



VITROX CORPORATION BERHAD

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

INTERIM FINANCIAL REPORT

**FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2020**



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.....	7-15

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31-Dec-20 RM'000	Corresponding preceding quarter ended 31-Dec-19 RM'000	Current period-to-date ended 31-Dec-20 RM'000	Corresponding preceding period-to-date ended 31-Dec-19 RM'000
Revenue		159,794	95,096	470,379	339,592
Other operating income		813	1,559	5,770	6,571
Operating expenses		(126,938)	(78,549)	(363,485)	(261,912)
Finance costs		(182)	(469)	(1,152)	(2,059)
Share of associate's loss		(315)	(427)	(1,203)	(734)
Profit before tax	B12	33,172	17,210	110,309	81,458
Tax income/(expense)	B5	(1,253)	582	(4,689)	(1,807)
Profit for the financial period/year		31,919	17,792	105,620	79,651
Other comprehensive income:- <i>Item that will not be reclassified to profit or loss:-</i>					
- Fair value gains on investment properties		0	14,980	0	14,980
- Deferred tax effect thereof		0	(820)	0	(820)
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
- Currency translation differences for the foreign operation		88	(36)	572	(288)
Other comprehensive income for the financial period/year		88	14,124	572	13,872
Comprehensive income for the financial period/year		32,007	31,916	106,192	93,523
Profit for the financial period/year attributable to:-					
Owners of the Company		31,920	17,792	105,621	79,651
Non-controlling interests		(1)	0	(1)	0
		31,919	17,792	105,620	79,651
Comprehensive income for the financial period/year attributable to:-					
Owners of the Company		32,008	31,916	106,193	93,523
Non-controlling interests		(1)	0	(1)	0
		32,007	31,916	106,192	93,523
Earnings per share attributable to owners of the Company (sen)	B10				
- Basic		6.77	3.78	22.40	16.92
- Diluted		6.76	3.77	22.37	16.88

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 FOURTH QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-20 RM'000 (Unaudited)	As at 31-Dec-19 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	96,473	99,088
Investment properties	40,600	40,600
Right-of-use assets	34,084	34,804
Investment in associate	7,584	4,063
Investments in club memberships, at cost	91	91
Deferred tax assets	8	0
	<u>178,840</u>	<u>178,646</u>
Current assets		
Inventories	136,114	111,495
Receivables	177,923	126,378
Derivatives	785	439
Prepayments	5,100	4,449
Current tax assets	3,087	3,675
Cash and cash equivalents	258,118	191,584
	<u>581,127</u>	<u>438,020</u>
TOTAL ASSETS	<u>759,967</u>	<u>616,666</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	54,649	52,018
Reserves	514,359	430,370
Equity attributable to owners of the Company	<u>569,008</u>	<u>482,388</u>
Non-controlling interests	<u>(1)</u>	<u>0</u>
Total equity	<u>569,007</u>	<u>482,388</u>
Non-current liabilities		
Term loans - secured	33,513	41,381
Lease liabilities	116	219
Deferred tax liabilities	2,387	2,484
Deferred income on government grants	801	1,546
Total non-current liabilities	<u>36,817</u>	<u>45,630</u>
Current liabilities		
Payables	131,328	68,251
Dividend payable	8,261	7,065
Term loans - secured	7,122	7,343
Lease liabilities	103	98
Contract liabilities	6,909	5,224
Current tax liabilities	420	667
Total current liabilities	<u>154,143</u>	<u>88,648</u>
Total liabilities	<u>190,960</u>	<u>134,278</u>
TOTAL EQUITY AND LIABILITIES	<u>759,967</u>	<u>616,666</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>120.54</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

