



# **VITROX CORPORATION BERHAD**

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

**INTERIM FINANCIAL REPORT**

**FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31-Dec-22 RM'000	Corresponding preceding quarter ended 31-Dec-21 RM'000	Current year-to-date ended 31-Dec-22 RM'000	Corresponding preceding year-to-date ended 31-Dec-21 RM'000
Revenue		189,995	185,755	750,249	680,124
Other operating income		8,385	3,147	15,690	7,774
Operating expenses		(144,351)	(136,707)	(555,956)	(507,579)
Finance costs		(941)	(153)	(2,115)	(644)
Share of associate's loss		(770)	(524)	(1,635)	(1,485)
Profit before tax	B12	52,318	51,518	206,233	178,190
Tax expense	B5	(3,570)	(5,523)	(5,913)	(8,792)
Profit for the financial period/year		48,748	45,995	200,320	169,398
Other comprehensive income for the financial period/year:-					
- Currency translation differences for the foreign operations (representing item that may be reclassified subsequently to profit or loss)		(570)	204	(664)	1,047
Comprehensive income for the financial period/year		48,178	46,199	199,656	170,445
Profit/(loss) for the financial period/year attributable to:-					
- Owners of the Company		48,598	46,117	200,816	169,664
- Non-controlling interests		150	(122)	(496)	(266)
		48,748	45,995	200,320	169,398
Comprehensive income for the financial period/year attributable to:-					
- Owners of the Company		48,028	46,321	200,152	170,711
- Non-controlling interests		150	(122)	(496)	(266)
		48,178	46,199	199,656	170,445
Earnings per share attributable to owners of the Company (sen)	B10				
- Basic*		5.14	4.88	21.26	17.97
- Diluted*		4.69	4.88	19.37	17.96

\* 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 FOURTH QUARTER ENDED 31 DECEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31-Dec-22 RM'000 (Unaudited)	As at 31-Dec-21 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	144,654	109,414
Investment properties	44,600	40,600
Right-of-use assets	81,256	81,776
Investment in associate	25,539	21,674
Investments in club memberships, at cost	91	91
Deferred tax assets	702	1,018
	<u>296,842</u>	<u>254,573</u>
<b>Current assets</b>		
Inventories	202,706	194,058
Receivables	252,953	231,635
Derivatives	282	0
Prepayments	13,178	9,447
Current tax assets	1,789	1,397
Cash and cash equivalents	370,402	255,941
	<u>841,310</u>	<u>692,478</u>
<b>TOTAL ASSETS</b>	<u>1,138,152</u>	<u>947,051</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	55,946	55,455
Reserves	818,389	656,148
Equity attributable to owners of the Company	<u>874,335</u>	<u>711,603</u>
Non-controlling interests	(757)	(261)
<b>Total equity</b>	<u>873,578</u>	<u>711,342</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,498	2,653
Loans and borrowings	59,638	27,522
Lease liabilities	174	92
Deferred income on government grants	561	586
<b>Total non-current liabilities</b>	<u>63,871</u>	<u>30,853</u>
<b>Current liabilities</b>		
Derivatives	0	48
Payables	153,357	167,985
Dividend payable	11,808	11,807
Loans and borrowings	12,936	7,401
Lease liabilities	125	107
Contract liabilities	19,993	14,521
Current tax liabilities	2,484	2,987
<b>Total current liabilities</b>	<u>200,703</u>	<u>204,856</u>
<b>Total liabilities</b>	<u>264,574</u>	<u>235,709</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,138,152</u>	<u>947,051</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>92.56</u>	<u>75.34</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.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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			
<b>Period ended 31 December 2022</b>										
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	840	4,636	0	0	5,476	0	5,476
Issue of shares pursuant to Employees' Share Option Scheme	491	0	0	(123)	0	0	0	368	0	368
Dividends	0	0	0	0	0	0	(43,264)	(43,264)	0	(43,264)
Total transactions with owners	491	0	0	717	4,636	0	(43,264)	(37,420)	0	(37,420)
Profit/(loss) for the financial year	0	0	0	0	0	0	200,816	200,816	(496)	200,320
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	0	0	(664)	0	(664)	0	(664)
Comprehensive income for the financial year	0	0	0	0	0	(664)	200,816	200,152	(496)	199,656
Balance at 31 December 2022	55,946	14,160	520	2,304	4,636	445	796,324	874,335	(757)	873,578

\* 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 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			
<b>Period ended 31 December 2021</b>										
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	1,753	0	0	0	1,753	0	1,753
Issue of shares pursuant to Employees' Share Option Scheme	806	0	0	(217)	0	0	0	589	0	589
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	0	6	6
Dividends	0	0	0	0	0	0	(30,458)	(30,458)	0	(30,458)
Total transactions with owners	806	0	0	1,536	0	0	(30,458)	(28,116)	6	(28,110)
Profit/(loss) for the financial year	0	0	0	0	0	0	169,664	169,664	(266)	169,398
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	0	0	1,047	0	1,047	0	1,047
Comprehensive income for the financial year	0	0	0	0	0	1,047	169,664	170,711	(266)	170,445
Balance at 31 December 2021	55,455	14,160	520	1,587	0	1,109	638,772	711,603	(261)	711,342

\* 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.

