



VITROX CORPORATION BERHAD

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

INTERIM FINANCIAL REPORT

**FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2022**



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 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Sep-22 RM'000	Corresponding preceding quarter ended 30-Sep-21 RM'000	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000
Revenue		185,581	168,293	560,254	494,369
Other operating income		3,180	1,380	7,305	4,627
Operating expenses		(134,754)	(126,163)	(411,605)	(370,872)
Finance costs		(655)	(161)	(1,174)	(491)
Share of associate's loss		(405)	(408)	(865)	(961)
Profit before tax	B12	<u>52,947</u>	<u>42,941</u>	<u>153,915</u>	<u>126,672</u>
Tax expense	B5	<u>(2,367)</u>	<u>(798)</u>	<u>(2,343)</u>	<u>(3,269)</u>
Profit for the financial period		<u>50,580</u>	<u>42,143</u>	<u>151,572</u>	<u>123,403</u>
Other comprehensive income for the financial period:-					
- Currency translation differences for the foreign operations (representing item that may be reclassified subsequently to profit or loss)		(167)	110	(94)	843
Comprehensive income for the financial period		<u>50,413</u>	<u>42,253</u>	<u>151,478</u>	<u>124,246</u>
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		50,843	42,211	152,218	123,547
- Non-controlling interests		<u>(263)</u>	<u>(68)</u>	<u>(646)</u>	<u>(144)</u>
		<u>50,580</u>	<u>42,143</u>	<u>151,572</u>	<u>123,403</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		50,676	42,321	152,124	124,390
- Non-controlling interests		<u>(263)</u>	<u>(68)</u>	<u>(646)</u>	<u>(144)</u>
		<u>50,413</u>	<u>42,253</u>	<u>151,478</u>	<u>124,246</u>
Earnings per share attributable to owners of the Company (sen)	B10				
- Basic*		<u>5.38</u>	<u>4.47</u>	<u>16.11</u>	<u>13.08</u>
- Diluted*		<u>4.91</u>	<u>4.47</u>	<u>14.69</u>	<u>13.08</u>

* Basic and diluted EPS are calculated based on the weighted average of ordinary shares which has been adjusted for bonus issue retrospectively.

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 2021.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Sep-22 RM'000 (Unaudited)	As at 31-Dec-21 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	135,441	109,414
Investment properties	40,600	40,600
Right-of-use assets	81,410	81,776
Investment in associate	20,808	21,674
Investments in club memberships, at cost	91	91
Deferred tax assets	101	1,018
	<u>278,451</u>	<u>254,573</u>
Current assets		
Inventories	217,542	194,058
Receivables	283,833	231,635
Prepayments	20,027	9,447
Current tax assets	1,904	1,397
Cash and cash equivalents	324,210	255,941
	<u>847,516</u>	<u>692,478</u>
	<u>1,125,967</u>	<u>947,051</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Share capital	55,925	55,455
Reserves	780,135	656,148
Equity attributable to owners of the Company	<u>836,060</u>	<u>711,603</u>
Non-controlling interests	(907)	(261)
Total equity	<u>835,153</u>	<u>711,342</u>
Non-current liabilities		
Deferred tax liabilities	2,653	2,653
Loans and borrowings	61,568	27,522
Lease liabilities	167	92
Deferred income on government grants	573	586
Total non-current liabilities	<u>64,961</u>	<u>30,853</u>
Current liabilities		
Derivatives	4,156	48
Payables	186,323	167,985
Dividend payable	0	11,807
Loans and borrowings	15,707	7,401
Lease liabilities	129	107
Contract liabilities	17,888	14,521
Current tax liabilities	1,650	2,987
Total current liabilities	<u>225,853</u>	<u>204,856</u>
Total liabilities	<u>290,814</u>	<u>235,709</u>
	<u>1,125,967</u>	<u>947,051</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per ordinary share attributable to owners of the Company (sen)	<u>88.41</u>	<u>75.31</u> *

* Net assets value per share is calculated based on the ordinary shares which has been adjusted for bonus issue retrospectively.

