



# **VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)  
Company No: 200401011463 (649966-K)

**INTERIM FINANCIAL REPORT**

**FOR THE FIRST QUARTER  
ENDED 31 MARCH 2021**



# VITROX CORPORATION BERHAD

(Incorporated in Malaysia)  
Company No: 200401011463 (649966-K)

## CONTENTS

	Page
Condensed Consolidated Statement of Comprehensive Income.....	1
Condensed Consolidated Statement of Financial Position.....	2
Condensed Consolidated Statement of Changes in Equity.....	3-4
Condensed Consolidated Statement of Cash Flows.....	5-6
Notes to the Interim Financial Report.....	7-13

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31-Mar-21 RM'000	Corresponding preceding quarter ended 31-Mar-20 RM'000	Current period-to-date ended 31-Mar-21 RM'000	Corresponding preceding period-to-date ended 31-Mar-20 RM'000
Revenue		129,882	90,291	129,882	90,291
Other operating income		1,398	1,556	1,398	1,556
Operating expenses		(99,032)	(69,115)	(99,032)	(69,115)
Finance costs		(166)	(418)	(166)	(418)
Share of associate's loss		(125)	(373)	(125)	(373)
Profit before tax	B12	31,957	21,941	31,957	21,941
Tax expense	B5	(1,284)	(876)	(1,284)	(876)
Profit for the financial period		<u>30,673</u>	<u>21,065</u>	<u>30,673</u>	<u>21,065</u>
Other comprehensive income:-					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
- Currency translation differences for the foreign operation		487	409	487	409
Other comprehensive income for the financial period		<u>487</u>	<u>409</u>	<u>487</u>	<u>409</u>
Comprehensive income for the financial period		<u>31,160</u>	<u>21,474</u>	<u>31,160</u>	<u>21,474</u>
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		30,696	21,065	30,696	21,065
- Non-controlling interests		(23)	0	(23)	0
		<u>30,673</u>	<u>21,065</u>	<u>30,673</u>	<u>21,065</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		31,183	21,474	31,183	21,474
- Non-controlling interests		(23)	0	(23)	0
		<u>31,160</u>	<u>21,474</u>	<u>31,160</u>	<u>21,474</u>
Earnings per share attributable to owners of the Company (sen)	B10				
- Basic		6.50	4.47	6.50	4.47
- Diluted		6.50	4.46	6.50	4.46

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2020.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31-Mar-21 RM'000 (Unaudited)	As at 31-Dec-20 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	97,758	96,473
Investment properties	40,600	40,600
Right-of-use assets	33,904	34,084
Investment in associate	22,393	7,584
Investments in club memberships, at cost	91	91
Deferred tax assets	8	8
	<u>194,754</u>	<u>178,840</u>
<b>Current assets</b>		
Inventories	174,198	136,114
Contract Assets	313	0
Receivables	198,710	177,923
Derivatives	0	785
Prepayments	7,906	5,100
Current tax assets	2,667	3,087
Cash and cash equivalents	236,475	258,118
	<u>620,269</u>	<u>581,127</u>
<b>TOTAL ASSETS</b>	<u>815,023</u>	<u>759,967</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	54,879	54,649
Reserves	545,977	514,359
Equity attributable to owners of the Company	<u>600,856</u>	<u>569,008</u>
Non-controlling interests	(18)	(1)
<b>Total equity</b>	<u>600,838</u>	<u>569,007</u>
<b>Non-current liabilities</b>		
Term loans - secured	32,901	33,513
Lease liabilities	89	116
Deferred tax liabilities	2,387	2,387
Deferred income on government grants	735	801
<b>Total non-current liabilities</b>	<u>36,112</u>	<u>36,817</u>
<b>Current liabilities</b>		
Payables	152,134	131,328
Derivatives	1,939	0
Dividend payable	0	8,261
Term loans - secured	7,379	7,122
Lease liabilities	105	103
Contract liabilities	16,210	6,909
Current tax liabilities	306	420
<b>Total current liabilities</b>	<u>178,073</u>	<u>154,143</u>
<b>Total liabilities</b>	<u>214,185</u>	<u>190,960</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>815,023</u>	<u>759,967</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>127.27</u>	<u>120.54</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2020.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
*(The figures have not been audited)*

