

**VITROX CORPORATION BERHAD**(Incorporated in Malaysia)  
Company No : 649966-K**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current period quarter 30-Sep-12 RM'000	Preceding year corresponding quarter 30-Sep-11 RM'000	Current period to date 30-Sep-12 RM'000	Preceding year corresponding period 30-Sep-11 RM'000
Revenue		23,823	18,084	55,183	66,877
Other operating income		1,359	2,891	6,953	2,949
Operating expenses		(20,763)	(14,430)	(48,351)	(47,919)
Profit before tax	B14	4,419	6,545	13,785	21,907
Tax expense		(315)	(185)	(823)	(434)
Profit for the period		4,104	6,360	12,962	21,473
Other comprehensive income: Currency translation of differences for foreign operation		(1)	10	(5)	10
Other comprehensive income for the period		(1)	10	(5)	10
Total comprehensive income for the period		4,103	6,370	12,957	21,483
Earnings Per Ordinary Share attributable to ordinary equity holders of the Company (sen)					
- Basic		1.77	2.74	5.60	9.27
- Diluted		N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***(The figures have not been audited)*

	As at 30-Sep-12 RM'000	As at 31-Dec-11 RM'000 (Restated)	As at 1-Jan-11 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	28,563	27,918	13,412
Investment properties	600	600	600
Investments in club membership - at cost	91	91	91
Development expenditure	2,980	3,653	3,941
	<u>32,234</u>	<u>32,262</u>	<u>18,044</u>
<b>Current assets</b>			
Assets held for sale	0	887	0
Inventories	29,688	22,991	14,053
Trade and other receivables	29,717	21,600	18,134
Prepayments	766	1,213	311
Current tax assets	0	63	21
Cash and cash equivalents	48,952	42,739	43,403
	<u>109,123</u>	<u>89,493</u>	<u>75,922</u>
<b>TOTAL ASSETS</b>	<u>141,357</u>	<u>121,755</u>	<u>93,966</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	23,250	23,250	15,500
Less: Treasury shares, at cost	(785)	(177)	(1,022)
Reserves	84,584	73,943	61,856
<b>Total equity</b>	<u>107,049</u>	<u>97,016</u>	<u>76,334</u>
<b>Non-current liabilities</b>			
Term loan – secured	8,931	8,196	0
Deferred tax liabilities	800	800	400
Deferred Income	828	823	523
<b>Total non-current liabilities</b>	<u>10,559</u>	<u>9,819</u>	<u>923</u>
<b>Current liabilities</b>			
Trade and other payables	21,035	10,926	11,275
Financial liabilities at fair value through profit or loss	41	323	0
Advance payment from customers	1,340	925	696
Term loan – secured	1,022	423	0
Current tax liabilities	311	0	169
Dividend payable	-	2,323	4,569
<b>Total current liabilities</b>	<u>23,749</u>	<u>14,920</u>	<u>16,709</u>
<b>Total liabilities</b>	<u>34,308</u>	<u>24,739</u>	<u>17,632</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>141,357</u>	<u>121,755</u>	<u>93,966</u>
<b>Net assets value per share attributable to ordinary equity holders of the parent (sen)</b>	<u>46.25</u>	<u>41.77</u>	<u>33.42</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 2011 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 2012**  
**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
<b>Period ended 30 September 2012</b>						
Balance as at 1 January 2012						
- As previously reported	23,250	(177)	4,663	9	69,221	96,966
- Effect of adopting MFRS 112	0	0	0	0	50	50
	23,250	(177)	4,663	9	69,271	97,016
Profit for the financial period	0	0	0	0	12,962	12,962
Currency translation differences for foreign operation (representing other comprehensive income) for the financial period	0	0	0	(5)	0	(5)
Total comprehensive income for the financial period	0	0	0	(5)	12,962	12,957
Purchase of own shares	0	(608)	0	0	0	(608)
Dividends	0	0	0	0	(2,316)	(2,316)
Total transactions with owners	0	(608)	0	0	(2,316)	(2,924)
Balance as at 30 September 2012	23,250	(785)	4,663	4	79,917	107,049
<b>Period ended 30 September 2011</b>						
Balance as at 1 January 2011						
- As previously reported	15,500	(1,022)	1,222	(4)	60,588	76,284
- Effect of adopting MFRS 112	0	0	0	0	50	50
	15,500	(1,022)	1,222	(4)	60,638	76,334
Profit for the financial period	0	0	0	0	21,473	21,473
Currency translation differences for foreign operation (representing other comprehensive income) for the financial period	0	0	0	10	0	10
Total comprehensive income for the financial period	0	0	0	10	21,473	21,483
Issue of shares	7,750	0	(1,222)	0	(6,528)	0
Share issue transaction costs	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 transactions with owners	7,750	1,022	3,441	0	(11,270)	943
Balance as at 30 September 2011	23,250	0	4,663	6	70,841	98,760

