

Electricity Usage (Cont'd)

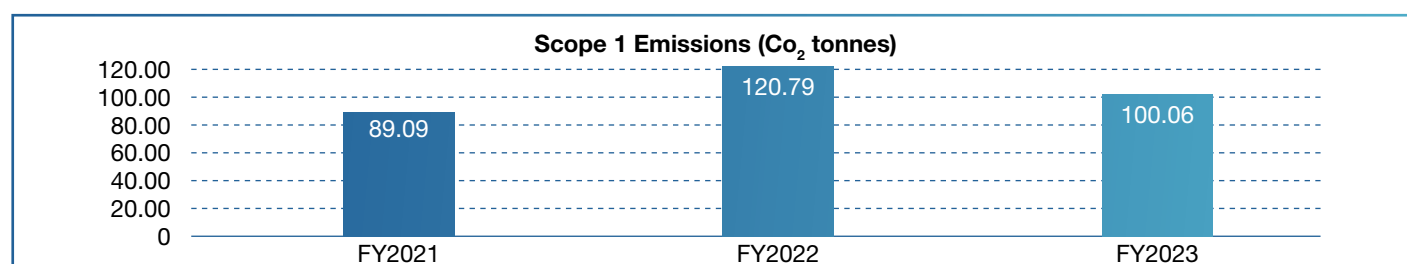


Electricity Consumption in KwHr by plant				
	Unit	FY2021	FY2022	FY2023
Notion Venture Plant 1	Kwhr	21,069,271	22,024,622	17,101,904
Autic Mekki	Kwhr	10,744,472	19,819,843	9,812,655
Notion Venture Plant 3	Kwhr	12,615,780	10,888,880	5,621,369
Notion Venture Extrusion Plant	Kwhr	3,281,684	5,661,354	1,589,882
Notion Venture Plant 5	Kwhr	798,835	2,967,289	2,641,857
Notion Thailand Plant 1	Kwhr	11,095,783	11,034,022	7,139,566
Notion Thailand Plant 3	Kwhr	1,398,630	2,119,254	3,111,486
Notion International Plant 1	Kwhr	1,677,858	1,745,305	1,216,217
Notion International Plant 2	Kwhr	443,342	388,855	336,686
Notion International Plant 3	Kwhr	65,076	201,235	559,164
Notion International Plant 4 & 5	Kwhr	55,754	57,253	3,079
Notion International Plant 6 & 7	Kwhr	98,467	293,156	213,186

Emissions

Scope 1 & 2 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). In FY2023, emissions from fuel consumption (Scope 1) were recorded at approximately 100.06 CO₂ tonnes for the whole organisation. These fuels were used for the company vehicles for their daily working operation.



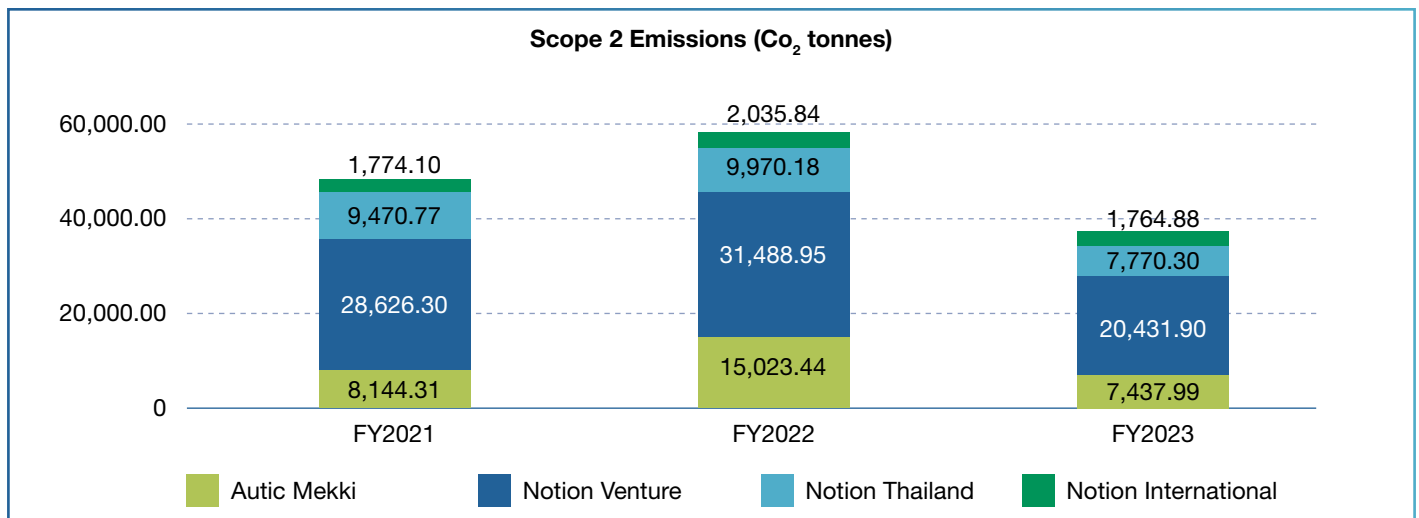
SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Emissions (Cont'd)

Scope 1 & 2 emissions (Cont'd)

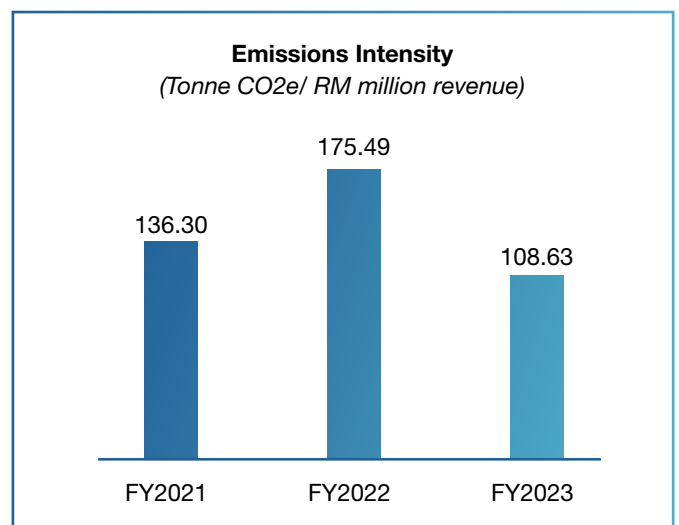
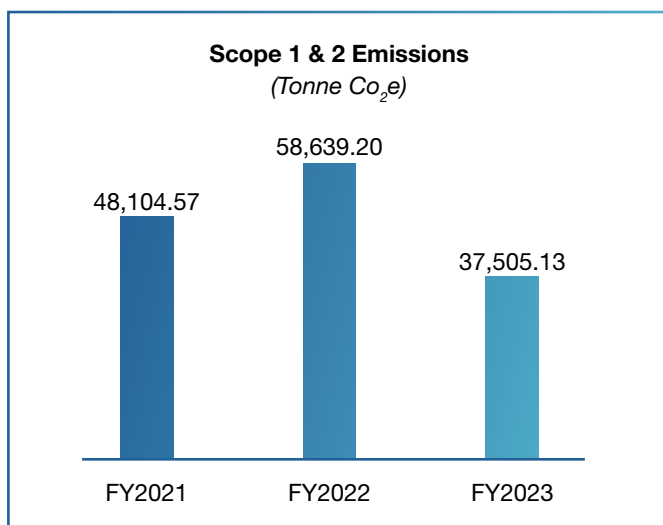


* For FY2021, the Scope 1 data do not include the fuel consumption data for Notion International

** Scope 1 calculation is based on WRI GHG emission factors, 2017 and Scope 2 calculations are based on Suruhanjaya Tenaga (Energy Commission), 2021 Grid emission factor for Peninsular which are aligned with GHG protocol

Emission Intensity

In order to acquire further insight into its sustainability performance, we utilise intensity measurement as a mean to more accurately depict its environmental impact. The emission intensity, indicating carbon dioxide emissions per revenue, stood at 108.63 CO₂ tonnes/RM million in FY2023.



SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Emissions (Cont'd)

Stack Emissions: HNO₃

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 FY2023 has not exceeded the set limit and in fact, it did not produce any amount of HNO₃ compared to the set limit of not more than 30 mg / m³.

Stack Emissions: HNO ₃ (mg/m ³)				
	Unit	FY2021	FY2022	FY2023
#1	mg/m ³	1.2	0	0
#2	mg/m ³	0	0	0
#3	mg/m ³	0	0	0
#4	mg/m ³	1.5	0	0
Total	mg/m³	2.7	0	0

Stack Emissions: Particles Matter

The particulate matter that emits from the stack is still within the acceptable range which is around 6.9 mg / m³ to 8.3 mg / m³ as the limit mentioned is not more than 50 mg / m³ of concentration to be dispersed into the air.

Stack Emissions: Particles Matter (mg/m ³)				
	Unit	FY2021	FY2022	FY2023
#1	mg/m ³	15.5	16.5	8.3
#2	mg/m ³	14.2	21.6	7.1
#3	mg/m ³	17.3	14.8	6.9
#4	mg/m ³	15.2	19.4	9.0
Total	mg/m³	62.2	72.3	31.3

Total Energy Consumption

Our overall energy consumption in FY2023 amounted to 179,083 GJ, as shown below:

Total Energy Consumption in (GJ)				
	Unit	FY2021	FY2022	FY2023
Total	GJ	229,318.8	279,654.9	179,083.3
Electricity	GJ	228,041.8	277,923.8	177,649.4
Diesel	GJ	1,202.2	1,639.7	1,364.7
Petrol	GJ	74.8	91.4	69.2

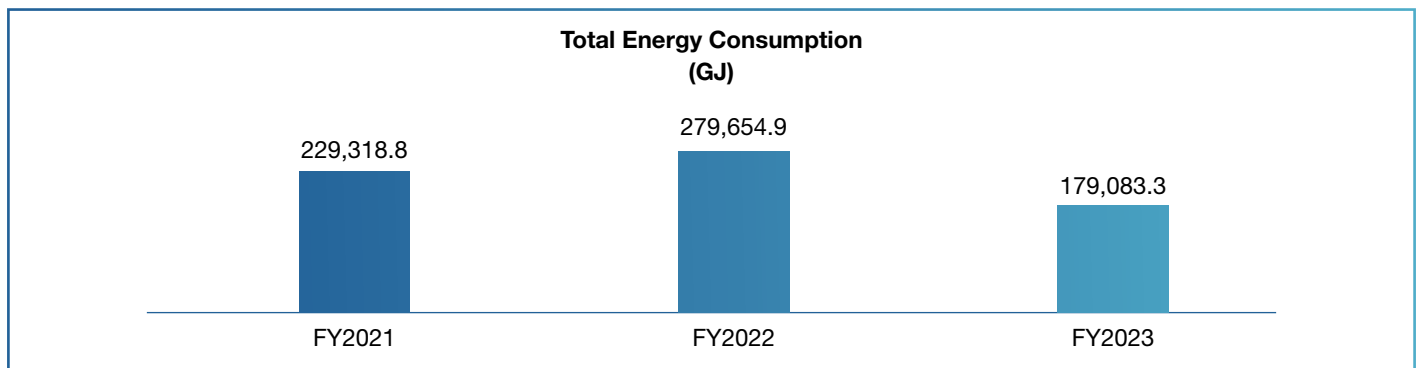
SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Emissions (Cont'd)

Total Energy Consumption (Cont'd)



Renewable Energy: Solar Power

Notion is consistently enhancing process design and investigating ways to continuously monitor energy consumption throughout its operations in order to enhance energy efficiency. A proactive step was taken to boost energy efficiency by installing solar panels at Notion Plant 1, Notion Plant 3, and Notion Sani. This initiative aims to decrease reliance on purchased electricity, thereby reducing the potential for GHG. Importantly, the installation of solar panels is expected to yield significant cost savings through solar power in the long term.