	Non-distributable					Distributable	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve* RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
<b>Period ended 31 March 2021</b>									
Balance at 1 January 2021	54,649	520	51	14,160	62	499,566	569,008	(1)	569,007
Share-based payments	0	0	497	0	0	0	497	0	497
Issue of shares pursuant to Employees' Share Option Scheme	230	0	(62)	0	0	0	168	0	168
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	6	6
Total transactions with owners	230	0	435	0	0	0	665	6	671
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	487	0	487	0	487
Profit/(loss) for the financial period	0	0	0	0	0	30,696	30,696	(23)	30,673
Comprehensive income for the financial period	0	0	0	0	487	30,696	31,183	(23)	31,160
Balance at 31 March 2021	54,879	520	486	14,160	549	530,262	600,856	(18)	600,838

\* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)**
*(The figures have not been audited)*

	Non-distributable					Distributable	Equity attributable to owners of the Company RM000	Non-controlling interests RM000	Total equity RM000
	Share capital RM000	Capital reserve* RM000	Share option reserve RM000	Revaluation reserve RM000	Currency translation reserve RM000	Retained profits RM000			
<b>Period ended 31 March 2020</b>									
Balance at 1 January 2020	52,018	520	803	14,160	(510)	415,397	482,388	0	482,388
Share-based payments	0	0	48	0	0	0	48	0	48
Issue of shares pursuant to Employees' Share Option Scheme	131	0	(36)	0	0	0	95	0	95
Total transactions with owners	131	0	12	0	0	0	143	0	143
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	409	0	409	0	409
Profit for the financial period	0	0	0	0	0	21,065	21,065	0	21,065
Comprehensive income for the financial period	0	0	0	0	409	21,065	21,474	0	21,474
Balance at 31 March 2020	52,149	520	815	14,160	(101)	436,462	504,005	0	504,005

\* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2020.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
*(The figures have not been audited)*

	Current period-to-date ended 31-Mar-21 RM'000	Corresponding preceding period-to-date ended 31-Mar-20 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	31,957	21,941
Adjustments for:-		
Amortisation and depreciation	1,701	1,986
Amortisation of deferred income	(66)	(231)
Fair value losses on financial instruments	1,939	1,231
Gain on disposal of property, plant and equipment	(431)	0
Impairment losses/(gains) on financial assets	328	(177)
Interest expense	166	418
Interest income	(838)	(1,175)
Inventories written down	12,312	8,711
Reversal of inventories written down	(10,817)	(7,784)
Share-based payments	497	48
Share of associate's loss	125	373
Unrealised gain on foreign exchange	(889)	(578)
Operating profit before working capital changes	<u>35,984</u>	<u>24,763</u>
Changes in:-		
Inventories	(39,579)	(17,793)
Contract Assets	(313)	0
Receivables	(19,147)	(6,206)
Derivatives	785	439
Prepayments	(2,806)	(618)
Payables	20,109	10,718
Contract liabilities	<u>9,301</u>	<u>2,331</u>
Cash generated from operations	4,334	13,634
Tax paid	(978)	(1,430)
Net cash from operating activities	<u>3,356</u>	<u>12,204</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(2,820)	(1,422)
Addition investment in associate	(15,000)	(350)
Interest received	838	1,175
Proceeds from disposal of property, plant and equipment	444	0
Proceeds from disposal of shares in associate	66	0
Net cash used in investing activities	<u>(16,472)</u>	<u>(597)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(8,261)	(7,065)
Interest paid	(169)	(417)
Issue of shares	168	96
Issue of shares to non-controlling interests	6	0
Payment of lease liabilities	(25)	(28)
Repayment of term loans	<u>(1,840)</u>	<u>(1,843)</u>
Net cash used in financing activities	<u>(10,121)</u>	<u>(9,257)</u>