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***(The figures have not been audited)*

	Period ended 30-Sep-2012 RM'000	Period ended 30-Sep-2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	13,785	21,907
Adjustments for :		
Amortisation and depreciation	2,075	1,189
Amortisation of deferred income	(134)	(318)
Gain on disposal of property, plant and equipment	(1,914)	(4)
Interest expenses	202	16
Interest income	(705)	(523)
Reversal of impairment loss on loans and receivables	(355)	(32)
Unrealised (gain)/loss on financial instruments at fair value through profit or loss	(282)	683
Unrealised loss/(gain) on foreign exchange	1,141	(1,111)
Operating profit before working capital changes	13,813	21,807
Changes in:		
Inventories and receivables	(15,071)	(17,141)
Payables and advance payments	10,641	2,516
Cash generated from operations	9,383	7,182
Tax paid	(477)	(506)
Tax refunded	28	0
Net cash from operating activities	8,934	6,676
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions of development expenditure	(11)	(353)
Grant received	228	517
Interest received	701	530
Proceed from disposal of property, plant and equipment	2,803	4
Purchase of property, plant and equipment	(2,039)	(11,251)
Net cash from/(used in) investing activities	1,682	(10,553)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(4,639)	(9,219)
Interest paid	(201)	(8)
Purchase of own shares	(608)	(250)
Reissue of treasury shares	0	5,935
Share issue transaction costs	0	(92)
Term loan raised	1,653	4,060
Net cash (used in)/from financing activities	(3,795)	426
Currency translation differences	(608)	10
Net increase/(decrease) in cash and cash equivalents	6,213	(3,441)
Cash and cash equivalents at beginning of period	42,739	43,403
Cash and cash equivalents at end of period	48,952	39,962
<u>Cash and cash equivalents consist of:</u>		
Highly liquid investments	12,616	8,921
Term deposits with licensed banks	14,097	26,057
Cash and bank balances	22,239	4,984
	48,952	39,962

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statement.

**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**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 *MFRS 134, "Interim Financial Reporting"*, issued by the Malaysian Accounting Standards Board ("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"). This Condensed Report also complies with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs").

The Interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 2011.

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 2011, except for the adoption of Malaysian Financial Reporting Standards ("MFRS") framework issued by the MASB with effect from 1 January 2012.

The Group adopted the MFRS framework with effect from 1 January 2012. The adoption of MFRS framework do not have any significant impacts on the financial statements except as follow:-

(l) MFRS 112 *Income Taxes*

MFRS 112 provides a practical approach for measuring deferred tax by introducing a rebuttable presumption that the carrying amount of investment property stated at fair value will be recovered entirely through sale. Accordingly, the measurement of deferred tax shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale.

In accordance with the MFRS 108 *Accounting Policies, Change in Accounting Estimates and Errors*, The Group has applied the standard retrospectively by restating the following comparative figures:-

<u>Condensed Consolidated Statement of Financial Position (Extract)</u>	As Previously Reported RM'000	Effects of adopting MFRS 112 RM'000	As restated RM'000
<u>As at 1 January 2011</u>			
Deferred tax liabilities	450	(50)	400
Retained profits	60,588	50	60,638
<u>As at 31 December 2011</u>			
Deferred tax liabilities	850	(50)	800
Retained profits	69,221	50	69,271

**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.

**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012****A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

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**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.

**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 :-

During the current quarter, the Company purchased 124,700 of its issued share capital from open market for an average price of RM0.63 per share. As at 30 September 2012, the total shares purchase are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 is 1,045,800 of its issued share capital from the open market for an average price of RM0.74 per share. The purchase transactions were funded by the internally generated funds.

**A6 Dividend paid**

The special dividend of 0.5 sen per share tax exempt amounting to RM1,157,895 and final dividend of 0.5 sen per share tax exempt amounting to RM1,157,895 for the financial year ended 31 December 2011 were paid on 27 July 2012.