The implementation of solar systems has an estimated saving of about 15% to 22% purchased electricity usage reduction with a cost savings of 0.25% to 1.5% within 25 years.

Solar Power Benefits		
Installation Place	Electricity Reduction (%)	Cost Saving (%)
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

Water Consumption (GRI 303-5)

The growing concern of water scarcity is provoked by various factors, including climate change, inadequate water management, and contamination. Notion is committed to responsible water management throughout the life cycle of its products, emphasising efficient and safe water usage practices that extend to its supply chain.

The Group takes measures to prevent any undesired leaks in its infrastructure and utilises harvested rainwater for the Group's toilet system and air conditioning compressors. Additionally, Notion promotes water-saving behaviours among its employees, including turning off water appliances when not in use.

In FY2023, Notion's water consumption was 746 Megalitres, as shown below. The water consumption decreased by 8.8% as compared to 818 Megalitres in FY2022 as it has incorporated all subsidiary performance data of Notion for this year.

SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Water Consumption (GRI 303-5) (Cont'd)

Total volume of water used				
	Unit	FY2021	FY2022	FY2023
Total Consumption	Megalitres	460	818	746
Notion Venture	Megalitres	275.5	680.5	626.9
Autic Mekki	Megalitres	63.7	42.5	45.3
Notion Thailand	Megalitres	111.8	83.3	66.7
Notion International	Megalitres	9.3	11.5	6.7

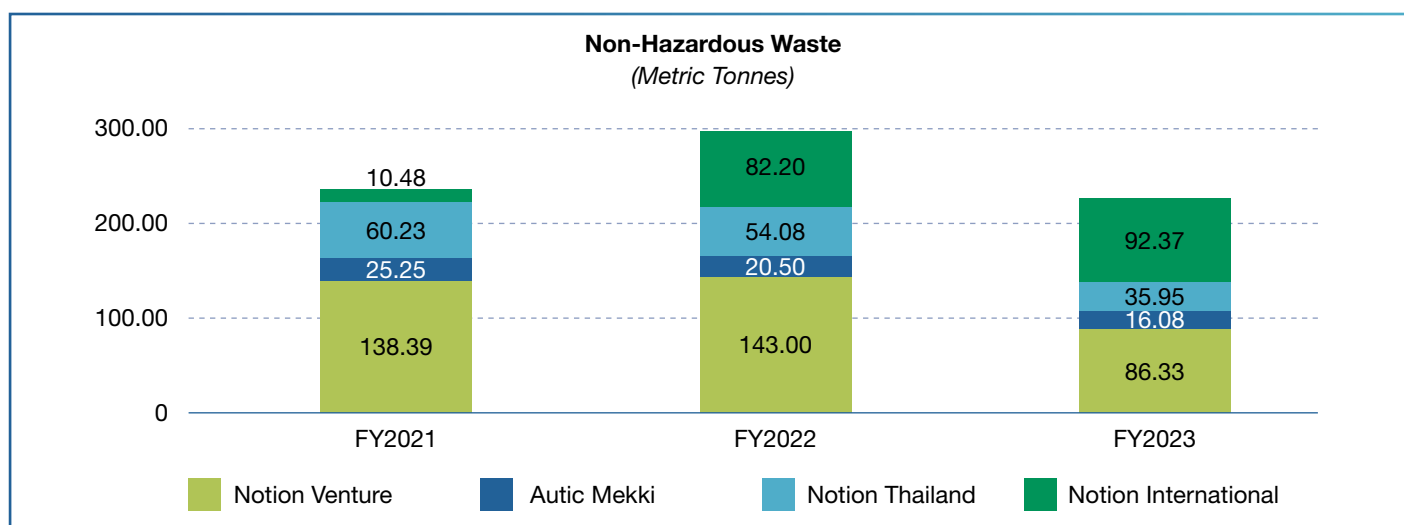
Waste Management (GRI 306-3)

Improper waste management can lead to extensive adverse impacts on air and water quality, soil pollution, and increased dangers of exposure to hazardous materials for both our employees and the communities in the regions where we conduct operations. For Notion, ensuring rigorous adherence to local waste regulations in the management of waste produced by our business units serves as a mechanism to prevent potential risks.

We enlisted authorised external disposal contractors to gather waste generated from our production processes and ensure its proper disposal through rigorous procedures at approved facilities. Furthermore, our employees hold certification as Competent Persons for Certified Environmental Professionals in Scheduled Waste Management, enabling them to oversee and ensure compliance with environmental requirements and standards.

Scheduled Wastes

The scheduled wastes can be categorised into hazardous wastes, non-hazardous wastes, electronic wastes and landfill wastes. 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 231 metric tons in FY2023 based on the improvement of waste management control to reduce waste generation in the production processes.



SUSTAINABILITY STATEMENT (CONT'D)

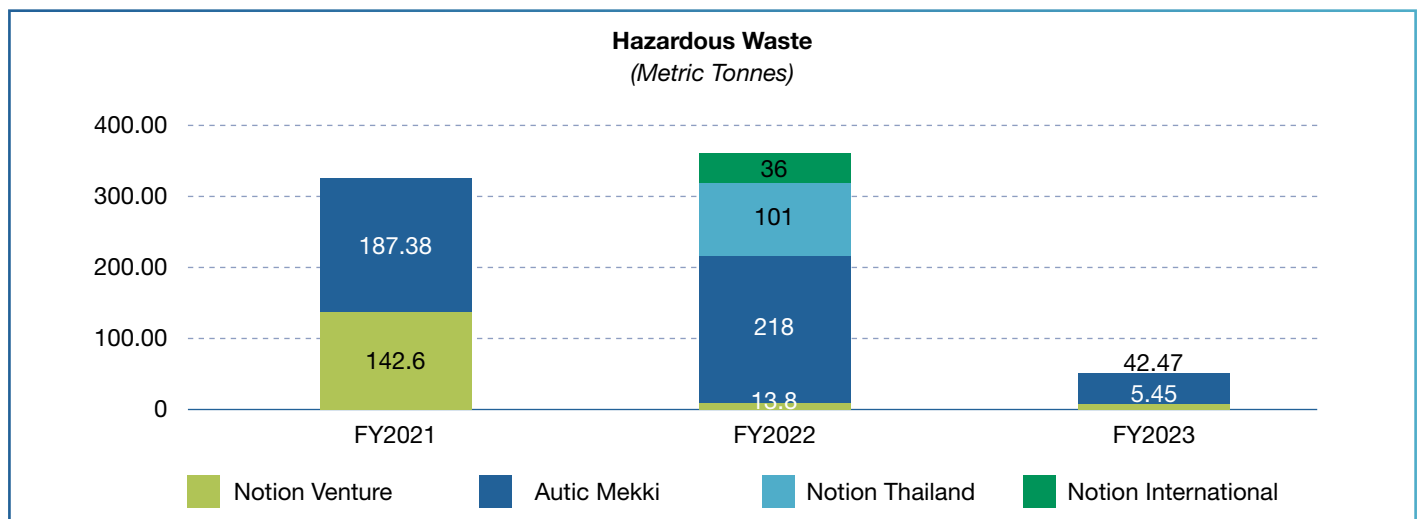


Environmental

Waste Management (GRI 306-3) (Cont'd)

Scheduled Wastes (Cont'd)

Inorganic acid generated from the factory undergo a proper handling procedure to dispose. It has reduced to 47.9 tons in FY2023 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.



Landfill wastes such as contaminated rags, gloves, masks, cloth, and filters are transported to the landfill via a proper disposal procedure.

Landfill Waste - (SW410, Contaminated Rags, Gloves, Masks, Cloth, Filters)				
	Unit	FY2021	FY2022	FY2023
Total	tonnes	38.25	130.69	22.631
Notion Venture	tonnes	23.4	13	0
Autic Mekki	tonnes	0	0	0
Notion Thailand	tonnes	14.85	25.69	22.41
Notion International	tonnes	0	92	0.221

Unscheduled Wastes

Notion engages in recycling practices by selling used papers, glass, and plastics to waste collectors. In FY2021, we installed a Precious Plastic Machine to recycle plastic waste, resulting in the sale of recycled plastic this year. Importantly, it contributes to cost savings, enabling us to reduce production expenses while generating additional revenue.

Furthermore, we installed in-house waste treatment to remove contaminants and prevent water pollution. In FY2023, a total of 265,985 m3 of effluent was produced from WWTP as shown below. This effluent has gone through a wastewater treatment process to achieve effluent standards before discharge.

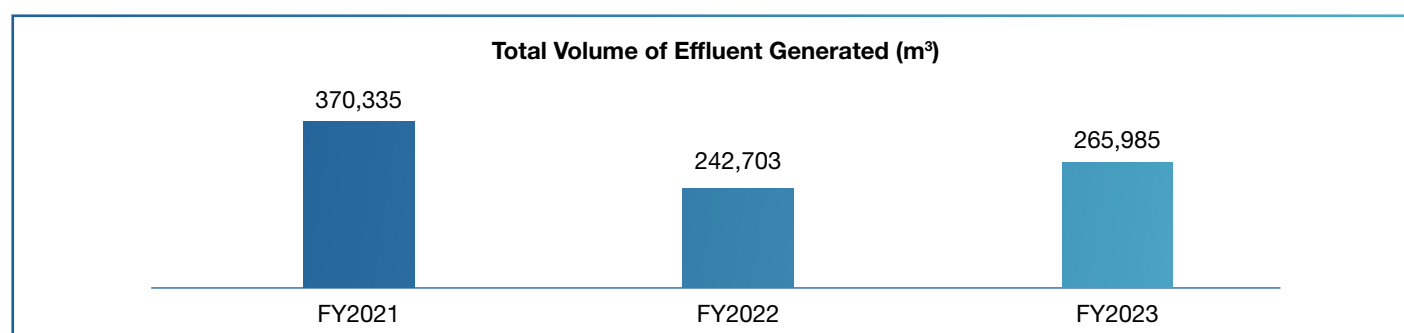
SUSTAINABILITY STATEMENT (CONT'D)



Environmental

Waste Management (GRI 306-3) (Cont'd)

Total Volume of Effluent Generated				
	Unit	FY2021	FY2022	FY2023
Total Volume of Effluent Generated	m3	370,335	242,703	265,985



Total waste directed to disposal				
	Unit	FY2021	FY2022	FY2023
Total waste directed to disposal	Metric tonnes	390.5	418.7	347.19

MOVE FORWARD

We acknowledge the challenges of global warming and diverse environmental concerns, along with the international commitment to address climate change by striving to restrict the rise in the global average temperature to under 2 degrees Celsius from pre-industrial levels. Recognising our company's substantial responsibility, our Board of Directors pledges to integrate climate change strategies into our overall business plans when suitable. We will set specific objectives to diminish our carbon footprint, align our value creation with a low-carbon economy, and adhere to national environmental policy guidelines.

