



VITROX CORPORATION BERHAD

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

INTERIM FINANCIAL REPORT

**FOR THE SECOND QUARTER
ENDED 30 JUNE 2021**



VITROX CORPORATION BERHAD

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

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VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Jun-21 RM'000	Corresponding preceding quarter ended 30-Jun-20 RM'000	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000
Revenue		196,194	96,546	326,076	186,837
Other operating income		1,849	2,170	3,247	3,726
Operating expenses		(145,677)	(74,394)	(244,709)	(143,509)
Finance costs		(164)	(350)	(330)	(768)
Share of associate's loss		(428)	(297)	(553)	(670)
Profit before tax	B12	51,774	23,675	83,731	45,616
Tax expense	B5	(1,187)	(753)	(2,471)	(1,629)
Profit for the financial period		50,587	22,922	81,260	43,987
Other comprehensive income:-					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
- Currency translation differences for the foreign operation		246	(40)	733	369
Other comprehensive income for the financial period		246	(40)	733	369
Comprehensive income for the financial period		50,833	22,882	81,993	44,356
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		50,640	22,922	81,336	43,987
- Non-controlling interests		(53)	0	(76)	0
		50,587	22,922	81,260	43,987
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		50,886	22,882	82,069	44,356
- Non-controlling interests		(53)	0	(76)	0
		50,833	22,882	81,993	44,356
Earnings per share attributable to owners of the Company (sen) B10					
- Basic		10.73	4.87	17.23	9.34
- Diluted		10.72	4.86	17.22	9.32

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 SECOND QUARTER ENDED 30 JUNE 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-21 RM'000 (Unaudited)	As at 31-Dec-20 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	99,147	96,473
Investment properties	40,600	40,600
Right-of-use assets	33,724	34,084
Investment in associate	21,965	7,584
Investments in club memberships, at cost	91	91
Deferred tax assets	8	8
	<u>195,535</u>	<u>178,840</u>
Current assets		
Inventories	180,623	136,114
Contract Assets	313	0
Receivables	239,510	177,923
Derivatives	0	785
Prepayments	16,533	5,100
Current tax assets	2,236	3,087
Cash and cash equivalents	245,293	258,118
	<u>684,508</u>	<u>581,127</u>
TOTAL ASSETS	<u>880,043</u>	<u>759,967</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	55,102	54,649
Reserves	578,568	514,359
Equity attributable to owners of the Company	<u>633,670</u>	<u>569,008</u>
Non-controlling interests	(71)	(1)
Total equity	<u>633,599</u>	<u>569,007</u>
Non-current liabilities		
Term loans - secured	31,036	33,513
Lease liabilities	68	116
Deferred tax liabilities	2,387	2,387
Deferred income on government grants	592	801
Total non-current liabilities	<u>34,083</u>	<u>36,817</u>
Current liabilities		
Payables	168,758	131,328
Derivatives	960	0
Dividend payable	18,651	8,261
Term loans - secured	7,366	7,122
Lease liabilities	96	103
Contract liabilities	16,213	6,909
Current tax liabilities	317	420
Total current liabilities	<u>212,361</u>	<u>154,143</u>
Total liabilities	<u>246,444</u>	<u>190,960</u>
TOTAL EQUITY AND LIABILITIES	<u>880,043</u>	<u>759,967</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>134.20</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 SECOND QUARTER ENDED 30 JUNE 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			
Period ended 30 June 2021									
Balance at 1 January 2021	54,649	520	51	14,160	62	499,566	569,008	(1)	569,007
Share-based payments	0	0	912	0	0	0	912	0	912
Issue of shares pursuant to Employees' Share Option Scheme	453	0	(122)	0	0	0	331	0	331
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	6	6
Dividends	0	0	0	0	0	(18,650)	(18,650)	0	(18,650)
Total transactions with owners	453	0	790	0	0	(18,650)	(17,407)	6	(17,401)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	733	0	733	0	733
Profit/(loss) for the financial period	0	0	0	0	0	81,336	81,336	(76)	81,260
Comprehensive income for the financial period	0	0	0	0	733	81,336	82,069	(76)	81,993
Balance at 30 June 2021	55,102	520	841	14,160	795	562,252	633,670	(71)	633,599

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

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 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			
Period ended 30 June 2020									
Balance at 1 January 2020	52,018	520	803	14,160	(510)	415,397	482,388	0	482,388
Share-based payments	0	0	72	0	0	0	72	0	72
Issue of shares pursuant to Employees' Share Option Scheme	437	0	(117)	0	0	0	320	0	320
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	(13,192)	(13,192)	0	(13,192)
Total transactions with owners	437	0	(45)	0	0	(13,192)	(12,800)	0	(12,800)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	369	0	369	0	369
Profit for the financial period	0	0	0	0	0	43,987	43,987	0	43,987
Comprehensive income for the financial period	0	0	0	0	369	43,987	44,356	0	44,356
Balance at 30 June 2020	52,455	520	758	14,160	(141)	446,192	513,944	0	513,944

* 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.