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 2021.

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Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
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	Revaluation reserve RM'000	Capital reserve* RM'000	Share option reserve RM'000	Share grant reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Period ended 30 September 2022										
Balance at 1 January 2022	55,455	14,160	520	1,587	0	1,109	638,772	711,603	(261)	711,342
Share-based payments	0	0	0	663	2,773	0	0	3,436	0	3,436
Issue of shares pursuant to Employees' Share Option Scheme	470	0	0	(117)	0	0	0	353	0	353
Dividends	0	0	0	0	0	0	(31,456)	(31,456)	0	(31,456)
Total transactions with owners	470	0	0	546	2,773	0	(31,456)	(27,667)	0	(27,667)
Profit/(loss) for the financial period	0	0	0	0	0	0	152,218	152,218	(646)	151,572
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	(94)	0	(94)	0	(94)
Comprehensive income for the financial period	0	0	0	0	0	(94)	152,218	152,124	(646)	151,478
Balance at 30 September 2022	55,925	14,160	520	2,133	2,773	1,015	759,534	836,060	(907)	835,153

* 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022
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	Revaluation reserve RM'000	Capital reserve* RM'000	Share option reserve RM'000	Share grant reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Period ended 30 September 2021										
Balance at 1 January 2021	54,649	14,160	520	51	0	62	499,566	569,008	(1)	569,007
Share-based payments	0	0	0	1,332	0	0	0	1,332	0	1,332
Issue of shares pursuant to Employees' Share Option Scheme	590	0	0	(159)	0	0	0	431	0	431
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	0	6	6
Dividends	0	0	0	0	0	0	(18,650)	(18,650)	0	(18,650)
Total transactions with owners	590	0	0	1,173	0	0	(18,650)	(16,887)	6	(16,881)
Profit/(loss) for the financial period	0	0	0	0	0	0	123,547	123,547	(144)	123,403
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	843	0	843	0	843
Comprehensive income for the financial period	0	0	0	0	0	843	123,547	124,390	(144)	124,246
Balance at 30 September 2021	55,239	14,160	520	1,224	0	905	604,463	676,511	(139)	676,372

* 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 2021.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	153,915	126,672
Adjustments for:-		
Amortisation and depreciation	6,279	4,805
Amortisation of deferred income	(13)	(212)
Fair value losses on financial instruments	4,156	253
Gain on disposal of property, plant and equipment	(745)	(431)
Impairment loss on financial assets	1,095	557
Interest expense	1,174	491
Interest income	(2,017)	(2,281)
Inventories written down	17,273	14,287
Property, plant and equipment written-off	0	2
Reversal of inventories written down	(15,637)	(10,817)
Share of associate's loss	865	1,333
Share-based payments	3,436	960
Unrealised (gain)/loss on foreign exchange	(8,276)	472
Operating profit before working capital changes	<u>161,505</u>	<u>136,091</u>
Changes in:-		
Inventories	(25,120)	(60,897)
Receivables	(38,112)	(40,706)
Derivatives	(48)	785
Prepayments	(10,581)	(14,389)
Payables	15,915	39,882
Contract liabilities	3,367	5,962
Cash generated from operations	<u>106,926</u>	<u>66,728</u>
Tax paid	(4,326)	(2,887)
Tax refunded	1,058	0
Net cash from operating activities	<u>103,658</u>	<u>63,841</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(31,746)	(24,042)
Acquisition of right-of-use assets	(6)	0
Addition investment in associate	0	(15,000)
Interest received	2,017	2,281
Proceeds from disposal of property, plant and equipment	749	444
Proceeds from disposal of shares in associate	0	66
Net cash used in investing activities	<u>(28,986)</u>	<u>(36,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(43,263)	(26,912)
Interest paid	(991)	(499)
Issue of shares	353	431
Issue of shares to non-controlling interests	0	6
Payment of lease liabilities	(95)	(83)
Repayment of term loans	(8,859)	(5,521)
Term loans raised	43,496	0
Net cash used in financing activities	<u>(9,359)</u>	<u>(32,578)</u>