PERFORMANCE DATA TABLE

Economic

Indicator	Unit	2021	2022	2023
Economic Performance				
Revenue	MYR'000	352.92	334.15	345.26
(Loss)/Profit After Tax	MYR'000	(7.81)	9.38	(45.02)
Anti-corruption				
Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category				
Senior Management	Number	NA	100%	100%
Middle Management	Number	NA	100%	100%
Other Employees	Number	NA	100%	100%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	NA	100%	100%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Social

Indicator	Unit	2021	2022	2023
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost Time Incident Rate	Rate	0.36	0.15	0.17
Bursa C5(c) Number of employees trained on health and safety standards	Number	47	138	72
Total hours worked	Hours	2,226,224	3,878,096	3,428,864
Number of lost time injuries	Number	4	3	3
Cybersecurity & Data Protection				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	0	0	0
Employee Management				
Bursa C6(a) Total hours of training by employee category	Hours	322	240	273
Senior Management	Hours	24	24	32
Middle Management	Hours	24	24	184
Other Employees	Hours	274	192	57
Bursa C6(c) Total number of employee turnover by employee category	Number	34	39	23
Technical Employee	Number	9	10	3
Administrative Employee	Number	2	5	7
Production Employee	Number	23	24	13
Total new hires	Number	55	56	29
New hire rate	Percentage	2.84%	2.29%	1.49%
Turnover rate	Percentage	1.75%	1.60%	1.18%
Diversity, Equity & Inclusion				
Bursa C3(a) Percentage of employees by gender and age group by employee category				
Gender group by employee category				
Senior Management - Male	Percentage	100% (8)	100% (8)	100% (8)
Senior Management - Female	Percentage	0%	0%	0%
Middle Management - Male	Percentage	56% (14)	56% (14)	57.7% (15)
Middle Management - Female	Percentage	44% (11)	44% (11)	42.3% (11)
Other Employees - Male	Percentage	67.6% (1,288)	71.1% (1,712)	66.4% (1,271)
Other Employees - Female	Percentage	32.4% (617)	28.9% (696)	33.6% (644)

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Social (Cont'd)

Indicator	Unit	2021	2022	2023
Diversity, Equity & Inclusion (Cont'd)				
Age group by employee category				
Senior Management - Under 30	Percentage	0%	0%	0%
Senior Management - Between 30-50	Percentage	25% (2)	25% (2)	25% (2)
Senior Management - Above 50	Percentage	75% (6)	75% (6)	75% (6)
Middle Management - Under 30	Percentage	0%	0%	0%
Middle Management Between 30-50	Percentage	68% (17)	68% (17)	69.2% (18)
Middle Management Above 50	Percentage	32% (8)	32% (8)	30.8% (8)
Other Employees - Under 30	Percentage	41.8% (796)	44.6% (1,074)	42.3% (809)
Other Employees - Between 30-50	Percentage	56.2% (1,071)	53.8% (1,296)	56.2% (1,077)
Other Employees - Above 50	Percentage	2% (38)	1.6% (38)	1.5% (29)
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	75% (6)	75% (6)	87.5% (7)
Female	Percentage	25% (2)	25% (2)	12.5% (1)
Under 30	Percentage	0%	0%	0%
Between 30-50	Percentage	12.5% (1)	12.5% (1)	25% (2)
Above 50	Percentage	87.5% (7)	87.5% (7)	75% (6)
Gender diversity - Male	Percentage	68% (1,310)	71% (1,734)	66% (1,294)
Gender diversity - Female	Percentage	32% (628)	29% (707)	34% (655)
Age diversity - Under 30	Percentage	41% (796)	44% (1,074)	42% (809)
Age diversity - Between 30-50	Percentage	56% (1,090)	54% (1,315)	56% (1,097)
Age diversity - Above 50	Percentage	3% (52)	2% (52)	2% (43)
Ethnic diversity - Malaysia	Percentage	23.1% (448)	19% (465)	23.9% (467)
Ethnic diversity - Thailand	Percentage	27.8% (539)	24% (584)	15.2% (296)
Ethnic diversity - Others	Percentage	49.1% (951)	57% (1,392)	60.9% (1,186)
Human Rights				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Community Investment				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	30,000	1,000	500
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	50	30	10

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Environmental

Indicator	Unit	2021	2022	2023
Energy Consumption				
Bursa C4(a) Total energy consumption	Gigajoules	229,318.8	279,654.9	179,083.3
Carbon Emissions				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ -e	89.09	120.79	100.06
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ -e	48,015.48	58,518.41	37,405.07
Waste Management				
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	390.5	418.7	347.1
Water Management				
Bursa C9(a) Total volume of water used	Megalitres	460	818	746

ASSURANCE STATEMENT

Non-financial data in SS2023 has been internally assured, and Notion is considering seeking external validation for future Sustainability Statements.

GRI CONTENT INDEX

Notion has reported the information cited in the GRI content index for the period from 1 October 2022 to 30 September 2023 with reference to the GRI Standards.

GRI Standards	Disclosure	Page
Universal Standards		
GRI 2 : General Disclosures 2021	2-2: Entities included in the organisation's sustainability reporting	12
	2-3: Reporting period, frequency and contact point	12-13
	2-4: Restatements of information	12
	2-7: Employees	21-29
	2-14: Role of the highest governance body in sustainability reporting	13-14,45-47
	2-23: Policy commitments	18-20
	2-24: Embedding policy commitments	18-20
	2-25: Processes to remediate negative impacts	13-14
	2-27: Compliance with laws and regulations	30
	2-29: Approach to stakeholder engagement	14-15
GRI 3 : Material Topics 2021	3-1: Process to determine material topics	15-16
	3-2: List of material topics	15-16
	3-3: Management of material topics	17-37
200 series (Economic topics)		
GRI 201 : Economic Performance 2016	201-1: Direct economic value generated and distributed	17,74-78
GRI 205 : Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	19-20
	205-2: Communication and training about anti-corruption policies and procedures	19-20
	205-3: Confirmed incidents of corruption and actions taken	19-20

SUSTAINABILITY STATEMENT (CONT'D)

GRI CONTENT INDEX (CONT'D)

GRI Standards	Disclosure	Page
300 series (Environmental topics)		
GRI 302 : Energy 2016	302-1: Energy consumption within the organisation	30-32
	302-3: Energy intensity	30-32
GRI 303 : Water and Effluents 2018	303-5: Water consumption	35-36
GRI 305 : Emissions 2016	305-1: Direct (Scope 1) GHG emissions	32-35
	305-2: Energy indirect (Scope 2) GHG emissions	32-35
	305-4: GHG emissions intensity	32-35
GRI 306 : Waste 2020	306-3: Waste generated	36-38
400 series (Social topics)		
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	28
GRI 403 : Occupational Health and Safety 2018	403-1: Occupational health and safety management system	23-24
	403-5: Worker training on occupational health and safety	23-24
	403-9: Work-related injuries	23-24
GRI 404 : Training and Education 2016	404-1: Average hours of training per year per employee	27
	404-2: Programs for upgrading employee skills and transition assistance programs	27
GRI 405 : Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	25-26
GRI 418 : Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	29

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) 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 improve 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 2023 (“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

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board's Roles and Responsibilities (Cont'd)

- (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.

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 (5) 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 five (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 2023 are as follows:-

Director	Board	ARMC	NC	RC
Thoo Chow Fah	6/6	-	-	-
William Choo Wing Hong	6/6	-	-	-
John Choo Wing Onn	6/6	-	-	-
Lee Tian Yoke	6/6	-	-	-
Choo Wing Yew	6/6	-	-	-
Teh Su-Ching	5/6	5/5	1/1	1/1
Dato' Abu Bakar Bin Mohd Nor	6/6	5/5	1/1	1/1
Alvin Vong Chen Weng [#]	2/2	2/2	-	-
Anita Chew Cheng Im [*]	3/3	2/2	1/1	1/1

Remarks:-

[#] Appointed as an Independent Non-Executive Director and a member of the ARMC, RC and NC on 17 April 2023. Mr Alvin Vong was re-designated as the Chairman of RC on 27 November 2023.

^{*} Resigned as an Independent Non-Executive Director and ceased as a member of the ARMC, NC and RC on 20 January 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

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 on 27 November 2023 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.

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 Codes has subsequently been reviewed and revised on 27 November 2023 in alignment with the amendments to Bursa Securities' Main Market Listing Requirements ("MMLR") pertaining to conflict of interest requirements. The Codes is made available on the corporate website at www.notionvtec.com.

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 on 21 February 2023, 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).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Sustainability

The Board has adopted a Sustainability Policy on 27 November 2023 as the Board is mindful and 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.

The Sustainability Policy shall be reviewed as and when required, summary of which is available on the corporate website at www.notionvtec.com.

The detailed disclosures on the sustainability practices and performance of the Group are set out in the Sustainability Statement on pages 12 to 42 of this Annual Report.

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Directors' Training

All our Board members had completed the Mandatory Accreditation Programme ("MAP") Part I and will complete the MAP Part II within the prescribed timeframe.

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 under review, our Board members attended several relevant seminars, exhibitions, forums and training programmes as follows:-

- Sustainability Training on ESG
- 10th International Planters Conference
- Equity CrowdFunding Accelerator Programme - Fundraising Bootcamp

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

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.

Access to Information and Advice

The Board has access to information within the Group and the advice and services of the Company Secretaries. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

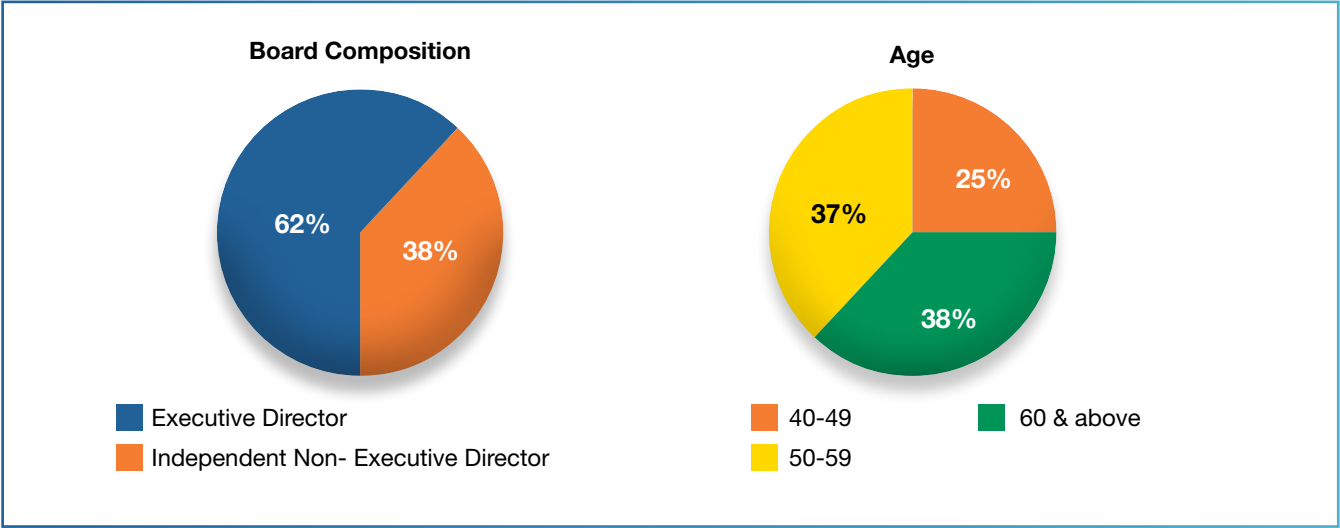
II. BOARD COMPOSITION

Composition and Diversity

During the financial year under review, 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 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 percentage of women representation in Board in order to carry out its duties effectively. Currently, there is one (1) female Independent Director 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 and age group as at 15 January 2024 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)

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.

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 of three (3) Independent Non-Executive Directors. At the end of financial year 2023, the members are as follows:-

Name	Designation
Chairman	Dato' Abu Bakar Bin Mohd Nor
Members	Ms Teh Su-Ching
	Mr Alvin Vong Chen Weng

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 2023, 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 and assessed the independence of the Independent Directors of the Company;
- 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 and assessed the Directors' training needs;
- 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; and
- Identified, assessed and recommended the appointment of Mr Alvin Vong Chen Weng as an Independent Non-Executive Director and a member of the ARMC, NC and RC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

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.

The Board has adopted a Directors' Fit and Proper Policy on 30 June 2022 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. The Directors' Fit and Proper Policy was last reviewed on 27 November 2023 which can be found at our website at www.notionvtec.com.

In evaluating the suitability of candidates for the Board, the NC review the completed Fit and Proper Self-declaration Form and ensure that the candidates possess the necessary background, skills, professional expertise, experience, track record, character and integrity.

During the financial year under review, Ms Anita Chew Cheng Im resigned as Independent Non-Executive Director of the Company on 20 January 2023 and Mr Alvin Vong Chen Weng was appointed as an Independent Non-Executive Director effective 17 April 2023.