**VITROX CORPORATION BERHAD**

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Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
*(The figures have not been audited)*

	Current year-to-date ended 31-Dec-22 RM'000	Corresponding preceding year-to-date ended 31-Dec-21 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	206,233	178,190
Adjustments for:-		
Amortisation and depreciation	8,529	6,531
Amortisation of deferred income	(25)	(215)
Fair value (gain)/losses on financial instruments	(282)	48
Fair value gain on investment properties	(4,000)	0
Gain on dilution of interest in associate	0	(641)
Gain on disposal of property, plant and equipment	(745)	(433)
Impairment loss on financial assets	6,404	133
Interest expense	2,115	644
Interest income	(5,067)	(3,396)
Inventories written down	20,259	15,637
Property, plant and equipment written-off	0	4
Reversal of inventories written down	(15,637)	(10,817)
Share of associate's loss	1,635	1,485
Share-based payments	5,476	1,753
Unrealised loss on foreign exchange	6,370	2,344
Operating profit before working capital changes	231,265	191,267
Changes in:-		
Inventories	(13,270)	(62,764)
Receivables	(32,749)	(54,046)
Derivatives	(48)	785
Prepayments	(3,733)	(4,347)
Payables	(13,789)	36,812
Contract liabilities	5,472	7,612
Cash generated from operations	173,148	115,319
Tax paid	(6,703)	(5,279)
Tax refunded	1,058	0
Net cash from operating activities	167,503	110,040
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(42,998)	(18,760)
Acquisition of right-of-use assets	(9)	(48,331)
Addition investment in associate	(5,500)	(15,000)
Interest received	5,067	3,396
Proceeds from disposal of property, plant and equipment	749	446
Proceeds from disposal of shares in associate	0	66
Net cash used in investing activities	(42,691)	(78,183)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(43,263)	(26,912)
Interest paid	(1,828)	(652)
Issue of shares	369	589
Issue of shares to non-controlling interests	0	6
Payment of lease liabilities	(144)	(112)
Repayment of term loans	(8,714)	(7,361)
Term loans raised	45,835	0
Net cash used in financing activities	(7,745)	(34,442)

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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current year-to-date ended 31-Dec-22 RM'000	Corresponding preceding year-to-date ended 31-Dec-21 RM'000
Currency translation differences	(2,606)	408
Net increase/(decrease) in cash and cash equivalents	114,461	(2,177)
Cash and cash equivalents at beginning of the year	255,941	258,118
Cash and cash equivalents at end of the year	<u>370,402</u>	<u>255,941</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	132,230	164,042
Term deposits	43,984	13,590
Cash and bank balances	194,188	78,309
	<u>370,402</u>	<u>255,941</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.



## VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)



### QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</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 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
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.

## VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)



### QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

#### 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 11,000 new ordinary shares at average exercise price of RM1.39 respectively 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 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 2021 up to 31 December 2022.

#### A11 Contractual commitments

	31-Dec-22 RM'000	31-Dec-21 RM'000
Acquisition of property, plant and equipment	<u>55,355</u>	<u>5,852</u>

#### A12 Significant related party transactions

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

**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022****A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

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**A13 Financial instruments****i) Derivatives**

As at 31 December 2022, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current assets	<u>282</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 2022, the Group had contracts with financial institutions due within 1 year to buy RM203,192,000 and sell USD45,125,000 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 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.

**VITROX CORPORATION BERHAD**

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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31-Dec-22 RM'000	Corresponding preceding quarter ended 31-Dec-21 RM'000		
Revenue	189,995	185,755	4,240	2.3%
Profit before tax	52,318	51,518	800	1.6%
Profit for the financial period	48,748	45,995	2,753	6.0%
Profit attributable to owners of the Company	<u>48,598</u>	<u>46,117</u>	<u>2,481</u>	<u>5.4%</u>

The Group delivered revenue of RM190.0 million in the current quarter, higher by RM4.2 million or 2.3% as compared to the corresponding preceding quarter. The increase in revenue was predominantly contributed by robust demand from Automated Board Inspection (“ABI”), partly offset by temporary weak demand from Machine Vision System (“MVS”).

Profit before tax (“PBT”) grew marginally by RM0.8 million or 1.6% to RM52.3 million as compared to RM51.5 million in the corresponding preceding quarter. The higher PBT was primarily driven by stronger revenue and favourable product mix.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current year-to-date ended 31-Dec-22 RM'000	Corresponding preceding year-to-date ended 31-Dec-21 RM'000		
Revenue	750,249	680,124	70,125	10.3%
Profit before tax	206,233	178,190	28,043	15.7%
Profit for the financial year	200,320	169,398	30,922	18.3%
Profit attributable to owners of the Company	<u>200,816</u>	<u>169,664</u>	<u>31,152</u>	<u>18.4%</u>

The Group’s revenue climbed from RM680.1 million to RM750.2 million for the year ended 31 December 2022, marking a significant improvement of RM70.1 million or 10.3% year-on-year. The solid revenue growth was underpinned by exceptionally high demand from ABI.

