

**VITROX CORPORATION BERHAD**(Incorporated in Malaysia)  
Company No : 649966-K**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current period quarter 30-Sep-13 RM'000	Preceding year corresponding quarter 30-Sep-12 RM'000	Current period to date 30-Sep-13 RM'000	Preceding year corresponding period 30-Sep-12 RM'000
Revenue		36,305	23,823	77,586	55,183
Other operating income		728	1,359	3,894	6,953
Operating expenses		(25,226)	(20,763)	(62,063)	(48,351)
Profit before tax	B14	<u>11,807</u>	<u>4,419</u>	<u>19,417</u>	<u>13,785</u>
Tax income/(expense)		56	(315)	(613)	(823)
Profit for the period		<u>11,863</u>	<u>4,104</u>	<u>18,804</u>	<u>12,962</u>
Other comprehensive income: Currency translation of differences for the foreign operation		3	(1)	6	(5)
Other comprehensive income for the period		<u>3</u>	<u>(1)</u>	<u>6</u>	<u>(5)</u>
Total comprehensive income for the period		<u>11,866</u>	<u>4,103</u>	<u>18,810</u>	<u>12,957</u>
Earnings Per Ordinary Share attributable to ordinary equity holders of the Company (sen)					
- Basic		5.13	1.77	8.14	5.60
- 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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No : 649966-K


**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*(The figures have not been audited)*

	As at 30-Sep-13 RM'000 (unaudited)	As at 31-Dec-12 RM'000 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,248	30,060
Investment properties	600	600
Investment in club membership - at cost	91	91
Development expenditure	1,910	2,602
	<u>33,849</u>	<u>33,353</u>
<b>Current assets</b>		
Inventories	37,613	27,972
Trade and other receivables	49,050	39,203
Financial assets at fair value through profit or loss	0	14
Prepayments	2,902	1,079
Current tax assets	197	75
Cash and cash equivalents	38,730	43,915
	<u>128,492</u>	<u>112,258</u>
<b>TOTAL ASSETS</b>	<u>162,341</u>	<u>145,611</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to equity holders of the Company</b>		
Share capital	23,250	23,250
Less: Treasury shares, at cost	(1,305)	(910)
Reserves	105,721	92,113
<b>Total equity</b>	<u>127,666</u>	<u>114,453</u>
<b>Non-current liabilities</b>		
Term loan - secured	11,100	11,339
Deferred tax liabilities	635	635
Deferred income on government grant	1,805	781
<b>Total non-current liabilities</b>	<u>13,540</u>	<u>12,755</u>
<b>Current liabilities</b>		
Trade and other payables	19,106	16,775
Dividend payable	0	0
Term loan - secured	1,328	1,249
Financial liabilities at fair value through profit or loss	40	0
Advance payment from customers	661	335
Current tax liabilities	0	44
<b>Total current liabilities</b>	<u>21,135</u>	<u>18,403</u>
<b>Total liabilities</b>	<u>34,675</u>	<u>31,158</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>162,341</u>	<u>145,611</u>
Net assets value per share attributable to ordinary equity holders of the parent (sen)	<u>55.33</u>	<u>49.49</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)  
Company No : 649966-K


**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013  
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 2013</b>						
Balance as at 1 January 2013	23,250	(910)	4,663	4	87,446	114,453
Profit for the financial period	0	0	0	0	18,804	18,804
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	6	0	6
Total comprehensive income for the financial period	0	0	0	6	18,804	18,810
Purchase of own shares	0	(395)	0	0	0	(395)
Dividends	0	0	0	0	(5,202)	(5,202)
Total transaction with owners	0	(395)	0	0	(5,202)	(5,597)
Balance as at 30 September 2013	23,250	(1,305)	4,663	10	101,048	127,666
<b>Period ended 30 September 2012</b>						
Balance as at 1 January 2012	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 transaction 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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No : 649966-K


**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
*(The figures have not been audited)*

	Period ended 30-Sep-13 RM000	Period ended 30-Sep-12 RM000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	19,417	13,785
Adjustment for:		
Amortisation and depreciation	2,060	2,075
Amortisation of deferred income	(263)	(134)
Gain on disposal of property, plant and equipment	0	(1,914)
Interest expenses	225	202
Interest income	(549)	(705)
Reversal of impairment loss on loan and receivables	(618)	(355)
Unrealised loss/(gain) on financial instruments at fair value through profit or loss	40	(282)
Unrealised loss on foreign exchange	44	1,141
Operating profit before working capital changes	<u>20,356</u>	<u>13,813</u>
Change in:		
Inventories and receivables	(19,678)	(15,071)
Payables and advance payments	2,607	10,682
Financial instruments at fair value through profit or loss	14	(41)
Cash generated from operations	<u>3,299</u>	<u>9,383</u>
Tax paid	(805)	(477)
Tax refunded	26	28
Net cash from operating activities	<u>2,520</u>	<u>8,934</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions of development expenditure	(1)	(11)
Grant received	1,129	228
Interest received	563	701
Proceed from disposal of property, plant and equipment	0	2,803
Purchase of property, plant and equipment	(2,554)	(2,039)
Net cash (used in)/from investing activities	<u>(863)</u>	<u>1,682</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(5,202)	(4,639)
Interest paid	(225)	(201)
Purchase of own shares	(395)	(608)
Repayment of term loans	(940)	0
Term loan raised	0	1,653
Net cash used in financing activities	<u>(6,762)</u>	<u>(3,795)</u>
Currency translation differences	(80)	(608)
Net (decrease)/increase in cash and cash equivalents	(5,185)	6,213
Cash and cash equivalents at beginning of period	43,915	42,739
Cash and cash equivalents at end of period	<u>38,730</u>	<u>48,952</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	12,967	12,616
Term deposits with licensed banks	10,600	14,097
Cash and bank balances	15,163	22,239
	<u>38,730</u>	<u>48,952</u>

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013****A. NOTES TO THE INTERIM FINANCIAL REPORT**

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**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").

The Interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2012. 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 2012.

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 2012, except for the adoption of new Malaysian Financial Reporting Standards ("MFRS") that are effective for financial period beginning on or after 1 January 2013. The adoption of new MFRSs does not have any significant impacts 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.

**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 384,400 of its issued share capital from open market for an average price of RM0.76 per share. As at 30 September 2013, the total shares purchase are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 is 1,757,200 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 0.75 sen per share tax exempt amounting to RM1,733,925 and final dividend of 0.50 sen per share tax exempt amounting to RM1,155,950 for the financial year ended 31 December 2012 were paid on 24 July 2013.

**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.

**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

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

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**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 materials 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 2012 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 2013 is RM485,000.

**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 2013**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS**

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**B1 Review of performance**

The Group achieved revenue of RM36.31 million for the period under review against RM23.82 million in the corresponding period of preceding year, representing an increase of 52%. The increase in revenue against the same quarter last year was mainly due to increase in sales from Automated Board Inspection (ABI). Sales from ABI have recorded an increase of 105% against the corresponding period of preceding year. The increase was mainly due to significant increase in sales recorded for Advanced X-ray Inspection System.

The Group achieved a profit before tax of RM11.81 million against profit before tax of RM4.42 million in the corresponding quarter, representing an increase of 167%, mainly due to increase in revenue. Correspondingly, the Group recorded a profit after tax of RM11.86 million against profit after tax of RM4.10 million in the corresponding quarter.

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

The Group recorded revenue and profit before tax of RM36.31 million and RM11.81 million respectively for the current quarter under review against revenue and profit before tax of RM28.36 million and RM6.89 million respectively for the immediate preceding quarter. The increase in revenue and profit were attributed to increase in sales recorded for ABI. Increase in sales recorded for ABI was mainly derived from positive acceptance of our Advanced X-ray Inspection System. Sales from ABI have recorded an increase of 98% against the immediate preceding quarter.

**B3 Prospects for the final quarter of current final year ending 31 December 2013**

In view of the current improved performance and that has led us to believe that the demand for our products will be sustainable for the remaining financial year. We will continue to focus on market expansion activities, customer relationship building, product innovation and prudent cost management in the final 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 Tax expense/(Income)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-13 RM'000	Preceding year corresponding quarter 30-Sep-12 RM'000	Current year period 30-Sep-13 RM'000	Preceding year corresponding period 30-Sep-12 RM'000
Tax based on the results for the period under review	(56)	315	613	823

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.

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(Incorporated in Malaysia)  
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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)**

**B5 Tax expense/(Income)(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 embedded high density electronic modules. The incentive commenced from 1 January 2013 to 31 December 2017. The current provision of income tax is in respect of certain non-business income and non-tax exempted income generated from non-pioneer products of ViE.

**B6 Status of corporate proposals announced**

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

**B7 Group borrowings**

	As at 30-Sep-13 RM'000	As at 31-Dec-12 RM'000
<b>Short term borrowings - secured</b>		
Foreign currency term loan in USD	1,328	1,249
<b>Long term borrowings - secured</b>		
Foreign currency term loan in USD	11,100	11,339
	<u>12,428</u>	<u>12,588</u>

**B8 Financial instruments**

As at 30 September 2013, the outstanding forward foreign exchange contracts are as follows:-

Type of derivative	Contract value RM'000	Fair value RM'000
<b>Forward foreign exchange contracts</b>		
- Less than 1 year	<u>9,097</u>	<u>(40)</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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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**  
**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-13 RM'000	As at 31-Dec-12 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	108,131	94,895
- Unrealised	(551)	(1,136)
	<u>107,580</u>	<u>93,759</u>
Less : Consolidation adjustments	(6,533)	(6,313)
Total group retained profits as per consolidated accounts	<u>101,048</u>	<u>87,446</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-13	Preceding year corresponding quarter 30-Sep-12	Current year period 30-Sep-13	Preceding year corresponding period 30-Sep-12
Net profit attributable to shareholders (RM'000)	11,863	4,104	18,804	12,962
Weighted average number of shares in issue ('000)	231,145	231,648	231,145	231,648
Basic earnings per share (sen)	<u>5.13</u>	<u>1.77</u>	<u>8.14</u>	<u>5.60</u>

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

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

The auditors' report on the financial statements for the year ended 31 December 2012 was not subject to any qualification.

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**  
**B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES**  
**MAIN MARKET LISTING REQUIREMENTS (cont'd)**
**B14 Notes to the statement of comprehensive income****Profit Before Tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-13 RM'000	Preceding year corresponding quarter 30-Sep-12 RM'000	Current year period 30-Sep-13 RM'000	Preceding year corresponding period 30-Sep-12 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Amortisation and depreciation	703	599	2,060	2,075
Interest expenses	77	66	225	202
(Gain)/Loss on financial instruments at fair value through profit or loss				
- realised	68	(227)	65	(294)
- unrealised	40	41	40	41
(Gain)/Loss on foreign exchange				
- realised	(770)	(266)	(1,705)	(329)
- unrealised	240	1,309	44	1,141
and crediting:-				
Amortisation of deferred income	144	47	263	134
Gain on disposal of property, plant and equipment	0	0	0	1,914
Grant related to income	(139)	775	314	3,519
Insurance claims received	0	0	557	0
Interest income	153	244	549	705
Rental income	5	0	23	0
Reversal of impairment loss on loans and receivables	64	223	618	355

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 21 Nov 2013.