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
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 31 December 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	2,631	0	(824)	0	0	0	1,807	0	1,807
Dividends	0	0	0	0	0	(21,452)	(21,452)	0	(21,452)
Total transactions with owners	2,631	0	(752)	0	0	(21,452)	(19,573)		(19,573)
Fair value gains on investment properties	0	0	0	0	0	0	0	0	0
Deferred tax effect thereof	0	0	0	0	0	0	0	0	0
Currency translation differences for foreign operation	0	0	0	0	572	0	572	0	572
Total other comprehensive income for the financial year	0	0	0	0	572	0	572	0	572
Profit for the financial year	0	0	0	0	0	105,621	105,621	(1)	105,620
Comprehensive income for the financial year	0	0	0	0	572	105,621	106,193	(1)	106,192
Transfer to capital reserve	0	0	0	0	0	0	0	0	0
Balance at 31 December 2020	54,649	520	51	14,160	62	499,566	569,008	(1)	569,007

* 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 FOURTH QUARTER ENDED 31 DECEMBER 2020
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 31 December 2019									
Balance at 1 January 2019	50,637	489	929	0	(222)	361,672	413,505	0	413,505
Share-based payments	0	0	275	0	0	0	275	0	275
Issue of shares pursuant to Employees' Share Option Scheme	1,381	0	(401)	0	0	0	980	0	980
Dividends	0	0	0	0	0	(25,895)	(25,895)		(25,895)
Total transactions with owners	1,381	0	(126)	0	0	(25,895)	(24,640)		(24,640)
Fair value gains on investment properties	0	0	0	14,980	0	0	14,980	0	14,980
Deferred tax effect thereof	0	0	0	(820)	0	0	(820)	0	(820)
Currency translation differences for foreign operation	0	0	0	0	(288)	0	(288)	0	(288)
Total other comprehensive income for the financial year	0	0	0	14,160	(288)	0	13,872	0	13,872
Profit for the financial year	0	0	0	0	0	79,651	79,651		79,651
Comprehensive income for the financial year	0	0	0	14,160	(288)	79,651	93,523	0	93,523
Transfer to capital reserve	0	31	0	0	0	(31)	0	0	0
Balance at 31 December 2019	52,018	520	803	14,160	(510)	415,397	482,388	0	482,388

* 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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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 31-Dec-20 RM'000	Corresponding preceding period-to-date ended 31-Dec-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	110,309	81,458
Adjustments for:-		
Amortisation and depreciation	7,568	9,037
Amortisation of deferred income	(745)	(1,492)
Fair value gains on financial instruments	(785)	(439)
Gain on disposal of property, plant and equipment	(759)	(1,244)
Impairment losses on financial assets	345	170
Interest expense	1,152	2,059
Interest income	(4,148)	(4,925)
Inventories written down	10,817	7,784
Property, plant and equipment written-off	37	29
Reversal of inventories written down	(7,784)	(5,018)
Share-based payments	72	275
Share of associate's loss	1,203	734
Unrealised loss on foreign exchange	3,663	1,800
Operating profit before working capital changes	<u>120,945</u>	<u>90,228</u>
Changes in:-		
Inventories	(27,652)	(10,565)
Receivables	(56,828)	28,007
Derivatives	439	117
Prepayments	(651)	911
Payables	64,311	(15,233)
Contract liabilities	1,685	(3,128)
Cash generated from operations	<u>102,249</u>	<u>90,337</u>
Tax paid	(4,453)	(5,660)
Tax refunded	0	1,634
Net cash from operating activities	<u>97,796</u>	<u>86,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,292)	(11,863)
Acquisition of right-of-use assets	0	(2)
Interest received	4,148	4,925
Proceeds from disposal of property, plant and equipment	776	1,333
Subscription for shares in associate	(4,724)	(1,750)
Net cash used in investing activities	<u>(4,092)</u>	<u>(7,357)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(20,256)	(27,065)
Interest paid	(1,234)	(2,097)
Issue of shares	1,807	980
Payment of lease liabilities	(98)	(86)
Repayment of term loans	(7,361)	(6,988)
Net cash used in financing activities	<u>(27,142)</u>	<u>(35,256)</u>