**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 2011 to the date of this report.

**A13 Capital commitments**

There were no material capital commitments for the Group as at the date of this report.

**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 2012**

**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 RM23.82 million for the period under review against RM18.08 million in the corresponding period of preceding year, representing an increase of 32%. The increase in revenue against the same quarter last year was mainly due to increase in new products' sales from Machine Vision System (MVS) and Automated Board Inspection (ABI). Sales from MVS and ABI have recorded an increase of 107% and 2% respectively against the corresponding period of preceding year. The increase in sales recorded is mainly due to higher demand from customers.

The Group achieved a profit before tax of RM4.42 million against profit before tax of RM6.55 million in the corresponding quarter, representing a decrease of 33%, mainly due to unrealised loss on foreign exchange, increase in distribution expenses and research and development expenses. Correspondingly, the Group recorded a profit after tax of RM4.10 million against profit after tax of RM6.36 million in the corresponding quarter.

**B2 Variation of results against immediate preceding quarter**

The Group recorded revenue and profit before tax of RM23.82 million and RM4.42 million respectively for the current quarter under review against revenue and profit before tax of RM22.73 million and RM10.26 million respectively for the immediate preceding quarter. The increase in revenue were attributed to increase in new products' sales recorded for MVS. Sales from MVS has recorded an increase of 3% against the immediate preceding quarter.

**B3 Prospects for the final quarter of financial year ending 31 December 2012**

In view of the current improved performance and that has led us to believe that the remaining year will be positive. We will continue to focus on market expansion activities, customer relationship building and product innovation to grow the business further in the remaining quarter of the year.

**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-12 RM'000	Preceding year corresponding quarter 30-Sep-11 RM'000	Current period to date 30-Sep-12 RM'000	Preceding year corresponding period 30-Sep-11 RM'000
Income tax based on the results for the period under review	315	185	823	434

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 2012**

**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.

**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**

Group borrowings are as follows:-

	As at 30-Sep-12 RM'000	As at 31-Dec-11 RM'000
<b>Short-term borrowings – secured</b>		
Foreign currency term loan in USD	1,022	423
<b>Long-term borrowings – secured</b>		
Foreign currency term loan in USD	8,931	8,196
	<u>9,953</u>	<u>8,619</u>

**B8 Financial instruments**

As at 30 September 2012, 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	<u>3,831</u>	<u>(41)</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.



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**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)****B9 Breakdown of realised and unrealised profits or losses of the Group**

	As at 30-Sep-12 RM'000	As at 31-Dec-11 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	87,832	75,973
- Unrealised	(1,651)	(560)
	<u>86,181</u>	<u>75,413</u>
Less : Consolidation adjustments	(6,264)	(6,192)
Total group retained profits as per consolidated accounts	<u>79,917</u>	<u>69,221</u>

**B10 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.

**B11 Dividends**

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

**B12 Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-12	Preceding year corresponding quarter 30-Sep-11	Current period to date 30-Sep-12	Preceding year corresponding period 30-Sep-11
Net profit attributable to shareholders (RM'000)	4,104	6,360	12,962	21,473
Weighted average number of shares in issue ('000)	231,648	231,738	231,648	231,738
Basic earnings per share (sen)	<u>1.77</u>	<u>2.74</u>	<u>5.60</u>	<u>9.27</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.

**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)**

**B13 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2011 was not subject to any qualification.

**B14 Notes to the statement of comprehensive income**

**Profit Before Tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-12 RM'000	Preceding year corresponding quarter 30-Sep-11 RM'000	Current period to date 30-Sep-12 RM'000	Preceding year corresponding period 30-Sep-11 RM'000
Profit before tax is arrived at after charging:-				
Amortisation and depreciation	599	438	2,075	1,189
Interest expenses	66	16	202	16
(Gain)/Loss on financial instruments at fair value through profit or loss	(186)	641	(253)	660
(Gain)/Loss on foreign exchange	1,043	(2,184)	812	(1,208)
and crediting:-				
Amortisation of deferred income	47	73	134	318
Gain on disposal of property, plant and equipment	0	4	1,914	4
Grant related to income	775	1,087	3,519	1,489
Interest income	244	175	705	523
Reversal of impairment loss on loans and receivables	223	0	355	32

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.

**B15 Authorisation for issue**

The interim financial statements are authorised for issue by the Board of Directors on 22 November 2012.