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000
Currency translation differences	2,956	967
Net increase/(decrease) in cash and cash equivalents	68,269	(4,021)
Cash and cash equivalents at beginning of the period	255,941	258,118
Cash and cash equivalents at end of the period	<u>324,210</u>	<u>254,097</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	146,547	162,134
Term deposits	13,828	13,547
Cash and bank balances	163,835	78,416
	<u>324,210</u>	<u>254,097</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 2021.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 2021 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 2021 except for the adoption of the following MFRSs:-

MFRS	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 – 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 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 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
Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

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 14,000 new ordinary shares at average exercise price of RM1.39 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 2.50 sen per share amounting to RM11,806,682 for the financial year ended 31 December 2021, paid on 17 January 2022; and
- ii) the final tax exempt dividend of 3.33 sen per share amounting to RM31,456,212 for the financial year ended 31 December 2021, paid on 15 July 2022.

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 materials 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 2021 up to 30 September 2022.

A11 Contractual commitments

	30-Sep-22 RM'000	30-Sep-21 RM'000
Acquisition of property, plant and equipment	<u>61,915</u>	<u>19,092</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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

A13 Financial instruments

i) Derivatives

As at 30 September 2022, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>4,156</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 September 2022, the Group had contracts with financial institutions due within 1 year to buy RM164,876,000 and sell USD37,000,000 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 2022.

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 2022
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS
B1 Review of performance

	INDIVIDUAL QUARTER		Changes RM'000	Changes %
	Current quarter ended 30-Sep-22 RM'000	Corresponding preceding quarter ended 30-Sep-21 RM'000		
Revenue	185,581	168,293	17,288	10.3%
Profit before tax	52,947	42,941	10,006	23.3%
Profit for the financial period	50,580	42,143	8,437	20.0%
Profit attributable to owners of the Company	<u>50,843</u>	<u>42,211</u>	<u>8,632</u>	<u>20.4%</u>

The revenue of the Group rose from RM168.3 million to RM185.6 million, showing a growth of RM17.3 million or 10.3% as compared to the corresponding preceding quarter. The increase in revenue was mainly contributed by continuous strong demand from Automated Board Inspection ("ABI") limiting the temporary weak demand from Machine Vision System ("MVS").

The Group reported a higher profit before tax ("PBT") of RM52.9 million, representing a surge of RM10.0 million or 23.3% from the corresponding preceding quarter. The higher PBT was primarily attributable to the strengthening of USD and favorable product mix.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000		
Revenue	560,254	494,369	65,885	13.3%
Profit before tax	153,915	126,672	27,243	21.5%
Profit for the financial period	151,572	123,403	28,169	22.8%
Profit attributable to owners of the Company	<u>152,218</u>	<u>123,547</u>	<u>28,671</u>	<u>23.2%</u>

The Group registered revenue of RM560.3 million for the period ended 30 September 2022, grew by RM65.9 million or 13.3% from RM494.4 million in the corresponding preceding period. The substantial increase in revenue was supported by robust demand from ABI.

The PBT of the Group stood higher at RM153.9 million as compared to RM126.7 million in the corresponding preceding period. Such improved performance was due to the appreciation of USD and favorable product mix.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
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-22 RM'000	Immediate preceding quarter ended 30-Jun-22 RM'000	Changes RM'000	Changes %
Revenue	185,581	189,396	(3,815)	-2.0%
Profit before tax	52,947	52,545	402	0.8%
Profit for the financial period	50,580	51,122	(542)	-1.1%
Profit attributable to owners of the Company	<u>50,843</u>	<u>51,351</u>	<u>(508)</u>	<u>-1.0%</u>

Quarter-on-quarter revenue decreased slightly from RM189.4 million to RM185.6 million in the current quarter mainly due to product mix.

