

VITROX CORPORATION BERHAD(Incorporated in Malaysia)
Company No : 649966-K**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current period 30-Sep-11 RM'000	Preceding year corresponding quarter 30-Sep-10 RM'000	Current period to date 30-Sep-11 RM'000	Preceding year corresponding period 30-Sep-10 RM'000
Revenue	18,084	25,102	66,877	64,206
Other operating income	2,891	186	2,949	531
Operating expenses	(14,430)	(15,846)	(47,919)	(40,721)
Profit before tax	6,545	9,442	21,907	24,016
Tax expense	(185)	(264)	(434)	(569)
Net profit for the period	6,360	9,178	21,473	23,447
Other comprehensive income: Currency translation of differences for foreign operations	10	(2)	10	(2)
Total comprehensive income for the period	6,370	9,176	21,483	23,445
Earnings Per Ordinary Share attributable to ordinary equity holders of the Company (sen)				
- Basic *	2.74	4.01	9.27	10.26
- Diluted	N/A	N/A	N/A	N/A

*Basis EPS is calculated based on the weighted average of ordinary shares has been adjusted for bonus issue retrospectively

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statement.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 649966-K



QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Unaudited as at 30-Sep-11 RM'000	Audited as at 31-Dec-10 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,903	13,412
Investment properties	600	600
Investments in club membership - at cost	91	91
Development expenditure	3,865	3,941
	<u>28,459</u>	<u>18,044</u>
Current assets		
Inventories	20,250	14,053
Trade and other receivables	29,699	18,134
Prepayments	1,260	311
Current tax assets	17	21
Cash and cash equivalents	39,962	43,403
	<u>91,188</u>	<u>75,922</u>
TOTAL ASSETS	<u>119,647</u>	<u>93,966</u>
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the Company		
Share capital	23,250	15,500
Less: Treasury shares, at cost	0	(1,022)
Reserves	75,460	61,806
Total equity	<u>98,710</u>	<u>76,284</u>
Non-current liabilities		
Term loan – secured	4,325	0
Deferred tax liabilities	450	450
Deferred Income	850	523
Total non-current liabilities	<u>5,625</u>	<u>973</u>
Current liabilities		
Trade and other payables	13,726	11,275
Financial liabilities at fair value through profit or loss	683	0
Advance payment from customers	810	696
Current tax liabilities	93	169
Dividend payable	0	4,569
Total current liabilities	<u>15,312</u>	<u>16,709</u>
Total liabilities	<u>20,937</u>	<u>17,682</u>
TOTAL EQUITY AND LIABILITIES	<u>119,647</u>	<u>93,966</u>
Net assets value per share attributable to ordinary equity holders of the parent (sen)	<u>42.46</u>	<u>33.39</u> *

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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statement.

VITROX CORPORATION BERHAD(Incorporated in Malaysia)
Company No : 649966-K**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***(The figures have not been audited)*

	Share Capital RM'000	Treasury Share RM'000	Share Premium RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Period ended 30 September 2011						
Balance as at 1 January 2011	15,500	(1,022)	1,222	(4)	60,588	76,284
Bonus issue	7,750	0	(1,222)	0	(6,528)	0
Bonus issue expenses paid	0	0	0	0	(92)	(92)
Purchase of own shares	0	(250)	0	0	0	(250)
Reissue of treasury shares	0	1,272	4,663	0	0	5,935
Dividends	0	0	0	0	(4,650)	(4,650)
Total comprehensive income for the period	0	0	0	10	21,473	21,483
Balance as at 30 September 2011	<u>23,250</u>	<u>0</u>	<u>4,663</u>	<u>6</u>	<u>70,791</u>	<u>98,710</u>
Period ended 30 September 2010						
Balance as at 1 January 2010	15,500	(853)	1,222	(3)	33,344	49,210
Purchase of own shares	0	(169)	0	0	0	(169)
Total comprehensive income for the period	0	0	0	(2)	23,447	23,445
Balance as at 30 September 2010	<u>15,500</u>	<u>(1,022)</u>	<u>1,222</u>	<u>(5)</u>	<u>56,791</u>	<u>72,486</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statement.

VITROX CORPORATION BERHAD(Incorporated in Malaysia)
Company No : 649966-K**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***(The figures have not been audited)*