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)

**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 31-Mar-21 RM'000	Corresponding preceding period-to-date ended 31-Mar-20 RM'000
Currency translation differences	1,594	907
Net (decrease)/increase in cash and cash equivalents	(21,643)	3,257
Cash and cash equivalents at beginning of the period	258,118	191,583
Cash and cash equivalents at end of the period	<u>236,475</u>	<u>194,840</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	150,490	147,242
Term deposits	13,317	12,060
Cash and bank balances	72,668	35,538
	<u>236,475</u>	<u>194,840</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2020.



## VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)



### QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

#### A. NOTES TO THE INTERIM FINANCIAL REPORT

##### A1 Basis of preparation of Interim Financial Report

The interim financial report is unaudited and has been prepared in compliance with *Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting* issued by the Malaysian Accounting Standards Board, Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and method of computation adopted in the interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2020 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021

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

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

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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

##### A2 Seasonal or cyclical of operations

The Group's operation is dependent on the cyclical trend of the semiconductors and electronics industries.

## VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)



### QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

#### A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)

---

##### **A3 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current interim period.

##### **A4 Material changes in estimates**

There were no changes in estimates of amounts reported in prior interim period of the current financial year or changes in estimate of amounts reported in prior financial year.

##### **A5 Debts and equity securities**

During the current quarter, the Company issued 60,100 new ordinary shares at average exercise price of RM2.79 pursuant to the Employee Shares Option Scheme ("ESOS").

Saved as disclosed above, there were no other issuances, cancellations, repurchases, resale or repayments of debts and equity securities during the current quarter under review.

##### **A6 Dividend paid**

During the financial period, the Company paid an interim tax exempt dividend of 1.75 sen per share amounting to RM8,260,985 for the financial year ended 31 December 2020, paid on 21 January 2021.

##### **A7 Segment reporting**

No segment reporting has been prepared as the Group is principally engaged in development and production of vision inspection system and printed circuit board assemblies for microprocessor applications.

##### **A8 Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the current reporting period that have not been reflected in the interim financial report.

##### **A9 Changes in the composition of the Group**

There were no material changes in the composition of the Group during the current quarter under review except as follows:-

ViTrox International Sdn. Bhd. ("VISB") (a wholly owned subsidiary of the Company) had on 1 March 2021 incorporated a 100%-owned subsidiary namely ViTrox Americas Inc. The intended principal activity of ViTrox Americas Inc. is sale and support activities.

##### **A10 Contingencies**

There were no contingent assets or liabilities for the Group since 31 December 2020 up to 31 March 2021.

##### **A11 Contractual commitments**

	31-Mar-21 RM'000	31-Mar-20 RM'000
Acquisition of property, plant and equipment	<u>11,963</u>	<u>12,426</u>

##### **A12 Significant related party transactions**

There were no significant related party transactions during the current quarter under review.

## VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)



### QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

#### A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)

---

#### A13 Financial instruments

##### i) Derivatives

As at 31 March 2021, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>1,939</u>

Derivatives consist of forward exchange contracts which are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 31 March 2021, the Group had contracts with financial institutions due within 1 year to buy RM86,513,000 and sell USD21,230,000 at contractual forward rates.

The fair values of forward exchange contracts were quoted by the financial institutions, which normally measured the fair values using present value technique by discounting the differences between contractual forward prices and observable current market forward prices using risk-free interest rate (i.e. Level 2).

##### ii) Gains/(Losses) arising from fair value changes of financial liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current quarter and period ended 31 March 2021.

##### iii) Fair value

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

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

As at end of the current quarter under review, the carrying amounts of receivables, cash and cash equivalents and payables which are short-term in nature or repayable on demand are reasonable approximations of fair values.

The fair value of long 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 amount reported as the observable current market interest rates also approximate to the effective interest rates of term loans.