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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 31-Dec-20 RM'000	Corresponding preceding period-to-date ended 31-Dec-19 RM'000
Currency translation differences	(28)	(847)
Net increase in cash and cash equivalents	66,534	42,851
Cash and cash equivalents at beginning of the year	191,584	148,733
Cash and cash equivalents at end of the year	<u>258,118</u>	<u>191,584</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	173,851	142,853
Term deposits	13,211	25,470
Cash and bank balances	71,056	23,261
	<u>258,118</u>	<u>191,584</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.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 Group has also early applied the Amendment to MFRS 16 *Covid-19-Related Rent Concessions* which is effective for annual periods beginning on or after 1 June 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 2023
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
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 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.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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

A2 Seasonal or cyclical of operations

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

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 107,500 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

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 except as follows:-

The Company had on 13 October 2020 incorporated a 70%-owned subsidiary, namely ViTrox AgriTech Sdn. Bhd. (VAG) with the subscription of 70 new ordinary shares at an issue price of RM70, representing 70% equity interest in the share capital in VAG. The intended principal activity of VAG is design, development and production of precision farming equipment, modules and solutions for agriculture related activities.

A10 Contingencies

There were no contingent assets or liabilities for the Group since 31 December 2019 up to 31 December 2020.

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(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)

**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020****A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)****A11 Contractual commitments**

	31-Dec-20 RM'000	31-Dec-19 RM'000
Acquisition of property, plant and equipment	<u>10,667</u>	<u>13,157</u>

A12 Significant related party transactions

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

A13 Financial instruments**i) Derivatives**

As at 31 December 2020, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current assets	<u>785</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 December 2020, the Group had contracts with financial institutions due within 1 year to buy RM84,358,000 and sell USD20,600,000 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 December 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.

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(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)



QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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

A13 Financial instruments (cont'd)

iii) Fair value (cont'd)

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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(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
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 31-Dec-20 RM'000	Corresponding preceding quarter ended 31-Dec-19 RM'000		
Revenue	159,794	95,096	64,698	68.03%
Profit before tax	33,172	17,210	15,962	92.75%
Profit for the financial period	31,919	17,792	14,127	79.40%
Profit attributable to owners of the Company	<u>31,920</u>	<u>17,792</u>	<u>14,128</u>	<u>79.41%</u>

The Group attained revenue amounting to RM159.79 million for the quarter under review compared to RM95.01 million in the corresponding quarter of preceding year, representing a growth of 68.0% or RM64.70 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 169% and 34% respectively.

The profit before tax ("PBT") was higher than the corresponding quarter of the preceding year by RM15.96 million or 92.8%. The higher PBT was in tandem with strong sales volume and optimisation of production capacity.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current period-to-date ended 31-Dec-20 RM'000	Corresponding preceding period-to-date ended 31-Dec-19 RM'000		
Revenue	470,379	339,592	130,787	38.51%
Profit before tax	110,309	81,458	28,851	35.42%
Profit for the financial year	105,620	79,651	25,969	32.60%
Profit attributable to owners of the Company	<u>105,621</u>	<u>79,651</u>	<u>25,970</u>	<u>32.60%</u>

The revenue of the Group was recorded at RM470.38 million in the year ended 31 December 2020, showing a growth of RM130.79 million or 38.5% as compared to the preceding year ended 31 December 2019. The growth in revenue was due to higher volume demands from MVS and ABI.

The PBT was increased by RM28.85 million or 35.4% as compared with the preceding year. The strong revenue recorded led to the increase in PBT.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31-Dec-20 RM'000	Immediate preceding quarter ended 30-Sep-20 RM'000	Changes RM'000	Changes %
Revenue	159,794	123,748	36,046	29.13%
Profit before tax	33,172	31,521	1,651	5.24%
Profit for the financial period	31,919	29,714	2,205	7.42%
Profit attributable to owners of the Company	<u>31,920</u>	<u>29,714</u>	<u>2,206</u>	<u>7.42%</u>

The Group's revenue increased from RM123.75 million in the immediate preceding quarter to RM159.79 million in the period under review, representing an increase of 29.1% or RM36.05 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 RM33.17 million as compared to RM31.52 million in the immediate preceding quarter, representing an increase of 5.2% or RM1.65 million. Despite the increase in revenue, such increase in PBT was partly offsetted by the unfavourable product mix and the weakening of USD against MYR.