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(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	83,731	45,616
Adjustments for:-		
Amortisation and depreciation	3,228	3,916
Amortisation of deferred income	(209)	(445)
Fair value losses on financial instruments	960	17
Gain on disposal of property, plant and equipment	(431)	(702)
Impairment losses/(gains) on financial assets	635	(3)
Interest expense	330	768
Interest income	(1,711)	(2,413)
Inventories written down	12,981	9,498
Property, plant and equipment written-off	2	0
Reversal of inventories written down	(10,817)	(7,784)
Share-based payments	912	72
Share of associate's loss	553	670
Unrealised loss on foreign exchange	371	2,706
Operating profit before working capital changes	<u>90,535</u>	<u>51,916</u>
Changes in:-		
Inventories	(46,674)	(19,275)
Contract Assets	(313)	0
Receivables	(60,821)	(5,979)
Derivatives	785	439
Prepayments	(11,433)	379
Payables	37,131	5,567
Contract liabilities	9,304	1,132
Cash generated from operations	<u>18,514</u>	<u>34,179</u>
Tax paid	<u>(1,723)</u>	<u>(1,664)</u>
Net cash from operating activities	16,791	32,515
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(5,557)	(2,567)
Addition investment in associate	(15,000)	0
Interest received	1,711	2,413
Proceeds from disposal of property, plant and equipment	444	702
Proceeds from disposal of shares in associate	66	(1,700)
Net cash used in investing activities	<u>(18,336)</u>	<u>(1,152)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(8,261)	(7,065)
Interest paid	(336)	(810)
Issue of shares	331	319
Issue of shares to non-controlling interests	6	0
Payment of lease liabilities	(55)	(56)
Repayment of term loans	(3,680)	(3,679)
Net cash used in financing activities	<u>(11,995)</u>	<u>(11,291)</u>

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000
Currency translation differences	715	(333)
Net (decrease)/increase in cash and cash equivalents	(12,825)	19,739
Cash and cash equivalents at beginning of the period	258,118	191,583
Cash and cash equivalents at end of the period	<u>245,293</u>	<u>211,322</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	127,066	143,513
Term deposits	34,601	12,158
Cash and bank balances	83,626	55,651
	<u>245,293</u>	<u>211,322</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

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Company No: 200401011463 (649966-K)



QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 58,500 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.

A10 Contingencies

There were no contingent assets or liabilities for the Group since 31 December 2020 up to 30 June 2021.

A11 Contractual commitments

	30-Jun-21 RM'000	30-Jun-20 RM'000
Acquisition of property, plant and equipment	<u>13,399</u>	<u>12,149</u>

A12 Significant related party transactions

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

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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

A13 Financial instruments

i) Derivatives

As at 30 June 2021, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>960</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 30 June 2021, the Group had contracts with financial institutions due within 1 year to buy RM108,944,000 and sell USD26,330,000 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 30 June 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.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS
B1 Review of performance

	INDIVIDUAL QUARTER			
	Current quarter ended 30-Jun-21 RM'000	Corresponding preceding quarter ended 30-Jun-20 RM'000	Changes RM'000	Changes %
Revenue	196,194	96,546	99,648	103.21%
Profit before tax	51,774	23,675	28,099	118.69%
Profit for the financial period	50,587	22,922	27,665	120.69%
Profit attributable to owners of the Company	<u>50,640</u>	<u>22,922</u>	<u>27,718</u>	<u>120.92%</u>

For the quarter under review, the Group recorded its highest revenue since its inception at RM196.19 million as compared to RM96.55 million in the corresponding quarter of preceding year. This represents a growth of 103.2% or RM99.65 million. The increase is attributable to the surge in sales volume contributed from both Machine Vision System (“MVS”) and Automated Board Inspection (“ABI”).

The profit before tax (“PBT”) was also increased in tandem with the revenue with a record breaking PBT at RM51.77 million. This represents a growth of 118.7% or RM28.10 million as compared to the PBT in the corresponding quarter of preceding year.