The Group chalked up a PBT of RM206.2 million in the current year under review, on the back of stronger revenue and favourable product mix, representing a 15.7% growth compared to a year ago.

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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31-Dec-22 RM'000	Immediate preceding quarter ended 30-Sep-22 RM'000	Changes RM'000	Changes %
Revenue	189,995	185,581	4,414	2.4%
Profit before tax	52,318	52,947	(629)	-1.2%
Profit for the financial period	48,748	50,580	(1,832)	-3.6%
Profit attributable to owners of the Company	<u>48,598</u>	<u>50,843</u>	<u>(2,245)</u>	<u>-4.4%</u>

The Group registered revenue of RM190.0 million in the current quarter under review, representing a growth of RM4.4 million or 2.4% from RM185.6 million in the immediate preceding quarter. The increase in revenue was backed by rising demand from ABI.

PBT was lower at RM52.3 million in the current quarter as compared to RM52.9 million in the immediate preceding quarter, primarily resulted from the unfavourable exchange rates.

**B3 Prospect**

The Group anticipated softer global economic growth and uncertainty in general business outlook in the first half of year 2023. Thus, the Group will put more emphasis on long-term growth strategies while preparing for a temporary downturn. The 10-year expansion master plan (2021 to 2030) in Batu Kawan is expected to further strengthen the Group's manufacturing and R&D facilities. Nevertheless, the Board is optimistic on the business prospect for the second half of the year 2023 because the well-diversified revenue base and exposure to high-growth industries remain the Group's bright spots.

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

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

**B5 Tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Dec-22 RM'000	Corresponding preceding quarter ended 31-Dec-21 RM'000	Current year-to-date ended 31-Dec-22 RM'000	Corresponding preceding year-to-date ended 31-Dec-21 RM'000
Current tax	<u>3,570</u>	<u>5,523</u>	<u>5,913</u>	<u>8,792</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 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 31-Dec-22 RM'000	As at 31-Dec-22 USD'000	As at 31-Dec-21 RM'000	As at 31-Dec-21 USD'000
<b><u>Term loans - secured</u></b>				
Short-term borrowings	12,936	2,931	7,401	1,772
Long-term borrowings	59,638	13,514	27,522	6,591
	<u>72,574</u>	<u>16,445</u>	<u>34,923</u>	<u>8,363</u>
Exchange rate		<u>4.41</u>		<u>4.18</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 4.04% to 5.02% 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**

On 30 November 2022, the Company declared an interim tax exempt dividend of 1.25 sen per share amounting to RM11,808,200 for the financial year ended 31 December 2022 which was paid to all holders of ordinary share on 18 January 2023 whose name appeared in the Record of Depositors at the close of business for 30 December 2022.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	Corresponding preceding quarter ended	Current year-to-date ended	Corresponding preceding year-to-date ended
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit attributable to owners of the Company (RM'000)	48,598	46,117	200,816	169,664
Weighted average number of shares for computing basis earnings per share ('000)	944,625	944,386	944,625	944,386
Basic earnings per share (sen)	<u>5.14</u>	<u>4.88</u>	<u>21.26</u>	<u>17.97</u>
Weighted average number of shares for computing diluted earnings per share ('000)	1,036,480	944,804	1,036,480	944,804
Diluted earnings per share (sen)	<u>4.69</u>	<u>4.88</u>	<u>19.37</u>	<u>17.96</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	Corresponding preceding quarter ended	Current year-to-date ended	Corresponding preceding year-to-date ended
	31-Dec-22 RM'000	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-21 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	2,250	1,726	8,529	6,531
Fair value losses/(gain) on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	1,472	(460)	4,852	1,610
- unrealised	(4,438)	(205)	(282)	48
(Gain)/Loss on foreign exchange:-				
- realised	(1,351)	(1,282)	(12,373)	(6,077)
- unrealised	14,646	1,872	6,370	2,344
Impairment loss/(gain) on financial assets	5,309	(424)	6,404	61
Interest expense	941	153	2,115	644
Inventories written down	2,986	1,350	20,259	15,637
Property, plant and equipment written off	0	2	0	4

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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)**


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**B12 Profit before tax (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Dec-22 RM'000	Corresponding preceding quarter ended 31-Dec-21 RM'000	Current year-to-date ended 31-Dec-22 RM'000	Corresponding preceding year-to-date ended 31-Dec-21 RM'000
Amortisation of deferred income	(12)	(3)	(25)	(215)
Gain on disposal of interest in associate	0	(641)	0	(641)
Gain on disposal of property, plant and equipment	0	(2)	(745)	(433)
Interest income	(3,050)	(1,115)	(5,067)	(3,396)
Reversal of inventories written down	0	0	(15,637)	(10,817)

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 23 February 2023.