B3 Prospect

The Board is cautiously optimistic on the business prospect for the financial year 2021 with the rollout of vaccines for Covid-19. With a diversified business model, serving many prominent customers in multiple industries and established presence in more than 50 countries, coupled with strong recovery in multiple sectors, especially in 5G, EV, Computing and AI, the Group has been experiencing robust demand across all business units so far. Meantime, the Group encounters longer material lead time due to global shortage of certain raw material used in the Group's products. The Group's operation team is working vigorously with various parties to resolve the challenge now. The Group has started expanding the manufacturing capacity by at least 30% in 2021 in order to cope with the robust demand in the next few months while continue to take 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 income/ (expense)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Dec-20 RM'000	Corresponding preceding quarter ended 31-Dec-19 RM'000	Current period-to-date ended 31-Dec-20 RM'000	Corresponding preceding period-to-date ended 31-Dec-19 RM'000
Current and deferred tax	<u>(1,253)</u>	<u>582</u>	<u>(4,689)</u>	<u>(1,807)</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 FOURTH QUARTER ENDED 31 DECEMBER 2020
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B5 Tax income/ (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). VTSB has also obtained the MIDA approval letter for further 5 years' extension for the above mentioned pioneer status till 16 June 2025. 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.

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 31-Dec-20 RM'000	As at 31-Dec-20 USD'000	As at 31-Dec-19 RM'000	As at 31-Dec-19 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	7,122	1,775	7,343	1,794
Long-term borrowings	<u>33,513</u>	<u>8,351</u>	<u>41,381</u>	<u>10,111</u>
	<u>40,635</u>	<u>10,126</u>	<u>48,724</u>	<u>11,905</u>
Exchange rate		<u>4.01</u>		<u>4.09</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 3.30% 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 1 December 2020, the Company declared an interim tax exempt dividend of 1.75 sen per share amounting to RM8,260,985 for the financial year ended 31 December 2020 which was paid to all holders of ordinary share on 21 January 2021 whose name appeared in the Record of Depositors at the close of business for 31 December 2020.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
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 31-Dec-20	Corresponding preceding quarter ended 31-Dec-19	Current period-to-date ended 31-Dec-20	Corresponding preceding period-to-date ended 31-Dec-19
Profit attributable to owners of the Company (RM'000)	31,920	17,792	105,621	79,651
Weighted average number of shares for computing basis earnings per share ('000)	471,537	470,837	471,537	470,837
Basic earnings per share (sen)	<u>6.77</u>	<u>3.78</u>	<u>22.40</u>	<u>16.92</u>
Weighted average number of shares for computing diluted earnings per share ('000)	472,251	471,962	472,251	471,962
Diluted earnings per share (sen)	<u>6.76</u>	<u>3.77</u>	<u>22.37</u>	<u>16.88</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 FOURTH QUARTER ENDED 31 DECEMBER 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 31-Dec-20 RM'000	Corresponding preceding quarter ended 31-Dec-19 RM'000	Current period-to-date ended 31-Dec-20 RM'000	Corresponding preceding period-to-date ended 31-Dec-19 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,778	2,293	7,568	9,037
Fair value (gains)/losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	(1,258)	123	(457)	98
- unrealised	(272)	(861)	(785)	(439)
(Gain)/Loss on foreign exchange:-				
- realised	2,856	251	(342)	(243)
- unrealised	1,160	1,291	3,663	1,800
Interest expense	182	469	1,152	2,059
Inventories written down	10,817	7,784	10,817	7,784
Property, plant and equipment written off	34	29	37	29
Amortisation of deferred income	(131)	(354)	(745)	(1,492)
(Gain)/Loss on disposal of property, plant and equipment	1	(869)	(759)	(1,244)
Impairment losses on financial assets	372	644	345	170
Interest income	(859)	(1,206)	(4,148)	(4,925)
Reversal of inventories written down	(10,199)	(6,064)	(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 24 February 2021.