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 following Directors who are subject to retirement pursuant to the Company's Constitution at the forthcoming AGM:-

Clause 95 of the Constitution

- i. Mr Choo Wing Yew
- ii. Mr Choo Wing Onn

Clause 102 of the Constitution

- i. Mr Alvin Vong Chen Weng

All the aforesaid retiring Directors have expressed their intention to seek for re-election at the forthcoming AGM.

The NC had also taken into consideration the outcome of the Directors' self-assessment before making recommendations to the Board for the Directors who would be seeking for re-election at the AGM, and whether the Directors are 'fit and proper' under the Directors' Fit and Proper Policy after receiving the submission from the aforesaid retiring Directors.

The NC took reasonable steps to conduct checks using external information as part of the assessment process on whether the Directors have the (i) Character and Integrity; (ii) Experience and Competence; and (iii) Time Commitment to do the job in accordance with the Directors' Fit and Proper Policy. The fit and proper assessments are supported by the relevant independent sources in relation to the persons being assessed.

The profile on the Directors who are standing for re-election are provided in the Annual Report to facilitate shareholders in making informed decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

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 individual Director by identifying the strengths and weaknesses of the Board on 27 November 2023.

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 27 November 2023, 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 2023.

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.

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.

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.

Currently, none of the Independent Directors of the Company have served beyond a cumulative term of nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION

The RC currently comprises exclusively of three (3) Independent Non-Executive Directors as follows:-

Name	Designation
Chairman	: Alvin Vong Chen Weng [#]
Members	: Dato' Abu Bakar Bin Mohd Nor [*]
	: Ms Teh Su-Ching

[#] Re-designated as Chairman on 27 November 2023

^{*} Re-designated as member on 27 November 2023

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 five (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 2023 are as follows:-

Name	Salary (RM)	Fee (RM)	Other Emolument (RM)	Defined Contribution Plan (RM)	Share Based Payment (RM)
Mr Thoo Chow Fah	800,000	-	169,943	111,800	-
Mr Choo Wing Hong	1,080,000	-	170,742	148,200	-
Mr Choo Wing Onn	800,000	-	146,958	111,800	-
Mr Lee Tian Yoke	800,000	-	146,159	111,800	-
Mr Choo Wing Yew	800,000	-	146,347	111,800	-
Ms Teh Su-Ching	-	84,900	14,000	-	-
Dato' Abu Bakar Bin Mohd Nor	-	108,000	14,000	-	-
Mr Alvin Vong Chen Weng [#]	-	49,500	3,000	-	-
Ms Anita Chew Cheng Im [*]	-	33,000	159,000 [@]	-	-
Total	4,280,000	275,400	970,149	595,400	-

Remarks:-

[#] Appointed as an Independent Non-Executive Director on 17 April 2023.

^{*} Resigned as an Independent Non-Executive Director on 20 January 2023.

[@] Includes ex-gratia payment of RM150,000, which had been duly approved by the shareholders at the 19th AGM.

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. 12 January 2023 and 16 August 2023 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 ARMC 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 2023, 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	64,000	338,000
Non-Audit [^]	101,000	194,000
Total	165,000	532,000

Remark:-

[^] Non-audit fees comprise review of Statement on Risk Management and Internal Control by Crowe Malaysia PLT (RM13,000), and tax advisory pertaining to tax audit for the Company (RM80,000) and tax compliance services for the Group (RM101,000) by Crowe KL Tax Sdn. Bhd..

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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 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 ARMC 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 on the risk management and internal control may be found in the Statement on Risk Management and Internal Control of this Annual Report.

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 developed and maintained a dedicated 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 as well as the communication channel for any enquiry pertaining to the Group.

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 MCGG 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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.

The Company had conducted its fully virtual Nineteenth AGM in 2023 through live streaming from broadcast venue using Remote Participation and Voting (“**RPV**”) facilities via TTIH Online Website at <https://tjih.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 15 January 2024.

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 2023.

MEMBERSHIP

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

Chairperson	:	Ms Teh Su-Ching (<i>Independent Non-Executive Director</i>)
Members	:	Dato’ Abu Bakar Bin Mohd Nor (<i>Independent Non-Executive Director</i>)
	:	Mr Alvin Vong Chen Weng (<i>Independent Non-Executive Director</i>)

Ms Teh Su-Ching, who is the Chairperson of the ARMC, 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). Dato’ Abu Bakar Bin Mohd Nor is a Chartered Accountant, Institute of Chartered Accountant, England and Wales, whilst Mr Alvin Vong Chen Weng holds a Bachelor Degree of Commerce in Management Accounting, Investment Finance and Information Management.

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

Audit and Risk Management Committee	Number of Meetings Attended
Teh Su-Ching (Chairperson) ^	5/5
Dato’ Abu Bakar Bin Mohd Nor	5/5
Alvin Vong Chen Weng *	2/2
Anita Chew Cheng Im #	2/2

^ Re-designated as Chairperson of the ARMC on 3 January 2023.

* Appointed as member of the ARMC on 17 April 2023.

Ceased as member of the ARMC following her resignation as Independent Non-Executive Director of the Company on 20 January 2023.

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

SUMMARY OF WORK OF 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 2023:-

- At their meetings held on 12 January 2023 and 16 August 2023, 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.
- 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 of Bursa Securities. The quarterly financial results for the fourth quarter ended 30 September 2022, first quarter ended 31 December 2022, second quarter ended 31 March 2023 and third quarter ended 30 June 2023 were reviewed by the ARMC at their meetings held on 25 November 2022, 21 February 2023, 18 May 2023 and 16 August 2023 respectively.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF 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 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 in order to understand the risk profiles and performance of the business units.
5. At their meeting held on 16 August 2023, 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. Reviewed any Conflict of Interest situations and Potential Conflict of Interest situations that may arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises question of management integrity.
8. At their meetings held on 25 November 2022, the ARMC reviewed and discussed the following, amongst others:-
 - a. Internal Audit Report by the Internal Auditors;
 - b. Internal Audit Planning Memorandum for financial year ended 30 September 2023;
 - c. 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 2022;
 - d. Quarterly Report in respect of the unaudited results for the fourth quarter ended 30 September 2022;
 - e. Assessment of the performance and independence of the External Auditors for the financial year ended 30 September 2022;
 - f. Assessment on the adequacy of the scope, functions, competency and resources of the internal audit functions;
 - g. Related party transactions entered into by the Group; and
 - h. Registers in relation to the Anti-Bribery and Corruption Policy.
9. At their meeting held on 12 January 2023, the ARMC reviewed and discussed the following:-
 - a. Audit Review Memorandum for the financial year ended 30 September 2022 by the External Auditors;
 - b. Audited Financial Statements of the Company and the Group for the financial year ended 30 September 2022 and the Directors' and Auditors' Report;
 - c. Met with External Auditors without presence of the Executive Board members and Management of the Company;
 - d. Reports and Statements for inclusion in the 2022 Annual Report, i.e. ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report;
 - e. Audit fee and non-audit services and fees incurred for the financial year ended 30 September 2022; and
 - f. Proposed re-appointment of Crowe Malaysia PLT as External Auditors for the financial year ended 30 September 2023 to the Board of Directors and subsequently to obtain the shareholders' approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF ARMC (CONT'D)

10. At their meeting held on 21 February 2023, the ARMC reviewed and discussed the following:-
 - a. Enterprise Risk Management Report by the Risk Management Advisor;
 - b. Internal Audit Reports by the Internal Auditors;
 - c. Quarterly Report in respect of the unaudited results for the first quarter ended 31 December 2022;
 - d. Revised Whistleblowing Policy and Procedures and External Auditors Assessment Policy;
 - e. Related party transactions entered into by the Group; and
 - f. Registers in relation to the Anti-Bribery and Corruption Policy.
11. At their meeting held on 18 May 2023, the ARMC reviewed and discussed the following:-
 - a. Quarterly Report in respect of the unaudited results for the second quarter ended 31 March 2023;
 - b. Related party transactions entered into by the Group;
 - c. Registers in relation to the Anti-Bribery and Corruption Policy; and
 - d. Internal Audit Reports by the Internal Auditors.
12. At their meeting held on 16 August 2023, the ARMC reviewed and discussed the following:-
 - a. Internal Audit Reports by the Internal Auditors;
 - b. Internal Audit Planning Memorandum for the financial year ending 30 September 2024; and
 - c. Met with Internal Auditors without presence of the Executive Board members and Management of the Company;
 - d. Audit Planning Memorandum by the External Auditors for the financial year ended 30 September 2023;
 - e. Met with External Auditors without presence of the Executive Board members and Management of the Company;
 - f. Enterprise Risk Management Report and Corruption Risk Management Report by the Risk Management Advisor;
 - g. Quarterly Report in respect of the unaudited results for the third quarter ended 30 June 2023;
 - h. Related party transactions entered into by the Group; and
 - i. Registers in relation to the Anti-Bribery and Corruption Policy.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

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 Executive Director, Mr Chang Ming Chew, who is a Certified Internal Auditor and a professional member of the Institute of Internal Auditors Malaysia, which reports directly to the ARMC on its activities based on the approved annual Risk-based Internal Audit Plan. The approved annual Risk-based Internal Audit Plan is designed to cover key risk functions and processes of the Group.

The principal role of the Internal Auditor 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.

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 Project Cost Management - Outsourcing / Sub-Contractors and Overhead Cost) of Notion International (M) Sdn Bhd;
- Review of Finance Function on Budgetary and Treasury of Notion Venture Sdn Bhd ("NVSB");
- Review of Human Resources Management of NVSB; and
- Review of Key Processes of Extrusion Plant of NVSB.

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 2023 was RM66,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 system 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 misstatements 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 systems are 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 it faces. The Board is also assisted by the Audit and Risk Management Committee ("ARMC") in the oversight of the risk management process of 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 a 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 to 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.

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

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control system which was previously in place, encompasses, amongst others, the following:

- ISO 9001:2008 Quality Management Systems has been implemented for Notion Venture Sdn Bhd, a wholly owned subsidiary of the Company, 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;
- 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 assess 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 outsourced this function to an independent professional firm, namely Tricor Axcelasia Sdn Bhd, to provide independent assurance the Board requires on the effectiveness and efficiency of the Group's system of risk management and internal control.

The outsourced Internal Auditors adopt a risk-based approach and prepare 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 outsourced Internal Auditors present 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, Management's comments on the audit findings and recommendations.

During the financial year under review, there were 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 on the findings will be conducted.

The cost of internal audit function for the financial year ended 30 September 2023 was RM66,000.

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

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 Group for the financial year ended 30 September 2023 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 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 this 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 2023 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.



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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 2023. 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 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	(45,016)	(34,547)

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

During the financial year, the Company increased its issued and paid-up share capital from RM211,145,120 to RM211,227,594 by an issuance of 147,275 new ordinary shares at an exercise price of RM0.56 per ordinary share pursuant to the exercise of Warrants 2018/2023 ("Warrants-C").

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any 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 Employee Share Option Scheme ("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 11 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.

DIRECTORS' REPORT (CONT'D)

WARRANTS (CONT'D)

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.

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, 147,275 of the Warrants-C was converted to 147,275 ordinary shares. The remaining 49,441,448 of Warrants-C which remained unexercised had expired 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 of the Company to meet their obligations when they fall due.

DIRECTORS' REPORT (CONT'D)

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.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the 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
 Dato' Abu Bakar Bin Mohd Nor
 Teh Su-Ching
 Alvin Vong Chen Weng (Appointed on 17.4.2023)
 Anita Chew Cheng Im (Resigned on 20.1.2023)

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 1.10.2022/ Date of appointment	Bought	Sold	Balance at 30.9.2023
Thoo Chow Fah				
- Direct	19,871,301	-	-	19,871,301
- Indirect *	1,582,962	-	-	1,582,962
Choo Wing Hong				
- Direct	39,172,939	-	(2,000,000)	37,172,939
Choo Wing Onn				
- Direct	34,021,766	196,000	-	34,217,766
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

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Name of Director	Number of Ordinary Shares		
	Balance at 1.10.2022/ Date of appointment	Bought	Sold
Teh Su-Ching			
- Direct	5,000	-	-
Alvin Vong Chen Weng #			
- Direct	50	-	-
Anita Chew Cheng Im @			
- Direct	450,000	-	-

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

Appointed as an Independent Non-Executive Director on 17 April 2023.