	Period ended 30 Sep 2011 RM'000	Period ended 30 Sep 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	21,907	24,016
Adjustments for :		
Amortisation of deferred income	(318)	(7)
Amortisation of development expenditure	429	473
Depreciation of property, plant and equipment	760	634
Gain on disposal of property, plant and equipment	(4)	0
Interest expenses	16	0
Interest income	(523)	(420)
Unrealised loss on financial instruments at fair value through profit or loss	683	0
Unrealised (gain)/loss on foreign exchange	(1,111)	669
Operating profit before working capital changes	21,839	25,365
Changes in:		
Inventories and receivables	(17,173)	(28,754)
Payables and advance payments	2,516	11,637
Cash generated from operations	7,182	8,248
Income tax refunded	0	412
Income tax paid	(506)	(114)
Net cash from operating activities	6,676	8,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of development expenditure	(353)	(3,110)
Grant received	517	0
Interest paid	(8)	0
Interest received	530	420
Proceed from disposal of property, plant and equipment	4	3
Purchase of property, plant and equipment	(11,251)	(814)
Net cash used in investing activities	(10,561)	(3,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bonus issue expenses paid	(92)	0
Dividend paid	(9,219)	0
Purchase of own shares	(250)	(169)
Reissue of treasury shares	5,935	0
Term loan raised	4,060	0
Net cash from/(used in) financing activities	434	(169)
Currency translation differences	10	(1)
Net (decrease)/increase in cash and cash equivalents	(3,441)	4,875
Cash and cash equivalents at beginning of period	43,403	27,683
Cash and cash equivalents at end of period	39,962	32,558
<u>Cash and cash equivalents consist of:</u>		
Highly liquid investments	8,921	2,338
Term deposits with licensed banks	26,057	24,191
Cash and bank balances	4,984	6,029
	39,962	32,558

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statement.

QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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 FRS134, "Interim Financial Reporting", issued by the Malaysian Accounting Standards ("MASB") and the disclosure requirements as set out in Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market ("Main Market Listing Requirement").

The Interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted by the Group in the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Interpretations") effective for the financial period beginning on or after 1 March 2010 :-

FRS	Effective for financial periods beginning on or after
Amendments to FRS 1 Limited Exemption from Comparative FRS7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1 Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7 Improving Disclosure about Financial Instruments	1 January 2011
Amendments to FRS 132 Financial Instruments: Presentation	1 March 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRSs contained in the document entitled "improvements to FRSs (2010)"	1 January 2011
FRS 1 First-time Adoption of Financial Reporting Standards (revised in 2010)	1 July 2010
FRS 3 Business Combinations (revised in 2010)	1 July 2010
FRS 127 Consolidated and Separate Financial Statements (revised in 2010)	1 July 2010
IC Interpretation 4 Determining and Separate Financial Statements	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

The adoption of the new FRS and interpretation does not have significant impact on the financial statements.

A2 Seasonal or cyclical factors

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 of the Group for the period under review.

A4 Material changes in estimates

There were no changes in nature and amount of estimates reported in prior financial years which may have a material effect in the period under review.

QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

A5 Debts and equity securities

There were no other issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the quarter under review except for :-

i) Bonus issue

On 15 July 2011, 77,500,000 new ordinary shares of RM0.10 each ("Shares") were issued by the Company pursuant to bonus issue on the basis of 1 bonus share for every 2 existing shares held. The Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 18 July 2011.

The enlarged issued and paid up capital of the Company is now RM23,250,000 comprising 232,500,000 shares.

A6 Dividend paid

The special dividend of 2.5 sen per share tax exempt and final dividend of 0.5 sen per share tax exempt for the financial year ended 31 December 2010 were paid on 28 July 2011.

A7 Segment reporting

No segment reporting has been prepared as the Group is principally engaged in development and production of machine vision inspection products.

A8 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the period under review or prior periods.

A9 Valuation of investment properties

In line with the adoption of the fair value model, the investment properties are stated at fair values which are assessed on yearly basis.

A10 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 financial statements for the said period.

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group during the period under review.

A12 Contingent assets or contingent liabilities

There were no contingent assets or liabilities for the Group since the previous financial year ended 31 December 2010 to the date of this report.

A13 Capital commitments

Authorised contracted capital commitments not provided for in the interim financial statements as at 30 September 2011 is RM4,319,470.

A14 Significant related party transactions

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

QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS

B1 Review of performance

The Group achieved revenue of RM18.10 million for the period under review against RM25.10 million in the corresponding period of preceding year, representing a decrease of 28%. The decrease in revenue against the same quarter last year was mainly due to reduction in sales from Machine Vision System (MVS) and Electronics Communication System (ECS). The decrease in sales recorded is mainly due to slow down in semiconductor industry. However, there is increase in sales from Automated Board Inspection (ABI) due to high demand of our new Advanced X-ray Inspection system from new customers in the US market. The Group achieved a profit before tax of RM6.55 million against profit before tax of RM9.44 million in the corresponding quarter, representing a decrease of 31%, mainly due to change in sales mix. Correspondingly, the Group recorded a profit after tax of RM6.36 million against profit after tax of RM9.18 million in the corresponding quarter, representing a decrease of 31%.

B2 Variation of results against immediate preceding quarter

The Group recorded revenue and profit before tax of RM18.10 million and RM6.55 million respectively for the current quarter under review against revenue and profit before tax of RM27.11 million and RM8.80 million respectively for the immediate preceding quarter. These represent a decrease of 33% in revenue and 26% in profit against the revenue and profit of the immediate preceding quarter. The decrease in revenue and profit were attributed to decrease in sales recorded for MVS, ABI and ECS as a result of uncertainty in worldwide economy.