The fair value of forward exchange contracts were quoted by the financial institutions, which normally measured the fair values using present value technique by discounting the differences between contractual forward prices and observable current market forward prices using risk-free interest rate (i.e. Level 2).

There were no transfers between levels of fair value hierarchy during the current quarter under review.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)

**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS****B1 Review of performance**

	INDIVIDUAL/CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current quarter/ Cumulative period ended	Corresponding preceding quarter/period ended		
	31-Mar-21 RM'000	31-Mar-20 RM'000		
Revenue	129,882	90,291	39,591	43.85%
Profit before tax	31,957	21,941	10,016	45.65%
Profit for the financial period	30,673	21,065	9,608	45.61%
Profit attributable to owners of the Company	<u>30,696</u>	<u>21,065</u>	<u>9,631</u>	<u>45.72%</u>

The Group attained revenue amounting to RM129.88 million for the quarter under review compared to RM90.29 million in the corresponding quarter of preceding year, representing a growth of 43.9% or RM39.59 million. The rise in revenue was due to strong demand for Machine Vision System ("MVS").

The profit before tax ("PBT") was higher than the corresponding quarter of the preceding year by RM10.02 million or 45.7%. The higher PBT was in tandem with the revenue growth.

**B2 Variation of results against immediate preceding quarter**

	Current quarter ended	Immediate preceding quarter ended	Changes RM'000	Changes %
	31-Mar-21	31-Dec-20		
	RM'000	RM'000		
Revenue	129,882	159,794	(29,912)	-18.72%
Profit before tax	31,957	33,172	(1,215)	-3.66%
Profit for the financial period	30,673	31,919	(1,246)	-3.90%
Profit attributable to owners of the Company	<u>30,696</u>	<u>31,920</u>	<u>(1,224)</u>	<u>-3.83%</u>

The revenue for the Group was RM129.88 million as compared to RM159.79 million in the immediate preceding quarter, representing a decrease of 18.7% or RM29.91 million. The decline in revenue for the current quarter under review was due to lower sales volume for Advanced Board Inspection ("ABI") as a result of global material shortage and transportation challenge coupled with exceptionally strong demand in the immediate preceding quarter. The Group's PBT decreased by RM1.22 million or 3.7% from RM33.17 million to RM31.96 million. The slight decrease in PBT as compared to the 18.7% decrease in revenue was mainly due to favourable sales mix.

**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)**

**B3 Prospect**

The Board is cautiously optimistic on the business prospect for the financial year 2021 with the acceleration of the digital adoption and transformation throughout the world amidst the COVID-19 pandemic. The Group is experiencing robust demand from various sectors, especially in 5G, Electric Vehicles (“EV”), Computing and Artificial Intelligence (“AI”). At the same time, the Group is strategising and combating the global shortage of certain raw materials used in the Group’s products. The Group executes the expansion of the manufacturing capacity by at least 30% in 2021 as per plan. Besides, the Group will continue to focus on prudent cost control measures, market expansion activities, customer relationship building and product innovation to grow the business.

**B4 Profit forecast, profit guarantee and internal targets**

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcements made.

**B5 Tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Mar-21 RM'000	Corresponding preceding quarter ended 31-Mar-20 RM'000	Current period-to-date ended 31-Mar-21 RM'000	Corresponding preceding period-to-date ended 31-Mar-20 RM'000
Current tax	1,284	876	1,284	876

The effective tax rate of the Group for the current financial period is lower than the statutory tax rate of 24%. This was mainly due to tax incentive enjoyed by its wholly-owned subsidiaries, ViTrox Technologies Sdn. Bhd. (“VTSB”) and ViE Technologies Sdn. Bhd. (“ViE”).

VTSB has been granted pioneer status by MITI for a period of 5 years to undertake activities relating to development and production of embedded intelligent robotic inspection systems and machines with M2M connectivity and predictive analytic capability for semiconductor and electronics industries. The incentive commenced from 17 June 2015 to 16 June 2020 (extendable for further 5 years). With effective from 17 August 2018 until 16 June 2020 (extendable for further 5 years), the pioneer activities have been extended to its related modules.