@ Resigned as an Independent Non-Executive Director on 20 January 2023.

Name of Director	Number of Share Options		
	Balance at 1.10.2022	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	-	-
Dato' Abu Bakar Bin Mohd Nor	750,000	-	-
Anita Chew Cheng Im @	450,000	-	-

Name of Director	Number of Warrants-C		
	Balance at 1.10.2022	Bought	Disposed/ Lapsed
Thoo Chow Fah			
- Indirect *	100,000	-	(100,000)
Choo Wing Yew			
- Direct	323,208	-	(323,208)
Dato' Abu Bakar Bin Mohd Nor			
- Direct	4,168	-	(4,168)

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

@ Resigned as an Independent Non-Executive Director on 20 January 2023.

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 as disclosed in the "Directors' Remuneration" of this report) 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 24 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.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	Group RM'000	Company RM'000
Executive directors:		
- Salaries, allowances and other benefits	5,060	5,060
- Defined contribution plans	595	595
	5,655	5,655
Non-executive directors:		
- Fees	275	275
- Allowances	40	40
- Gratuity	150	150
	465	465
	6,120	6,120

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 EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 30 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 31 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		
- Crowe Malaysia PLT	338	64
- Other auditors	27	-
Non-audit fees:		
- Crowe Malaysia PLT	13	13
- Member firms of Crowe Malaysia PLT	181	88
	559	165

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 15 JANUARY 2024**

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 74 to 117 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 2023 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 15 JANUARY 2024

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 74 to 117 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 15 January 2024

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 2023 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 74 to 117.

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 2023, 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 of 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 judgement, were of most significance in our audit of the financial statements of the Group and of 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 of 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
<p><u>Valuation of inventories (Refer to Notes 3 and 8 to the financial statements)</u></p> <p>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>	<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 NOTIONVTEC 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 Notes 3 and 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 <i>Impairment of Assets</i>. • 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.
<p><u>Impairment of trade receivables (Refer to Notes 3 and 9 to the financial statements)</u></p> <p>The Group carries significant trade receivables. The Group assessed the loss allowance for expected credit losses through detailed analysis by taking into account the customer's ageing profile, credit history, historical payment pattern and the forward-looking information. These assessments involved judgements and estimation uncertainty in forming expectations about future assumptions.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • Reviewing the ageing analysis of trade receivables and testing the reliability thereof. • Reviewing subsequent cash collections for major trade receivables and overdue amounts. • Testing the adequacy of the Group's allowance for impairment losses on trade receivables by assessing management's policy. • Reviewing the adequacy of the Group's disclosure in this area.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF NOTION VTEC BERHAD

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 of 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.

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 the 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF NOTIONVTEC BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

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 6 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

15 January 2024

Cheah Siong Hon
03538/11/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	279,304	320,854	2	2
Right-of-use assets	5	2,761	2,482	-	-
Investments in subsidiaries	6	-	-	83,779	83,779
Other investment	7	-	-	-	-
		282,065	323,336	83,781	83,781
CURRENT ASSETS					
Inventories	8	53,349	86,142	-	-
Receivables	9	119,203	114,027	105,098	140,895
Prepayments		2,933	1,295	-	-
Current tax assets		4,546	8,401	-	20
Cash and cash equivalents	10	49,699	18,123	4,550	1,560
		229,730	227,988	109,648	142,475
TOTAL ASSETS		511,795	551,324	193,429	226,256
EQUITY AND LIABILITIES					
EQUITY					
Share capital	11	211,228	211,145	211,228	211,145
Share option reserve		4,949	4,949	4,949	4,949
Currency translation reserve		3,868	(104)	-	-
Capital reserve		4,800	4,800	-	-
Retained profits/(Accumulated losses)		156,175	201,191	(32,331)	2,216
TOTAL EQUITY		381,020	421,981	183,846	218,310
NON-CURRENT LIABILITIES					
Loans and borrowings	12	13,812	23,291	-	-
Lease liabilities	13	1,368	1,597	-	-
Retirement benefits	14	840	798	-	-
Deferred tax liabilities	15	12,799	11,442	-	-
Deferred income on government grants	16	5,539	5,987	-	-
		34,358	43,115	-	-
CURRENT LIABILITIES					
Loans and borrowings	12	19,494	28,458	-	-
Lease liabilities	13	1,657	1,221	-	-
Payables	17	74,846	56,165	9,571	7,946
Current tax liabilities		420	384	12	-
		96,417	86,228	9,583	7,946
TOTAL LIABILITIES		130,775	129,343	9,583	7,946
TOTAL EQUITY AND LIABILITIES		511,795	551,324	193,429	226,256

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	18	345,258	334,146	7,176	6,240
Cost of sales		(317,832)	(302,013)	-	-
Gross profit		27,426	32,133	7,176	6,240
Other income		13,218	50,828	17	55
		40,644	82,961	7,193	6,295
Marketing and distribution expenses		(7,555)	(8,288)	-	-
Administrative and other operating expenses		(72,092)	(51,526)	(41,268)	(24,638)
Finance costs		(3,141)	(4,171)	(2)	(3)
(Loss)/Profit before tax	19	(42,144)	18,976	(34,077)	(18,346)
Tax expense	21	(2,872)	(9,597)	(470)	-
(Loss)/Profit for the financial year		(45,016)	9,379	(34,547)	(18,346)
Other comprehensive income/(expense):-					
<i>Item that will be reclassified subsequently to profit or loss:-</i>					
Currency translation differences for foreign operation		3,972	(3,348)	-	-
Total other comprehensive income/(expense) for the financial year		3,972	(3,348)	-	-
Total comprehensive (expense)/income for the financial year		(41,044)	6,031	(34,547)	(18,346)
(Loss)/Earnings per share:	22				
- Basic (sen)		(8.73)	1.82		
- Diluted (sen)		(8.73)	1.82		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

Group	Non-distributable				Distributable	
	Share Capital RM'000	Share Option Reserve RM'000	Currency Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 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
Balance at 1 October 2022	211,145	4,949	(104)	4,800	201,191	421,981
Currency translation differences for foreign operation	-	-	3,972	-	-	3,972
Total other comprehensive income for the financial year	-	-	3,972	-	-	3,972
Loss for the financial year	-	-	-	-	(45,016)	(45,016)
Total comprehensive income/(expense) for the financial year	-	-	3,972	-	(45,016)	(41,044)
Issuance of shares pursuant to Warrants	83	-	-	-	-	83
Total transaction with owners	83	-	-	-	-	83
Balance at 30 September 2023	211,228	4,949	3,868	4,800	156,175	381,020

Company	Non-distributable		Distributable	
	Share Capital RM'000	Share Option Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total Equity RM'000
Balance at 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 2022/1 October 2022	211,145	4,949	2,216	218,310
Loss for the financial year (representing total comprehensive expense)	-	-	(34,547)	(34,547)
Issuance of shares pursuant to Warrants	83	-	-	83
Total transaction with owners	83	-	-	83
Balance at 30 September 2023	211,228	4,949	(32,331)	183,846

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before tax	(42,144)	18,976	(34,077)	(18,346)
Adjustments for:-				
Amortisation of deferred income				
on government grants	(448)	(328)	-	-
Bad debts recovered	(14)	-	-	-
Bad debts written off	-	951	-	-
Deposits received forfeited	(131)	-	-	-
Deposits written off	70	848	-	-
Depreciation of property, plant and equipment	29,388	31,344	-	-
Depreciation of right-of-use assets	1,576	1,627	-	-
Gain on disposal of plant and equipment	(4,303)	(975)	-	-
Impairment loss on other receivables	12	19	32,948	16,980
Impairment loss on plant and equipment	30,696	13,863	-	-
Impairment loss on trade receivables	1,422	187	-	-
Increase in liabilities for retirement benefits	18	132	-	-
Interest expense	2,891	3,645	-	-
Interest income	(200)	(76)	(17)	(13)
Inventories written down	8,950	4,919	-	-
Inventories written off	-	2,126	-	-
Plant and equipment written off	16	-	-	-
Reversal of impairment loss on other receivables	(252)	(360)	-	-
Reversal of impairment loss on trade receivables	(162)	-	-	-
Reversal of inventories written down	(2,223)	(2,793)	-	-
Unrealised loss/(gain) on foreign exchange	1,636	(2,390)	-	-
Waiver of amount owing to a subsidiary	-	-	-	(41)
Operating profit/(loss) before working capital changes	26,798	71,715	(1,146)	(1,420)
Changes in:-				
Inventories	26,066	(21,014)	-	-
Receivables and prepayments	(7,890)	(33,226)	-	-
Payables	18,812	408	(540)	290
CASH FROM/(FOR) OPERATIONS	63,786	17,883	(1,686)	(1,130)
Payment for retirement benefits	(28)	(18)	-	-
Interest paid	(2,891)	(3,645)	-	-
Tax refunded/(paid)	2,376	534	(438)	(21)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	63,243	14,754	(2,124)	(1,151)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

		Group	Company		
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Interest received		200	76	17	13
Proceeds from disposal of plant and equipment		4,368	2,102	-	-
Purchase of property, plant and equipment	23	(13,304)	(7,129)	-	-
Repayment from/(Advances to) subsidiaries		-	-	2,849	(3,157)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(8,736)	(4,951)	2,866	(3,144)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	2,165	4,510
Drawdown of hire purchase	23	-	11,340	-	-
Grant received	16	-	1,584	-	-
Increase/(Decrease) in short-term loans and borrowings (net)	23	1,045	(5,045)	-	-
Proceeds from issuance of shares		83	-	83	-
Repayment of hire purchase obligations	23	(14,970)	(13,775)	-	-
Repayment of lease liabilities	23	(1,648)	(1,494)	-	-
Repayment of term loans	23	(6,802)	(6,803)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(22,292)	(14,193)	2,248	4,510
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		32,215	(4,390)	2,990	215
CASH AND CASH EQUIVALENTS BROUGHT FORWARD					
		18,123	22,707	1,560	1,345
CURRENCY TRANSLATION DIFFERENCES					
		(639)	(194)	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD					
	10	49,699	18,123	4,550	1,560

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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 6 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 5 1/2, 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 15 January 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and of 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 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment</i> - <i>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

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

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 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</i> - <i>Comparative Information</i>	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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 101: <i>Disclosure of Accounting Policies</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>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</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
Amendments to MFRS 112: <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025

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

2.2 Business Combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for 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 values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 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.

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 are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 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.

2.7 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial Assets (Cont'd)

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.

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 and of the Company 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 or the Company 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue from Contracts with Customers (Cont'd)

- (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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Income Taxes (Cont'd)

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 in hand, bank balances, demand deposits, 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 with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and of the Company, 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. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 8).

Impairment of Property, Plant and Equipment

The Group assesses whether there are any indicators of impairment on its property, plant and equipment at each reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable (Note 4).

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 2023. 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 market conditions, size, age and asset conditions. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations.