B3 Prospects for the final quarter of current final year ending 31 December 2011

Demand for machine vision system, automated board inspection and electronics communication system from the leading test and inspection equipment manufacturers and major electronics manufacturing services providers will ensure that our products remain the mainstay of the Group's earnings. In addition, the success of the Advanced X-ray Inspection system in gaining commercial acceptance by our worldwide customers will add depth and breadth to the Group's business. Barring any unforeseen circumstances, the Board is cautiously optimistic on the financial performance of the Group for the remaining quarters.

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 Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-11 RM'000	Preceding year corresponding quarter 30-Sep-10 RM'000	Current period to date 30-Sep-11 RM'000	Preceding year corresponding period 30-Sep-10 RM'000
Income tax based on the results for the period under review	185	264	434	569

ViTrox Corporation Berhad ("VCB") is a MSC status company and enjoys pioneer status/tax exempt incentive for certain qualifying products granted by the Ministry of International Trade and Industry ("MITI") for a period of 5 years of pioneer status from Multimedia Development Corporation Sdn Bhd ("Mdec") and MITI. On 22 September 2010, VTSB has been granted another extension 5 years of pioneer status by MDec and MITI from 25 January 2010 to 25 January 2015.

QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B5 Income tax expenses (cont'd)

A wholly-owned subsidiary of VCB, ViTrox Technologies Sdn.Bhd. ("VTSB") has been granted pioneer status by MITI for a period of 5 years for the development and production of digital automated vision inspection equipment and modules. The incentive commenced from 1 April 2005 to 31 March 2010 (extendable for further 5 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 VTSB. On 29 July 2010, VTSB has been granted another extension 5 years of pioneer status by MITI from 1 April 2010 to 31 March 2015.

Another wholly-owned subsidiary of VCB, ViE Technologies Sdn.Bhd. ("ViE") has also been granted pioneer status by MITI for a period of 5 years to undertake activities relating to design, development and manufacture of printed circuit board assemblies for microprocessor applications. It is the intention of the Group that ViE will spearhead the production and sales of the ECS product. ViE has submitted an application to MITI for the determination of the pioneer status period and MITI has confirmed that the pioneer period would commence from 1 April 2007 to 31 March 2012.

B6 Sales of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the quarter under review and financial period-to-date.

B7 Purchase and sale of quoted securities

There was no purchase or sale of quoted securities during the quarter under review and financial period-to-date.

B8 Status of corporate proposals announced

There was no corporate proposal announced and not completed as at the date of this report.

B9 Group borrowings

Group borrowings are as follows:-

	As at 30-Sep-11 RM'000	As at 30-Jun-11 RM'000
Short-term borrowings – secured		
Foreign currency term loan in USD	0	0
Long-term borrowings – secured		
Foreign currency term loan in USD	4,325	0
	<u>4,325</u>	<u>0</u>

QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B10 Financial instruments

As at 30 September 2011, the outstanding forward foreign exchange contracts are as follows:-

Type of derivative	Contract value RM'000	Fair value RM'000
Forward foreign exchange contracts		
- Less than 1 year	1,214	(62)
- 1 year to 3 years	9,510	(621)
	<u>10,724</u>	<u>(683)</u>

Foreign currency exchange contract is used as a hedging tool to minimise the Group's exposure to changes in fair value of its commitment, conducted in the ordinary course of business, as a result of fluctuation in exchange rate. There is minimal credit and market risk because the contracts are hedged with reputable banks.

Foreign currency exchange contract was recognised on the contract date, measured at fair value and the changes in the fair value have been recognised in profit or loss.

B11 Breakdown of realised and unrealised profits or losses of the Group

	As at 30-Sep-11 RM'000	As at 30-Jun-11 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	76,455	77,770
- Unrealised	18	(1,035)
	<u>76,473</u>	<u>76,735</u>
Less : Consolidation adjustments	(5,682)	(5,685)
Total group retained profits as per consolidated accounts	<u>70,791</u>	<u>71,050</u>

B12 Material litigation

As the date of this announcement, the Group is not engaged in any material litigation and the Board of Directors do not have any knowledge of any proceedings pending or threatened against the Group.

B13 Dividends

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

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 649966-K



QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-11	Preceding year corresponding quarter 30-Sep-10	Current period to date 30-Sep-11	Preceding year corresponding period 30-Sep-10
Net profit attributable to shareholders (RM'000)	6,360	9,174	21,473	23,447
Weighted average number of shares in issue ('000)	231,738	228,602	231,738	228,602
Basic earnings per share (sen)	<u>2.74</u>	<u>4.01</u>	<u>9.27</u>	<u>10.26</u>

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

Diluted earnings per share have not been calculated as the Company does not have any dilutive potential shares.

B15 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not subject to any qualification.

B16 Authorisation for issue

The interim financial statements are authorised for issue by the Board of Directors on 18 November 2011.