



# **VITROX CORPORATION BERHAD**

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

**INTERIM FINANCIAL REPORT**

**FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2020**



# 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 THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Sep-20 RM'000	Corresponding preceding quarter ended 30-Sep-19 RM'000	Current period-to-date ended 30-Sep-20 RM'000	Corresponding preceding period-to-date ended 30-Sep-19 RM'000
Revenue		123,748	66,509	310,585	244,496
Other operating income		1,231	1,528	4,957	5,012
Operating expenses		(93,038)	(53,054)	(236,547)	(183,363)
Finance costs		(202)	(503)	(970)	(1,590)
Share of associate's loss		(218)	(181)	(888)	(307)
Profit before tax	B12	31,521	14,299	77,137	64,248
Tax expense	B5	(1,807)	(443)	(3,436)	(2,389)
Profit for the financial period		29,714	13,856	73,701	61,859
Other comprehensive income:-					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
Currency translation differences for the foreign operation		115	(240)	484	(252)
Other comprehensive income for the financial period		115	(240)	484	(252)
Comprehensive income for the financial period		29,829	13,616	74,185	61,607
Earnings per share attributable to ordinary equity holders of the Company (sen)	B10				
- Basic		6.30	2.94	15.63	13.14
- Diluted		6.29	2.94	15.61	13.11

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 2019.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30-Sep-20 RM'000 (Unaudited)	As at 31-Dec-19 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	97,288	99,088
Investment properties	40,600	40,600
Right-of-use assets	34,264	34,804
Investment in associate	4,874	4,063
Investments in club memberships, at cost	91	91
	<u>177,117</u>	<u>178,646</u>
<b>Current assets</b>		
Inventories	131,340	111,495
Receivables	145,896	126,378
Derivatives	513	439
Prepayments	5,121	4,449
Current tax assets	2,770	3,675
Cash and cash equivalents	231,868	191,584
	<u>517,508</u>	<u>438,020</u>
<b>TOTAL ASSETS</b>	<u>694,625</u>	<u>616,666</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	54,238	52,018
Reserves	490,722	430,370
<b>Total equity</b>	<u>544,960</u>	<u>482,388</u>
<b>Non-current liabilities</b>		
Term loans - secured	36,558	41,381
Lease liabilities	142	219
Deferred tax liabilities	2,484	2,484
Deferred income on government grants	932	1,546
<b>Total non-current liabilities</b>	<u>40,116</u>	<u>45,630</u>
<b>Current liabilities</b>		
Payables	94,211	68,251
Derivatives	0	0
Dividend payable	0	7,065
Term loans - secured	7,381	7,343
Lease liabilities	102	98
Contract liabilities	7,023	5,224
Current tax liabilities	832	667
<b>Total current liabilities</b>	<u>109,549</u>	<u>88,648</u>
<b>Total liabilities</b>	<u>149,665</u>	<u>134,278</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>694,625</u>	<u>616,666</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>115.47</u>	<u>102.42</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 2019.

**VITROX CORPORATION BERHAD**

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
*(The figures have not been audited)*

	Non-distributable				Distributable		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 30 September 2020</b>							
Balance at 1 January 2020	52,018	520	803	14,160	(510)	415,397	482,388
Share-based payments	0	0	72	0	0	0	72
Issue of shares pursuant to Employees' Share Option Scheme	2,220	0	(713)	0	0	0	1,507
Dividends	0	0	0	0	0	(13,192)	(13,192)
Total transactions with owners	2,220	0	(641)	0	0	(13,192)	(11,613)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	484	0	484
Profit for the financial period	0	0	0	0	0	73,701	73,701
Comprehensive income for the financial period	0	0	0	0	484	73,701	74,185
Balance at 30 September 2020	54,238	520	162	14,160	(26)	475,906	544,960

\* 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**

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)**
*(The figures have not been audited)*

	Non-distributable			Distributable		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 30 September 2019</b>							
Balance at 1 January 2019	50,637	489	929	0	(222)	361,672	413,505
Share-based payments	0	0	226	0	0	0	226
Issue of shares pursuant to Employees' Share Option Scheme	1,188	0	(348)	0	0	0	840
Dividends	0	0	0	0	0	(18,830)	(18,830)
Total transactions with owners	1,188	0	(122)	0	0	(18,830)	(17,764)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	(252)	0	(252)
Profit for the financial period	0	0	0	0	0	61,859	61,859
Comprehensive income for the financial period	0	0	0	0	(252)	61,859	61,607
Balance at 30 September 2019	51,825	489	807	0	(474)	404,701	457,348

\* 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 2019.