Impairment of Receivables

The Group and the Company 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 9).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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
<u>Cost</u>							
Balance at							
1 October 2021	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/ 1 October 2022	134,512	483,608	22,586	7,825	45,169	566	694,266
Additions	-	12,620	325	252	63	2,328	15,588
Disposals	-	(10,671)	-	(693)	(67)	-	(11,431)
Write-offs	-	(133)	(166)	-	(88)	-	(387)
Transfer/Reclassification	-	1,356	-	-	-	(1,356)	-
Currency translation differences	2,114	3,255	140	55	-	14	5,578
Balance at							
30 September 2023	136,626	490,035	22,885	7,439	45,077	1,552	703,614

Depreciation and
Impairment Losses

Balance at							
1 October 2021							
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
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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</u> (Cont'd)							
Balance at							
1 October 2022	13,507	298,378	17,051	6,956	37,520	-	373,412
Depreciation	1,703	22,225	1,496	400	3,564	-	29,388
Impairment loss	-	29,959	16	-	721	-	30,696
Disposals	-	(10,644)	-	(691)	(31)	-	(11,366)
Write-offs	-	(117)	(166)	-	(88)	-	(371)
Currency translation differences	238	2,205	66	42	-	-	2,551
Balance at							
30 September 2023							
Accumulated depreciation	14,782	305,998	18,237	6,613	40,319	-	385,949
Accumulated impairment loss	666	36,008	226	94	1,367	-	38,361
	15,448	342,006	18,463	6,707	41,686	-	424,310
<u>Carrying Amount</u>							
Balance at							
30 September 2022	121,005	185,230	5,535	869	7,649	566	320,854
Balance at							
30 September 2023	121,178	148,029	4,422	732	3,391	1,552	279,304

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:-

	Group	
	2023 RM'000	2022 RM'000
Freehold land and buildings	33,792	33,948
Factory equipment and machinery	50,242	78,259
Motor vehicles	203	190
	84,237	112,397

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	
	2023 RM'000	2022 RM'000
Freehold land and buildings	17,890	17,906
Factory equipment and machinery	18,011	19,139
	35,901	37,045

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

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	
	2023 RM'000	2022 RM'000
Factory equipment and machinery	32,231	59,120
Motor vehicles	203	190
	<u>32,434</u>	<u>59,310</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 (production line 1, 2 and 3) of plant and machinery in its PPE segment since the previous financial years while the remaining lines (production line 4, 5 and 6) of plant and machinery, which were fully impaired in the previous financial year, have been disposed during the financial year.

The recoverable amount for the 3 fully operation lines (production line 1, 2 and 3) of 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 lower than the carrying amounts of the plant and machinery. Hence, the Group has provided an impairment loss of RM30,696,000 on these plant and machineries.

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	6,846	-	-	6,846

	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.

An impairment loss of RM30,696,000 (2022 - 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 25).

Precision Engineering Segment

The Group has determined that no impairment loss is required on the property, plant and equipment.

In the previous financial year, the continuing losses position in one of the subsidiaries 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 25).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>			
Balance at 1 October 2021	14	587	601
Movement during the year	-	-	-
Balance at 30 September 2022/1 October 2022	14	587	601
Movement during the year	-	-	-
Balance at 30 September 2023	14	587	601
<u>Accumulated Depreciation</u>			
Balance at 1 October 2021	12	587	599
Depreciation	-	-	-
Balance at 30 September 2022/1 October 2022	12	587	599
Depreciation	-	-	-
Balance at 30 September 2023	12	587	599
<u>Carrying Amount</u>			
Balance at 30 September 2022	2	-	2
Balance at 30 September 2023	2	-	2

5. RIGHT-OF-USE ASSETS

Group	Factory buildings RM'000
<u>Cost</u>	
Balance at 1 October 2021	6,344
Additions	904
Written off	(226)
Balance at 30 September 2022/1 October 2022	7,022
Additions	1,855
Written off	(3,211)
Balance at 30 September 2023	5,666
<u>Accumulated Depreciation</u>	
Balance at 1 October 2021	3,139
Depreciation	1,627
Written off	(226)
Balance at 30 September 2022/1 October 2022	4,540
Depreciation	1,576
Written off	(3,211)
Balance at 30 September 2023	2,905
<u>Carrying Amount</u>	
Balance at 30 September 2022	2,482
Balance at 30 September 2023	2,761

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost	98,862	98,862
Employees' shares options granted to employees of subsidiaries	5,477	5,477
Accumulated impairment losses	(20,560)	(20,560)
	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
		2023	2022	
		%	%	
Notion Venture Sdn. Bhd.	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.	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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

6. 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
		2023 %	2022 %	
Diaphragm Tech Sdn. Bhd.	Malaysia	100	100	Inactive.
Swiss Impression Sdn. Bhd.	Malaysia	100	100	Inactive.
Notion Venture (Hong Kong) Limited ^(b)	Hong Kong	100	100	Inactive.
Notion Pacific Ltd ^{(b) (c)}	United Arab Emirates	100	-	Inactive.
<u>Subsidiary of Notion Venture Sdn. Bhd.</u>				
Autic Mekki Sdn. Bhd.	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) restored during the financial year.

7. OTHER INVESTMENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 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 2023

8. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
<u>At lower of cost and net realisable value</u>		
Raw materials	9,590	21,140
Work-in-progress	11,525	15,862
Consumables	4,408	6,905
Finished goods	27,826	42,235
	<u>53,349</u>	<u>86,142</u>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	317,832	302,013
Inventories written down (Note 19)	8,950	4,919
Inventories written off (Note 19)	-	2,126
Reversal of inventories written down (Note 19)	(2,223)	(2,793)

9. RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables:-				
- Unrelated parties	112,275	98,433	-	-
- Allowance for impairment loss	(1,716)	(683)	-	-
	<u>110,559</u>	<u>97,750</u>	<u>-</u>	<u>-</u>
Other receivables:-				
- Unrelated parties	8,693	16,586	-	-
- Allowance for impairment loss	(49)	(309)	-	-
	<u>8,644</u>	<u>16,277</u>	<u>-</u>	<u>-</u>
- Related party	58	58	58	58
- Allowance for impairment loss	(58)	(58)	(58)	(58)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Subsidiaries	-	-	155,026	157,875
- Allowance for impairment loss	-	-	(49,928)	(16,980)
	<u>-</u>	<u>-</u>	<u>105,098</u>	<u>140,895</u>
	<u>8,644</u>	<u>16,277</u>	<u>105,098</u>	<u>140,895</u>
	<u>119,203</u>	<u>114,027</u>	<u>105,098</u>	<u>140,895</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

9. RECEIVABLES (CONT'D)

The currency profiles of receivables are as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Euro	19,545	16,837	-	-
Ringgit Malaysia	40,521	36,185	105,098	140,895
Thai Baht	5,322	23,513	-	-
United States Dollar	53,805	37,488	-	-
Others	10	4	-	-
	119,203	114,027	105,098	140,895

Trade Receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 30 September 2023, there was 1 (2022 - 2) major customer that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to RM14,226,000 (2022 - RM42,573,000). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group	
	2023	2022
	RM'000	RM'000
Belgium	3,545	2,224
Brazil	1,326	530
China	15,247	3,296
Germany	1,535	1,639
Japan	4,064	4,215
Malaysia	32,007	21,845
Mexico	2,459	2,031
Philippines	11,714	1,472
Poland	5,029	4,541
Thailand	16,141	44,100
United States of America	16,269	11,128
Others	1,223	729
	110,559	97,750

The credit terms of trade receivables range from 30 to 120 days (2022 - 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	
	2023	2022
	RM'000	RM'000
Not past due	71,360	58,303
Past due 1 to 30 days	18,844	23,594
Past due 31 to 120 days	15,925	14,715
Past due more than 120 days	4,430	1,138
	110,559	97,750

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

9. 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	
	2023	2022
	RM'000	RM'000
Balance at 1 October 2022/2021	683	556
Impairment loss recognised (Note 19)	1,422	187
Impairment loss reversed (Note 19)	(162)	-
Impairment loss written off	(227)	(60)
Balance at 30 September	1,716	683

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Balance at 1 October 2022/2021	367	708	17,038	58
Impairment loss recognised (Note 19)	12	19	32,948	16,980
Impairment loss reversed (Note 19)	(252)	(360)	-	-
Impairment loss written off	(20)	-	-	-
Balance at 30 September	107	367	49,986	17,038

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 2023

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Highly liquid investments	3,602	673	3,602	673
Term deposits (fixed rate)	67	64	47	46
Cash and bank balances	46,030	17,386	901	841
	49,699	18,123	4,550	1,560

The effective interest rate of term deposits as at 30 September 2023 was 1.70% to 2.06% (2022 - 3.05%) 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Euro	2,872	862	-	-
Ringgit Malaysia	18,909	11,024	4,550	1,560
Thai Baht	16,105	4,733	-	-
United States Dollar	11,782	1,496	-	-
Others	31	8	-	-
	49,699	18,123	4,550	1,560

11. SHARE CAPITAL

	No. of ordinary shares ('000) with no par value	RM'000
<u>Issued and fully paid:-</u>		
Balance at 1 October 2021/30 September 2022	515,682	211,145
Issuance of shares pursuant to Warrants	147	83
Balance at 30 September 2023	515,829	211,228

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 2023

11. SHARE CAPITAL (CONT'D)

The principal features of the ESOS are as follows:- (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
Outstanding at 30 September 2022	19,727,210	0.59	0.36	4.4 years
Exercisable at 30 September 2022	19,254,510			
Outstanding at 30 September 2023	19,727,210	0.59	0.34	3.4 years
Exercisable at 30 September 2023	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 2023

12. LOANS AND BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
<u>Secured</u>		
Hire purchase payables	17,925	30,611
Term loans (floating rate)	7,381	14,183
Revolving credits	8,000	5,000
Trust receipt	-	1,955
	<u>33,306</u>	<u>51,749</u>
 Disclosed as:-		
- Current liabilities	19,494	28,458
- Non-current liabilities	13,812	23,291
	<u>33,306</u>	<u>51,749</u>

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 2023 ranged from 1.31% to 6.54% (2022 - 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

Hire purchase payables are repayable over 1 to 5 years. The repayment analysis is as follows:-

	Group	
	2023 RM'000	2022 RM'000
Minimum hire purchase payments:-		
- Within 1 year	8,103	16,212
- Later than 1 year and not later than 2 years	9,061	13,200
- Later than 2 years and not later than 5 years	2,354	3,991
Total contractual undiscounted cash flows	19,518	33,403
Future finance charges	(1,593)	(2,792)
Present value of hire purchase payables:-		
- Within 1 year	7,188	14,701
- Later than 1 year and not later than 2 years	8,496	6,644
- Later than 2 years and not later than 5 years	2,241	9,266
	<u>17,925</u>	<u>30,611</u>

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 2023

12. LOANS AND BORROWINGS (CONT'D)

Term Loans

Term loans are repayable over 1 to 3 years. The repayment analysis is as follows:-

	Group	
	2023	2022
	RM'000	RM'000
Gross loan instalments:-		
- Within 1 year	4,799	7,709
- Later than 1 year and not later than 2 years	2,940	4,779
- Later than 2 years and not later than 5 years	377	5,822
Total contractual undiscounted cash flows	8,116	18,310
Future finance charges	(735)	(4,127)
Present value of term loans:-		
- Within 1 year	4,306	6,802
- Later than 1 year and not later than 2 years	2,723	4,308
- Later than 2 years and not later than 5 years	352	3,073
	7,381	14,183

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.