PBT of the Group increased marginally by RM0.4 million or 0.8%.

B3 Prospect

In the remainder of 2022, the Group anticipated that the recent inflation and geopolitical tensions will cause the uncertainty in market demand. The market on telecommunication infrastructure and automotive segment will continue to stay robust while the consumer electronic segment will remain soft as a result of cautious spending due to inflation and inventories pile-up after the pent-up demand during the pandemic. Overall, the Board is optimistic that the Group will continue to achieve satisfactory financial result for the financial ending 31 December 2022.

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-22 RM'000	Corresponding preceding quarter ended 30-Sep-21 RM'000	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000
Current tax	<u>2,367</u>	<u>798</u>	<u>2,343</u>	<u>3,269</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 THIRD QUARTER ENDED 30 SEPTEMBER 2022
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 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). ViE has also obtained the approval letter from MIDA for further 2 years' extension for the above-mentioned pioneer status until 31 May 2023. 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-22 RM'000	As at 30-Sep-22 USD'000	As at 30-Sep-21 RM'000	As at 30-Sep-21 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	15,707	3,384	7,423	1,773
Long-term borrowings	61,568	13,266	29,444	7,031
	<u>77,275</u>	<u>16,650</u>	<u>36,867</u>	<u>8,804</u>
Exchange rate		<u>4.64</u>		<u>4.19</u>

Higher term loans in 2022 is contributed by drawdown of additional term loan to finance the purchase of new land in Batu Kawan.

The effective interest rates for the current period ended ranged from 2.71% to 3.85% as compared to 1.65% 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

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

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
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-Sep-22	Corresponding preceding quarter ended 30-Sep-21	Current period-to-date ended 30-Sep-22	Corresponding preceding period-to-date ended 30-Sep-21
Profit attributable to owners of the Company (RM'000)	50,843	42,211	152,218	123,547
Weighted average number of shares for computing basis earnings per share ('000)	944,622	944,357	944,622	944,357
Basic earnings per share (sen)	<u>5.38</u>	<u>4.47</u>	<u>16.11</u>	<u>13.08</u>
Weighted average number of shares for computing diluted earnings per share ('000)	1,036,472	944,794	1,036,472	944,794
Diluted earnings per share (sen)	<u>4.91</u>	<u>4.47</u>	<u>14.69</u>	<u>13.08</u>

The weighted average number of ordinary shares has been adjusted for bonus issue retrospectively.

B11 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not subject to any qualification.

B12 Profit before tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Sep-22 RM'000	Corresponding preceding quarter ended 30-Sep-21 RM'000	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	2,210	1,577	6,279	4,805
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	2,122	1,015	3,380	2,070
- unrealised	2,102	(707)	4,156	253
Gain on foreign exchange:-				
- realised	(7,292)	(1,491)	(11,022)	(4,795)
- unrealised	(4,173)	101	(8,276)	472
Impairment loss on financial assets	148	78	1,095	557
Interest expense	655	161	1,174	491
Inventories written down	988	1,306	17,273	14,287
Property, plant and equipment written off	0	0	0	2

VITROX CORPORATION BERHAD

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
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-Sep-22 RM'000	Corresponding preceding quarter ended 30-Sep-21 RM'000	Current period-to-date ended 30-Sep-22 RM'000	Corresponding preceding period-to-date ended 30-Sep-21 RM'000
Amortisation of deferred income	(4)	(3)	(13)	(212)
Gain on disposal of property, plant and equipment	0	0	(745)	(431)
Interest income	(572)	(570)	(2,017)	(2,281)
Reversal of inventories written down	0	0	(15,637)	(10,817)
	<u>0</u>	<u>0</u>	<u>(15,637)</u>	<u>(10,817)</u>

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 27 October 2022.