VTSB has also obtained the MIDA approval letter for further 5 years’ extension for the above mentioned pioneer status till 16 June 2025. The current provision of income tax is in respect of certain non-business income and non-tax exempted income generated from non-pioneer products and services.

ViE had been granted pioneer status by MITI for a period of 3 years to undertake activities for design, development and manufacturing of Industrial Internet of Things (IIoT) devices for data acquisition and machine communication/control with intelligent and predictive capabilities for semiconductor and electronics industries. The incentive commenced from 1 June 2018 to 31 May 2021 (extendable for further 2 years). The current provision of income tax is in respect of certain non-business income and non-tax exempted income generated from non-pioneer products of ViE.

**B6 Status of corporate proposals announced**

There was no corporate proposal announced and not completed as at the date of this report.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)

**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****B7 Group borrowings**

	As at 31-Mar-21 RM'000	As at 31-Mar-21 USD'000	As at 31-Mar-20 RM'000	As at 31-Mar-20 USD'000
<b><u>Term loans - secured</u></b>				
Short-term borrowings	7,379	1,774	7,712	1,792
Long-term borrowings	<u>32,901</u>	<u>7,911</u>	<u>41,611</u>	<u>9,671</u>
	<u>40,280</u>	<u>9,685</u>	<u>49,323</u>	<u>11,463</u>
Exchange rate		<u>4.16</u>		<u>4.30</u>

The decline in the term loan is due to the monthly repayment of term loan.

The effective interest rates of term loans at current period end was 1.65% as compared to 3.25% as at corresponding preceding period.

**B8 Material litigation**

As of the date of this announcement, the Group is not engaged in any material litigation and the Board of Directors do not have any knowledge of any proceedings pending or threatened against the Group.

**B9 Dividend**

On 25 March 2021, the Company proposed a final tax exempt dividend of 3.95 sen per share for the financial year ended 31 December 2020, subject to the members' approval at the forthcoming Annual General Meeting.

**B10 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Mar-21	Corresponding preceding quarter ended 31-Mar-20	Current period-to-date ended 31-Mar-21	Corresponding preceding period-to-date ended 31-Mar-20
Profit attributable to owners of the Company (RM'000)	30,696	21,065	30,696	21,065
Weighted average number of shares for computing basis earnings per share ('000)	472,116	471,039	472,116	471,039
Basic earnings per share (sen)	<u>6.50</u>	<u>4.47</u>	<u>6.50</u>	<u>4.47</u>
Weighted average number of shares for computing diluted earnings per share ('000)	472,385	472,104	472,385	472,104
Diluted earnings per share (sen)	<u>6.50</u>	<u>4.46</u>	<u>6.50</u>	<u>4.46</u>

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)

**QUARTERLY REPORT ON RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****B11 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2020 was not subject to any qualification.

**B12 Profit before tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Mar-21 RM'000	Corresponding preceding quarter ended 31-Mar-20 RM'000	Current period-to-date ended 31-Mar-21 RM'000	Corresponding preceding period-to-date ended 31-Mar-20 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,701	1,986	1,701	1,986
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	283	463	283	463
- unrealised	1,939	1,231	1,939	1,231
Gain on foreign exchange:-				
- realised	(2,522)	(2,248)	(2,522)	(2,248)
- unrealised	(889)	(578)	(889)	(578)
Interest expense	166	418	166	418
Inventories written down	12,312	8,711	12,312	8,711
Amortisation of deferred income	(66)	(231)	(66)	(231)
Gain on disposal of property, plant and equipment	(431)	0	(431)	0
Impairment losses/(gains) on financial assets	328	(177)	328	(177)
Interest income	(838)	(1,175)	(838)	(1,175)
Reversal of inventories written down	(10,817)	(7,784)	(10,817)	(7,784)

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Securities Main Market Listing Requirements are not applicable.

**B13 Authorisation for issue**

The interim financial statements are authorised for issue by the Board of Directors on 22 April 2021.