13. LEASE LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
Gross lease liabilities:-		
- Within 1 year	1,799	1,362
- 1 to 5 years	1,427	1,668
Total contractual undiscounted cash flows	3,226	3,030
Future finance charges	(201)	(212)
Present value of lease liabilities	3,025	2,818
Disclosed as:-		
- Current liabilities	1,657	1,221
- Non-current liabilities	1,368	1,597
	3,025	2,818

The incremental borrowing rate applied to lease liabilities as at 30 September 2023 ranged from 5.64% to 6.64% (2022 - 5.64% to 5.75%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

14. 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	
	2023	2022
	RM'000	RM'000
Balance at 1 October 2022/2021	798	693
Defined benefit costs (Note 19)	18	132
Paid during the year	(28)	(18)
Currency translation differences	52	(9)
Balance at 30 September	840	798

The components of defined benefit costs are as follows:-

	Group	
	2023	2022
	RM'000	RM'000
Current service cost	(2)	114
Interest expense	20	18
	18	132

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

	Group	
	2023	2022
	%	%
Discount rate	3.15	3.11
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	
	2023	2022
	RM'000	RM'000
Increase in discount rate by 1%	778	732
Decrease in discount rate by 1%	914	871
Increase in expected rate of salary by 1%	772	875
Decrease in expected rate of salary by 1%	843	728

The weighted average duration of the defined benefit obligations is 8.14 years (2022 - 8.96 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

15. DEFERRED TAX LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 October 2022/2021	11,442	4,991
Deferred tax expense relating to origination and reversal of temporary differences (Note 21)	(1,283)	8,494
Deferred tax liabilities under/(over)provided in the prior year (Note 21)	2,640	(2,043)
Balance at 30 September	12,799	11,442
In respect of (deductible)/taxable temporary differences of:-		
- Inventories	(2,527)	(834)
- Financial instruments	1,253	(738)
- Property, plant and equipment	20,739	18,049
- Unabsorbed capital allowances	(4,533)	(3,107)
- Unutilised tax losses	(2,133)	(1,928)
	12,799	11,442

16. DEFERRED INCOME ON GOVERNMENT GRANTS

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 October 2022/2021	5,987	4,731
Grants received during the financial year	-	1,584
Recognised in profit or loss (Note 19)	(448)	(328)
Balance at 30 September	5,539	5,987

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

17. PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	48,996	25,429	-	-
Other payables:-				
- Subsidiaries	-	-	8,908	6,743
- Unrelated parties	25,850	30,736	663	1,203
	25,850	30,736	9,571	7,946
	74,846	56,165	9,571	7,946

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

17. PAYABLES (CONT'D)

The currency profiles of payables are as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	60,685	48,368	9,571	7,946
Thai Baht	1,626	3,867	-	-
United States Dollar	10,628	2,895	-	-
Others	1,907	1,035	-	-
	74,846	56,165	9,571	7,946

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.

18. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:-				
Sale of goods	345,258	334,146	-	-
Rendering of services	-	-	7,176	6,240
	345,258	334,146	7,176	6,240

The other information on the disaggregation of revenue is disclosed in Note 25. 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 2023

19. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Audit fee:-				
- Crowe Malaysia PLT				
- for the financial year	338	297	64	63
- underprovided in prior years	22	22	1	-
- Other auditors	27	24	-	-
- Non-audit fees:-				
- Crowe Malaysia PLT	13	13	13	13
- Member firms of Crowe Malaysia PLT	181	77	88	8
Bad debts written off	-	951	-	-
Deposits written off	70	848	-	-
Depreciation of property, plant and equipment (Note 4)	29,388	31,344	-	-
Depreciation of right-of-use assets (Note 5)	1,576	1,627	-	-
Impairment loss on other receivables (Note 9)	12	19	32,948	16,980
Impairment loss on plant and equipment (Note 4)	30,696	13,863	-	-
Impairment loss on trade receivables (Note 9)	1,422	187	-	-
Interest expense for financial liabilities not at fair value through profit or loss	2,681	3,452	-	-
Interest expense for lease liabilities	210	193	-	-
Inventories written down (Note 8)	8,950	4,919	-	-
Inventories written off (Note 8)	-	2,126	-	-
Loss on foreign exchange:				
- Realised	-	25	-	-
- Unrealised	1,636	-	-	-
Personnel expenses (Note 20)	73,530	79,165	7,336	6,832
Plant and equipment written off (Note 4)	16	-	-	-
Rental expenses	1,576	1,707	-	-
Retirement benefits (Note 14)	18	132	-	-
Amortisation of deferred income on government grants (Note 16)	(448)	(328)	-	-
Bad debts recovered	(14)	-	-	-
Deposits received forfeited	(131)	-	-	-
Gain on disposal of plant and equipment	(4,303)	(975)	-	-
Gain on foreign exchange:				
- Realised	(6,796)	(6,955)	-	-
- Unrealised	-	(2,390)	-	-
Insurance claim	(123)	(32,628)	-	-
Interest income for financial assets not at fair value through profit or loss	(200)	(76)	(17)	(13)
Rental income	(110)	(1,178)	-	-
Reversal of impairment loss on other receivables (Note 9)	(252)	(360)	-	-
Reversal of impairment loss on trade receivables (Note 9)	(162)	-	-	-
Reversal of inventories written down (Note 8)	(2,223)	(2,793)	-	-
Waiver of amount owing to a subsidiary	-	-	-	(41)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

20. PERSONNEL EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive directors:-				
- Salaries, allowances and other benefits	5,060	4,845	5,060	4,845
- Defined contribution plan	595	542	595	542
	5,655	5,387	5,655	5,387
Non-executive directors:-				
- Fees	275	277	275	277
- Allowances	40	23	40	23
- Gratuity	150	-	150	-
	465	300	465	300
	6,120	5,687	6,120	5,687
Other employees:-				
- Salaries, bonuses, allowances and other benefits	64,112	70,511	1,079	1,019
- Defined contribution plans	3,298	2,967	137	126
	67,410	73,478	1,216	1,145
	73,530	79,165	7,336	6,832

21. TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax based on results for the financial year:-				
- Current tax	1,095	2,902	90	-
- Deferred tax (Note 15)	(1,283)	8,494	-	-
	(188)	11,396	90	-
Tax under/(over)provided in prior year:-				
- Current tax	420	244	380	-
- Deferred tax (Note 15)	2,640	(2,043)	-	-
	2,872	9,597	470	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

21. TAX EXPENSE (CONT'D)

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 financial year is as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax	(42,144)	18,976	(34,077)	(18,346)
Tax at the statutory tax rate of 24% (2022 - 24%)	(10,115)	4,554	(8,178)	(4,403)
Non-deductible expenses	2,863	2,384	8,157	4,212
Non-taxable income	(1,741)	(1,424)	(2)	(1)
Increase in unrecognised deferred tax assets	11,753	7,944	113	192
Utilisation of deferred tax assets not recognised in prior years	(2,761)	(1,737)	-	-
Differential in tax rate of foreign subsidiary	(187)	(325)	-	-
Tax under/(over)provided in prior year:-				
- Current tax	420	244	380	-
- Deferred tax	2,640	(2,043)	-	-
	2,872	9,597	470	-

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	20,856	(10,370)	-	-
Unabsorbed capital allowances	16,854	15,573	-	-
Unutilised tax losses:				
- expires year of assessment 2028	184	184	-	-
- expires year of assessment 2029	-	4,258	-	-
- expires year of assessment 2030	1,046	6,659	-	-
- expires year of assessment 2031	1,465	2,012	-	-
- expires year of assessment 2032	10,379	10,379	-	-
- expires year of assessment 2033	13,917	-	471	-
Inventories	6,801	6,216	-	-
Trade receivables	1,017	143	-	-
Others	530	530	-	-
	73,049	35,584	471	-

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Based on the current legislation, unutilised tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

22. (LOSS)/EARNINGS PER SHARE

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

	Group	
	2023	2022
(Loss)/Profit for the financial year (RM'000)	(45,016)	9,379
Number of shares in issue at 1 October 2022/2021 ('000)	515,682	515,682
Effect of shares issued pursuant to Warrants ('000)	126	-
Weighted average number of shares for computing basic earnings per share ('000)	515,808	515,682
Weighted average number of shares for computing diluted earnings per share ('000)	515,808	515,682
Basic (loss)/earnings per share (sen)	(8.73)	1.82
Diluted (loss)/earnings per share* (sen)	(8.73)	1.82

* The effects of potential ordinary shares arising from the conversion of 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.

23. NOTES TO THE STATEMENTS OF CASH FLOWS

	Group	
	2023 RM'000	2022 RM'000
Purchase of Property, Plant and Equipment		
Cost of property, plant and equipment purchased	15,588	7,129
Amount financed through hire purchase	(2,284)	-
Net cash disbursed	13,304	7,129
Acquisition of Right-of-use Assets		
Cost of right-of-use assets acquired	1,855	904
Acquisition by means of leases	(1,855)	(904)
Net cash disbursed	-	-
Revolving Credits		
Balance at 1 October 2022/2021	5,000	12,000
Net cash flow changes	3,000	(7,000)
Balance at 30 September (Note 12)	8,000	5,000
Lease Liabilities		
Balance at 1 October 2022/2021	2,818	3,408
Additions	1,855	904
Repayments	(1,648)	(1,494)
Balance at 30 September (Note 13)	3,025	2,818

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

	Group	
	2023 RM'000	2022 RM'000
Term Loans		
Balance at 1 October 2022/2021	14,183	20,986
Repayments	(6,802)	(6,803)
Balance at 30 September (Note 12)	7,381	14,183
Hire Purchase Payables		
Balance at 1 October 2022/2021	30,611	33,046
Additions	2,284	11,340
Repayments	(14,970)	(13,775)
Balance at 30 September (Note 12)	17,925	30,611
Trust Receipt		
Balance at 1 October 2022/2021	1,955	-
Net cash flow changes	(1,955)	1,955
Balance at 30 September (Note 12)	-	1,955

24. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other key management personnel compensation:-				
- Salaries, bonuses, allowances and other benefits	3,331	2,618	641	607
- Defined contribution plan	357	264	82	78
	3,688	2,882	723	685
Management fee charged to subsidiaries	-	-	7,176	6,240
Rental expense charged by a director	60	60	-	-

25. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

25. SEGMENT REPORTING (CONT'D)

Group (Cont'd)

Operating Segments (Cont'd)

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 RM'000	Personal Protective Equipment RM'000	Total RM'000
2023			
Revenue			
External revenue	338,411	6,847	345,258
Represented by:-			
<u>Revenue recognised at a point of time</u>			
- Sale of goods	338,411	6,847	345,258
Results			
Segment profit/(loss)	362	(45,378)	(45,016)
Segment profit/(loss) includes the following:-			
Amortisation of deferred income on government grants	(290)	(158)	(448)
Bad debts recovered	-	(14)	(14)
Depreciation of property, plant and equipment	23,861	5,527	29,388
Depreciation of right-of-use assets	1,534	42	1,576
Deposits received forfeited	-	(131)	(131)
Deposits written off	-	70	70
Gain on disposal of plant and equipment	(18)	(4,285)	(4,303)
Impairment loss on other receivables	12	-	12
Impairment loss on plant and equipment	-	30,696	30,696
Impairment loss on trade receivables	988	434	1,422
Insurance claims	(123)	-	(123)
Interest expense	2,139	752	2,891
Interest income	(195)	(5)	(200)
Inventories written down	7,890	1,060	8,950
Personnel expenses	72,233	1,297	73,530
Plant and equipment written off	-	16	16
Realised (gain)/loss on foreign exchange	(6,813)	17	(6,796)
Retirement benefits	18	-	18
Reversal of impairment loss on other receivables	(252)	-	(252)
Reversal of impairment loss on trade receivables	(154)	(8)	(162)
Reversal of inventories written down	(592)	(1,631)	(2,223)
Unrealised loss/(gain) on foreign exchange	1,656	(20)	1,636
Assets			
Segment assets	498,968	12,827	511,795
Additions to non-current assets other than financial instruments:-			
Property, plant and equipment	15,147	441	15,588
Right-of-use assets	1,855	-	1,855
Liabilities			
Segment liabilities	118,940	11,835	130,775

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

25. SEGMENT REPORTING (CONT'D)

Operating Segments (Cont'd)

	Precision Engineering RM'000	Personal Protective Equipment RM'000	Total 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
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 debt 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
Deposits 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 other receivables	19	-	19
Impairment loss on trade receivables	63	124	187
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 other 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

25. 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		Group	
	External Revenue		Non-current Assets	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Belgium	12,665	9,460	-	-
Brazil	4,941	2,901	-	-
China	22,502	7,723	-	-
Denmark	-	8,661	-	-
Germany	6,039	3,864	-	-
Japan	15,358	12,356	-	-
Malaysia	93,119	93,160	235,185	293,339
Mexico	10,171	8,744	-	-
Philippines	32,377	5,173	-	-
Poland	29,565	23,759	-	-
Singapore	693	1,751	-	-
Thailand	81,859	126,029	46,880	29,997
United States of America	33,145	28,208	-	-
Others	2,824	2,357	-	-
	345,258	334,146	282,065	323,336

Major Customer

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

	Group		Segment
	External Revenue		
	2023	2022	
	RM'000	RM'000	
Customer I ^(a)	38,439	67,713	Precision engineering

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

26. COMMITMENT FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2023	2022
	RM'000	RM'000
Contracted but not provided for	1,809	9,948

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

27. 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 RM263,702,000 (2022 - RM230,602,000). The total utilisation of those credit facilities as at 30 September 2023 amounted to approximately RM39,548,000 (2022 - RM41,648,000).