	CUMULATIVE QUARTER			
	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000	Changes RM'000	Changes %
Revenue	326,076	186,837	139,239	74.52%
Profit before tax	83,731	45,616	38,115	83.56%
Profit for the financial period	81,260	43,987	37,273	84.74%
Profit attributable to owners of the Company	<u>81,336</u>	<u>43,987</u>	<u>37,349</u>	<u>84.91%</u>

The Group achieved RM326.08 million revenues for the period ended 30 June 2021, showing an increase of 74.5% or RM139.24 million as compared to the preceding period ended 30 June 2020. The increase in the revenue was due to stronger demand for both MVS and ABI products in the current favorable market condition as compared to the preceding period ended 30 June 2020.

The Group’s PBT increased by RM38.12 million or 83.6% from RM45.62 million to RM83.73 million was in tandem with the increase in revenue.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****B2 Variation of results against immediate preceding quarter**

	Current quarter ended 30-Jun-21 RM'000	Immediate preceding quarter ended 31-Mar-21 RM'000	Changes RM'000	Changes %
Revenue	196,194	129,882	66,312	51.06%
Profit before tax	51,774	31,957	19,817	62.01%
Profit for the financial period	50,587	30,673	19,914	64.92%
Profit attributable to owners of the Company	<u>50,640</u>	<u>30,696</u>	<u>19,944</u>	<u>64.97%</u>

The revenue for the Group increased to RM196.19 million in the current quarter from RM129.88 million in the immediate preceding quarter, representing an increase of 51.1% or RM66.31 million. The increase is mainly due to strong demand from ABI followed by MVS.

The Group's PBT increased by RM19.82 million or 62.0% from RM31.96 million to RM51.77 million was attributable to the increase in revenue.

B3 Prospect

The Board is 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. In the next 6 months, the Group will continue to focus on capacity expansion, aggressive material sourcing and securing, supply chain collaboration, key markets expansion, new product innovation, and COVID-19 risk mitigation to support the robust demand from various sectors, especially in 5G, Electric Vehicles ("EV"), Computing and Artificial Intelligence ("AI").

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 30-Jun-21 RM'000	Corresponding preceding quarter ended 30-Jun-20 RM'000	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000
Current tax	<u>1,187</u>	<u>753</u>	<u>2,471</u>	<u>1,629</u>

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").

QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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

B5 Tax expense (cont'd)

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.

B7 Group borrowings

	As at 30-Jun-21 RM'000	As at 30-Jun-21 USD'000	As at 30-Jun-20 RM'000	As at 30-Jun-20 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	7,366	1,773	7,627	1,782
Long-term borrowings	31,036	7,471	39,510	9,231
	<u>38,402</u>	<u>9,244</u>	<u>47,137</u>	<u>11,013</u>
Exchange rate		<u>4.15</u>		<u>4.28</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 2.35% 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 20 May 2021, the shareholders approved the proposed final dividend of 3.95 sen per share tax exempt amounting to RM18,650,908 for the financial year ended 31 December 2020 which will be paid to all holders of ordinary shares on 16 July 2021 whose names appeared in the Records of Depositors of the close of business on 30 June 2021.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)
B10 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-21	Corresponding preceding quarter ended 30-Jun-20	Current period-to-date ended 30-Jun-21	Corresponding preceding period-to-date ended 30-Jun-20
Profit attributable to owners of the Company (RM'000)	50,640	22,922	81,336	43,987
Weighted average number of shares for computing basis earnings per share ('000)	472,160	471,092	472,160	471,092
Basic earnings per share (sen)	<u>10.73</u>	<u>4.87</u>	<u>17.23</u>	<u>9.34</u>
Weighted average number of shares for computing diluted earnings per share ('000)	472,392	472,121	472,392	472,121
Diluted earnings per share (sen)	<u>10.72</u>	<u>4.86</u>	<u>17.22</u>	<u>9.32</u>

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 30-Jun-21 RM'000	Corresponding preceding quarter ended 30-Jun-20 RM'000	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,527	1,930	3,228	3,916
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	772	1,018	1,055	1,481
- unrealised	(979)	(1,214)	960	17
Gain on foreign exchange:-				
- realised	(782)	(2,940)	(3,304)	(5,188)
- unrealised	1,260	3,284	371	2,706
Interest expense	164	350	330	768
Inventories written down	12,981	9,498	12,981	9,498
Property, plant and equipment written off	2	0	2	0

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****B12 Profit before tax (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-21 RM'000	Corresponding preceding quarter ended 30-Jun-20 RM'000	Current period-to-date ended 30-Jun-21 RM'000	Corresponding preceding period-to-date ended 30-Jun-20 RM'000
Amortisation of deferred income	(143)	(214)	(209)	(445)
Gain on disposal of property, plant and equipment	0	(702)	(431)	(702)
Impairment losses/(gains) on financial assets	307	174	635	(3)
Interest income	(873)	(1,238)	(1,711)	(2,413)
Reversal of inventories written down	(12,312)	(8,711)	(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 July 2021.