**VITROX CORPORATION BERHAD**

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Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
*(The figures have not been audited)*

	Current period-to-date ended 30-Sep-20 RM'000	Corresponding preceding period-to-date ended 30-Sep-19 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	77,137	64,248
Adjustments for:-		
Amortisation and depreciation	5,790	6,744
Amortisation of deferred income	(614)	(1,138)
Fair value (gains)/losses on financial instruments	(513)	422
Gain on disposal of property, plant and equipment	(760)	(375)
Impairment gains on financial assets	(27)	(474)
Interest expense	970	1,590
Interest income	(3,289)	(3,719)
Inventories written down	10,199	6,534
Property, plant and equipment written-off	3	0
Reversal of inventories written down	(7,784)	(5,018)
Share-based payments	72	226
Share of associate's loss	888	307
Unrealised loss on foreign exchange	2,503	509
Operating profit before working capital changes	<u>84,575</u>	<u>69,856</u>
Changes in:-		
Inventories	(22,261)	(9,240)
Receivables	(21,506)	40,444
Derivatives	439	117
Prepayments	(672)	(212)
Payables	26,482	(19,651)
Contract liabilities	1,799	(2,607)
Cash generated from operations	<u>68,856</u>	<u>78,707</u>
Tax paid	(2,365)	(5,102)
Tax refunded	0	843
Net cash from operating activities	<u>66,491</u>	<u>74,448</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(3,474)	(8,783)
Interest received	3,289	3,756
Proceeds from disposal of property, plant and equipment	776	445
Subscription for shares in associate	(1,700)	(1,750)
Net cash used in investing activities	<u>(1,109)</u>	<u>(6,332)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(20,256)	(27,064)
Interest paid	(1,040)	(1,611)
Issue of shares	1,507	840
Payment of lease liabilities	(84)	0
Repayment of term loans	(5,521)	(5,148)
Net cash used in financing activities	<u>(25,394)</u>	<u>(32,983)</u>

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Sep-20 RM'000	Corresponding preceding period-to-date ended 30-Sep-19 RM'000
Currency translation differences	297	(686)
Net increase in cash and cash equivalents	40,285	34,447
Cash and cash equivalents at beginning of the period	191,583	148,733
Cash and cash equivalents at end of the period	<u>231,868</u>	<u>183,180</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	149,438	134,028
Term deposits	13,158	5,870
Cash and bank balances	<u>69,272</u>	<u>43,282</u>
	<u>231,868</u>	<u>183,180</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 2019.



## VITROX CORPORATION BERHAD

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### QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

#### 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 2019 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 2019 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 2021
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
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2022
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

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### QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

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

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##### 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 230,000, 300,000 and 300,000 new ordinary shares at average exercise price of RM2.79, RM1.01 and RM0.81 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

Since the end of the previous financial year, the Company paid the following dividends :-

- i) an interim tax exempt dividend of 1.5 sen per share amounting to RM7,065,064 for the financial year ended 31 December 2019, paid on 17 January 2020; and
- ii) the final tax exempt dividend of 2.8 sen per share amounting to RM13,191,326 for the financial year ended 31 December 2019, paid on 28 July 2020.

##### 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 2019 up to 30 September 2020.

##### A11 Contractual commitments

	30-Sep-20 RM'000	30-Sep-19 RM'000
Acquisition of property, plant and equipment	11,638	15,350

##### A12 Significant related party transactions

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

**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020****A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)****A13 Financial instruments****i) Derivatives**

As at 30 September 2020, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current assets	513

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 September 2020, the Group had contracts with financial institutions due within 1 year to buy RM53,293,000 and sell USD12,623,000 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 September 2020.

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**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	Corresponding preceding quarter ended	Changes RM'000	Changes %
	30-Sep-20 RM'000	30-Sep-19 RM'000		
Revenue	123,748	66,509	57,239	86.06%
Profit before tax	31,521	14,299	17,222	120.44%
Profit for the financial period	29,714	13,856	15,858	114.45%
Profit attributable to owners of the Company	<u>29,714</u>	<u>13,856</u>	<u>15,858</u>	<u>114.45%</u>

The Group attained revenue amount to RM123.75 million for the quarter under review compared to RM66.51 million in the corresponding quarter of preceding year, representing a growth of 86.1% or RM57.24 million. It was recorded as the highest revenue in a quarter mainly driven by the tremendous increase in demand from Machine Vision System (“MVS”) and Automated Board Inspection (“ABI”) by 122% and 66% respectively.

The profit before tax (“PBT”) was higher than corresponding quarter of preceding year by RM17.22 million or 120.4%. The higher PBT was in tandem with strong sales volume and optimisation of production capacity.

	CUMULATIVE QUARTER			
	Current period-to-date ended	Corresponding preceding period-to-date ended	Changes RM'000	Changes %
	30-Sep-20 RM'000	30-Sep-19 RM'000		
Revenue	310,585	244,496	66,089	27.03%
Profit before tax	77,137	64,248	12,889	20.06%
Profit for the financial period	73,701	61,859	11,842	19.14%
Profit attributable to owners of the Company	<u>73,701</u>	<u>61,859</u>	<u>11,842</u>	<u>19.14%</u>

The revenue of the Group was recorded at RM310.59 million in the period ended 30 September 2020, showing a growth of RM66.09 million or 27.0% as compared to the preceding period ended 30 September 2019. The growth in revenue was due to higher volume demands from MVS.