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	
	2023	2022
	RM'000	RM'000
Contractual undiscounted cash flows		
- on demand or within one year	39,548	41,648

28. 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.

Credit Risk

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

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 27.

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 9. 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 27, 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 2023

28. 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") 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 9), cash and cash equivalents (Note 10) and payables (Note 17).

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:-

	(Decrease)/ Increase in Loss 2023 RM'000	Group Increase/ (Decrease) in Profit 2022 RM'000
Appreciation of EUR against RM by 10%	(1,704)	1,345
Depreciation of EUR against RM by 10%	1,704	(1,345)
Appreciation of USD against RM by 10%	(4,867)	2,743
Depreciation of USD against RM by 10%	4,867	(2,743)

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 Loss 2023 RM'000	Group (Decrease)/ Increase in Profit 2022 RM'000
Increase in interest rates by 100 basis points	117	(146)
Decrease in interest rates by 100 basis points	(117)	146

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

29. 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	
	2023	2022
	RM'000	RM'000
Loans and borrowings	33,306	51,749
Lease liabilities	3,025	2,818
Total interest-bearing debts	36,331	54,567
Total equity	381,020	421,981
Total capital	417,351	476,548
Debt-to-equity ratio	0.10	0.13

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

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

31. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 24 November 2023, the Company acquired 51% equity interest in Notion Industrial Technology (ShenZhen) Limited.

LIST OF PROPERTIES

HELD AS AT 30 SEPTEMBER 2023

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	19	26 February 2004	7,653	Freehold	432,440
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	19	26 February 2004	7,653	Freehold	432,440
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	18	10 August 2006	304,988	Freehold	51,038,076
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	26	02 October 2009	262,937	Freehold	16,848,170
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	27	28 January 2010	1,959	Freehold	164,444
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	27	28 January 2010	1,970	Freehold	164,444

LIST OF PROPERTIES (CONT'D)

HELD AS AT 30 SEPTEMBER 2023

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	27	28 January 2010	1,970	Freehold	164,444
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	27	28 January 2010	1,970	Freehold	164,444
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	27	28 January 2010	3,197	Freehold	328,889
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	27	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	27	08 February 2012	1,970	Freehold	194,478
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	31	13 March 2012	283,952	Freehold	16,564,229
1 Storey Industrial Lot, Sri Ayutthaya Address: 63 Tambon Thanu, Amphur Uthai, Pra Nakhon Sri Ayutthaya Province	29	11 August 2016	92,311	Freehold	3,447,985

LIST OF PROPERTIES (CONT'D)

HELD AS AT 30 SEPTEMBER 2023

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 Address: 40 Moo 4 Tambon U-Thai, Amphur Uthai, Pra Nakhon Sri Ayutthaya Province	16	03 May 2018	163,439	Freehold	9,506,985
1 plot of Industrial Land, Johor Bahru Address: Plot 4, HSD 547617, PTD 200311, Mukim Pulau, Johor Bahru	9	28 February 2018	136,583	Freehold	11,572,565
2 Storey Industrial Lot Address: No. 2, Jalan Haji Abdul Manan 3/KU8 Kawasan Perindustrian Meru Barat 41050 Klang, Selangor	6	30 July 2018	41,591	Freehold	6,560,516
TOTAL					121,178,249

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

SHAREHOLDINGS

Issued Shares	:	515,828,850 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	:	16,286

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	1,091	6.699	49,359	0.009
100 - 1,000	2,214	13.594	1,386,278	0.268
1,001 - 10,000	7,857	48.243	41,174,124	7.982
10,001 - 100,000	4,550	27.938	142,360,098	27.598
100,001 - 25,791,441 (*)	574	3.524	330,858,991	64.141
25,791,442 and above (**)	0	0.000	0	0.000
TOTAL :	16,286	100.000	515,828,850	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 29 DECEMBER 2023

No.	Name	No. of Shares held as at 29 December 2023			
		Direct	%	Indirect	%
1	THOO CHOW FAH	19,871,301	3.852	1,582,962 ^[1]	0.307
2	CHOO WING HONG	37,172,939	7.206	-	-
3	CHOO WING ONN	34,217,766	6.634	-	-
4	LEE TIAN YOKE	17,976,446	3.485	-	-
5	CHOO WING YEW	13,649,887	2.646	-	-
6	TEH SU-CHING	5,000	0.001	-	-
7	DATO' ABU BAKAR BIN MOHD NOR	41,689	0.008	-	-
8	ALVIN VONG CHEN WENG	50	0.000	-	-

Remark:

^[1] - Deemed interested in shares held by his spouse, Choo Wai Sook, pursuant to Section 59(11)(c) of the Companies Act 2016

SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares	%
1	CHOO WING HONG	37,172,939	7.206
2	CHOO WING ONN	34,217,766	6.634

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 DECEMBER 2023

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No.of Shares	%
1	CHOO WING ONN	22,025,766	4.269
2	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING HONG	18,000,000	3.489
3	LEE TIAN YOKE	17,976,446	3.484
4	CHOO WING HONG	16,172,939	3.135
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING ONN	12,192,000	2.363
6	TAN PAU SON	11,407,200	2.211
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	1.278
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	1.118
13	ER SOON PUAY	5,022,100	0.973
14	ENG HONG PALM OIL MILL SDN BERHAD	5,000,000	0.969
15	CHOO WING YEW	4,500,000	0.872
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TECK HUAT	3,677,600	0.712
17	CHOO WING YEW	3,232,087	0.626
18	LIEW CHOW THAI	3,000,000	0.581
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO WING HONG	3,000,000	0.581
20	THO SIEW WAH	2,830,000	0.548
21	CHOO WING KIN	2,745,350	0.532
22	ANG ENG SOON	2,630,000	0.509
23	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG MOO LING	2,450,000	0.474
24	YUEN THUI YANG	2,362,563	0.458
25	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (HOUSE ACCOUNT)	2,280,000	0.442
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN (7007197)	2,159,600	0.418
27	OOI CHIN HOCK	2,122,800	0.411
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	2,111,100	0.409
29	TAN SOOK WANG	1,924,665	0.373
30	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN	1,865,800	0.361
	TOTAL	189,068,792	36.653

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 2023 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 Employee Share Option Scheme and Executive Share Grant Scheme. 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 2023 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 2022	19,254,510	10,800,000
Exercised	-	-
As at 30 September 2023	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 2023:

Directors and Senior Management	Since the commencement of the LTIP up to financial year ended 30 September 2023
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 2022	Granted	Exercised	Balance as at 30 September 2023
Dato' Abu Bakar Bin Mohd Nor	750,000	-	-	750,000
Anita Chew Cheng Im ^[1]	450,000	-	-	-

Remark:-

^[1] - Options were cancelled following her resignation as an Independent Non-Executive Director on 20 January 2023.

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 Twentieth (“20th”) 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 Friday, 1 March 2024 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 2023 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 Choo Wing Onn **(Ordinary Resolution 1)**
 - ii. Mr Choo Wing Yew **(Ordinary Resolution 2)**
[Please refer to Note (ii) of the Explanatory Notes]
3. To re-elect Mr Alvin Vong Chen Weng who is retiring in accordance with Clause 102 of the Constitution of the Company. **(Ordinary Resolution 3)**
[Please refer to Note (ii) of the Explanatory Notes]
4. To approve the Directors’ Fees of up to RM350,000 (2022: RM350,000) and benefits payable to the Directors of the Company of up to RM50,000 (2022: RM50,000) from 2 March 2024 until the conclusion of the next AGM of the Company, to be paid monthly in arrears. **(Ordinary Resolution 4)**
[Please refer to Note (iii) of the Explanatory Notes]
5. 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:

6. **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 pursuant to this mandate 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)

7. To transact any other business that may be transacted at the 20th 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)

Company Secretaries

Selangor Darul Ehsan

26 January 2024

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 nos. 2 and 3 are set out in the Board of Directors' profile for Annual Report 2023.

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Mr Choo Wing Onn, Mr Choo Wing Yew and Mr Alvin Vong Chen Weng (collectively "**Retiring Directors**") have been assessed by the Nomination Committee ("**NC**"). In addition, the NC has also conducted an assessment on the fitness and propriety of the Retiring Directors including the review of their fit and proper declarations and results of their background checks in accordance with the Directors' Fit & Proper Policy. The Retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of NC, the Board endorsed the same, having been satisfied with the performance as well as fitness and propriety of the Retiring Directors.

(iii) **Ordinary Resolution 4 - Directors' Fees and Benefits Payable**

Section 230(1)(b) of the Act provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries companies shall be approved at a general meeting. There is no revision to the amount proposed.

Details of the Directors' fees for the financial year ended 30 September 2023 are disclosed in the Corporate Governance Report 2023.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(iii) **Ordinary Resolution 4 - Directors' Fees and Benefits Payable (Cont'd)**

The amount of Directors' fees to each Director of the Company and its subsidiaries for the period from 2 March 2024 and up to the date of next AGM are as follows:-

<u>Directors</u>	<u>Amount (RM)</u>
Notion VTec Berhad:-	
Mr Thoo Chow Fah	-
Mr Choo Wing Hong	-
Mr Choo Wing Onn	-
Mr Lee Tian Yoke	-
Mr Choo Wing Yew	-
Dato' Abu Bakar Bin Mohd Nor	108,000
Ms Teh Su-Ching	108,000
Mr Alvin Vong Chen Weng	108,000

In determining the estimated total amount of Directors' fees and benefits payable to the Directors of the Company, the Board has considered various factors including the roles and responsibilities, and required time commitment expected of Independent Non-Executive Directors, the current Board size, and the number of scheduled meetings for the Board and Board Committees, and general meeting.

Payment of Directors' fees and any benefits payable will be made by the Company on a monthly basis or as and when incurred. The Board is of the view that it is just and equitable for the Directors' fees to be paid on monthly basis or as and when incurred, after the Independent Non-Executive Directors have discharged their responsibilities and rendered their services to the Company.

(iv) **Ordinary Resolution 6 - Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Act**

The proposed 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 would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. 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 19th AGM held on 2 March 2023 and which will lapse at the conclusion of the 20th 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 TIIH Online website at <https://tiih.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 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 Requirements 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 TIIH Online website at <https://tiih.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 2024 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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.

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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/Passport/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 Twentieth ("20th") Annual General Meeting ("AGM") as *my/our proxy to vote for *me/us on *my/our behalf at the 20th 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 Friday, 1 March 2024 at 9.30 a.m. or at any adjournment thereof and to vote as indicated below:-

Agenda			For	Against
1	To re-elect Mr Choo Wing Onn as Director.	Ordinary Resolution 1		
2	To re-elect Mr Choo Wing Yew as Director.	Ordinary Resolution 2		
3	To re-elect Mr Alvin Vong Chen Weng as Director.	Ordinary Resolution 3		
4	To approve the Directors' fees and benefits payable to the Directors of the Company from 2 March 2024 until the conclusion of the next AGM of the Company, to be paid monthly in arrears.	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		

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 Twentieth ("20th") 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 _____ 2024.



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 2024 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 26 January 2024.

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STAMP

THE SHARE REGISTRAR

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

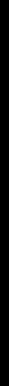
Tricor Investor & Issuing House Services Sdn Bhd

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.