The PBT was increased by RM12.89 million or 20.1% as compared with preceding year corresponding period. The increase was mainly because of favorable sales volume.

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**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-Sep-20 RM'000	Immediate preceding quarter ended 30-Jun-20 RM'000	Changes RM'000	Changes %
Revenue	123,748	96,546	27,202	28.18%
Profit before tax	31,521	23,675	7,846	33.14%
Profit for the financial period	29,714	22,922	6,792	29.63%
Profit attributable to owners of the Company	<u>29,714</u>	<u>22,922</u>	<u>6,792</u>	<u>29.63%</u>

The Group's revenue increased from RM96.55 million in the immediate preceding quarter to RM123.75 million in the period under review, representing an increase of 28.2% or RM27.20 million. The favourable market condition and well market acceptance of new product introduction led to higher demand of MVS and ABI, and contributed to the overall increase in revenue. The Group's PBT was RM31.52 million as compared to RM23.68 million in the immediate preceding quarter, representing an increase of 33.1% or RM7.85 million. The increase was primarily due to strong sales volume coupled with optimisation of the production capacity.

**B3 Prospect**

The Board is cautiously optimistic on the business prospect for the financial year 2020 even though with the outbreak of Covid-19 pandemic. With a diversified business model, serving multiple industries and presence in more than 30 countries, the Group has not experienced significant downward impact so far. The Group has taken and will continue to take more stringent and prudent cost control measures in order to stay competitive and resilient. Besides, the Group will continue to focus on market expansion activities, customer relationship building and product innovation to grow the business further.

**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-Sep-20 RM'000	Corresponding preceding quarter ended 30-Sep-19 RM'000	Current period-to-date ended 30-Sep-20 RM'000	Corresponding preceding period-to-date ended 30-Sep-19 RM'000
Current tax	<u>1,807</u>	<u>443</u>	<u>3,436</u>	<u>2,389</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").

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**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 system and machine 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. 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. VTSB has submitted to MIDA for further 5 years' extension and in progress to receive an approval letter.

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-Sep-20 RM'000	As at 30-Sep-20 USD'000	As at 30-Sep-19 RM'000	As at 30-Sep-19 USD'000
<b><u>Term loans - secured</u></b>				
Short-term borrowings	7,381	1,775	7,164	1,711
Long-term borrowings	<u>36,558</u>	<u>8,791</u>	<u>44,543</u>	<u>10,638</u>
	<u>43,939</u>	<u>10,566</u>	<u>51,707</u>	<u>12,349</u>
Exchange rate		<u>4.16</u>		<u>4.19</u>

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

The effective interest rates of term loans as at current period end was 1.65% as compared to 3.65% as at corresponding preceding period.

**B8 Material litigation**

As 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**

No dividend was proposed and declared by the Company in current quarter under review.

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)**


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**B10 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Sep-20	Corresponding preceding quarter ended 30-Sep-19	Current period-to-date ended 30-Sep-20	Corresponding preceding period-to-date ended 30-Sep-19
Profit attributable to owners of the Company (RM'000)	29,714	13,856	73,701	61,859
Weighted average number of shares for computing basis earnings per share ('000)	471,510	470,824	471,510	470,824
Basic earnings per share (sen)	<u>6.30</u>	<u>2.94</u>	<u>15.63</u>	<u>13.14</u>
Weighted average number of shares for computing diluted earnings per share ('000)	472,220	471,941	472,220	471,941
Diluted earnings per share (sen)	<u>6.29</u>	<u>2.94</u>	<u>15.61</u>	<u>13.11</u>

**B11 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2019 was not subject to any qualification.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)**
**B12 Profit before tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Sep-20 RM'000	Corresponding preceding quarter ended 30-Sep-19 RM'000	Current period-to-date ended 30-Sep-20 RM'000	Corresponding preceding period-to-date ended 30-Sep-19 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,874	2,257	5,790	6,744
Fair value (gains)/losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	(680)	85	801	(25)
- unrealised	(530)	326	(513)	422
(Gain)/Loss on foreign exchange:-				
- realised	1,990	(665)	(3,198)	(494)
- unrealised	(203)	345	2,503	509
Interest expense	202	503	970	1,590
Inventories written down	10,199	6,534	10,199	6,534
Property, plant and equipment written off	3	0	3	0
Amortisation of deferred income	(169)	(362)	(614)	(1,138)
(Gain)/Loss on disposal of property, plant and equipment	(58)	1	(760)	(375)
Impairment gains on financial assets	(24)	(185)	(27)	(474)
Interest income	(876)	(1,213)	(3,289)	(3,719)
Reversal of inventories written down	(9,498)	(5,515)	(7,784)	(5,018)

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 October 2020.