

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 649966-K


QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31-Dec-17 RM'000	Corresponding preceding quarter ended 31-Dec-16 RM'000	Cumulative period ended 31-Dec-17 RM'000	Corresponding preceding period ended 31-Dec-16 RM'000
Revenue		95,893	63,708	327,488	234,026
Other operating income		679	3,361	6,015	6,211
Operating expenses		(75,196)	(48,417)	(246,921)	(179,243)
Finance costs		(6)	125	(42)	(74)
Share of associate's loss		(16)	0	(38)	0
Profit before tax	B13	<u>21,354</u>	<u>18,777</u>	<u>86,502</u>	<u>60,920</u>
Tax (expense)/income	B5	(656)	181	(3,483)	3,929
Profit for the financial period		<u>20,698</u>	<u>18,958</u>	<u>83,019</u>	<u>64,849</u>
Other comprehensive income:					
Currency translation of differences for the foreign operation		(14)	81	(65)	(5)
Other comprehensive income for the period		<u>(14)</u>	<u>81</u>	<u>(65)</u>	<u>(5)</u>
Total comprehensive income for the period		<u>20,684</u>	<u>19,039</u>	<u>82,954</u>	<u>64,844</u>
Earnings per share attributable to ordinary equity holders of the Company (sen)	B11				
- Basic*		<u>4.40</u>	<u>4.05</u>	<u>17.67</u>	<u>13.85</u>
- Diluted*		<u>4.39</u>	<u>4.04</u>	<u>17.62</u>	<u>13.81</u>

* 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 audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-17 RM'000 (unaudited)	As at 31-Dec-16 RM'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	132,929	91,246
Investment properties	600	600
Development expenditure	1,376	2,145
Investment in associate	1,012	0
Investment in club memberships, at cost	91	91
Deferred tax assets	164	79
	<u>136,172</u>	<u>94,161</u>
Current assets		
Inventories	71,784	65,146
Trade and other receivables	123,012	102,265
Financial assets at fair value through profit or loss	1,046	0
Prepayments	3,192	1,604
Current tax assets	1,542	3,028
Cash and cash equivalents	150,572	110,106
	<u>351,148</u>	<u>282,149</u>
TOTAL ASSETS	<u>487,320</u>	<u>376,310</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,275	23,435
Reserves	280,965	238,427
Total equity	<u>330,240</u>	<u>261,862</u>
Non-current liabilities		
Deferred tax liabilities	750	711
Term loans - secured	55,021	27,033
Deferred income on government grants	4,686	4,420
Total non-current liabilities	<u>60,457</u>	<u>32,164</u>
Current liabilities		
Trade and other payables	82,361	65,982
Dividend payable	7,052	5,859
Term loans - secured	3,483	5,075
Financial liabilities at fair value through profit or loss	0	3,021
Advance billings to customers	3,269	2,314
Current tax liabilities	458	33
Total current liabilities	<u>96,623</u>	<u>82,284</u>
Total liabilities	<u>157,080</u>	<u>114,448</u>
TOTAL EQUITY AND LIABILITIES	<u>487,320</u>	<u>376,310</u>
Net assets value per share attributable to ordinary equity holders of the parent (sen)	<u>70.25</u>	<u>55.87</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 audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)
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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Period ended 31 December 2017							
Balance as at 1 January 2017	23,435	11,062	0	1,207	57	226,101	261,862
Profit for the financial period	0	0	0	0	0	83,019	83,019
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	(65)	0	(65)
Total comprehensive income for the financial period	0	0	0	0	(65)	83,019	82,954
Bonus issue	23,505	(11,062)	0	0	0	(12,443)	0
Share issue transaction costs	(96)	0	0	0	0	0	(96)
Dividends	0	0	0	0	0	(16,449)	(16,449)
Issuance of shares pursuant to ESOS	1,071	1,360	0	(989)	0	0	1,442
Share-based payments	0	0	0	527	0	0	527
Total transaction with owners	24,480	(9,702)	0	(462)	0	(28,892)	(14,576)
Transfer of share premium	1,360	(1,360)	0	0	0	0	0
Transfer to capital reserve*	0	0	277	0	0	(277)	0
Balance as at 31 December 2017	49,275	0	277	745	(8)	279,951	330,240

* This represents the amount transferred from the retained profits of a subsidiary under the statutory 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 audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Period ended 31 December 2016							
Balance as at 1 January 2016	23,342	8,332	0	1,887	62	175,297	208,920
Profit for the financial period	0	0	0	0	0	64,849	64,849
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	(5)	0	(5)
Total comprehensive income for the financial period	0	0	0	0	(5)	64,849	64,844
Share- based payments	0	0	0	442	0	0	442
Issuance of shares pursuant to ESOS	93	2,730	0	(1,122)	0	0	1,701
Dividends	0	0	0	0	0	(14,045)	(14,045)
Total transaction with owners	93	2,730	0	(680)	0	(14,045)	(11,902)
Balance as at 31 December 2016	23,435	11,062	0	1,207	57	226,101	261,862

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Cumulative period ended 31-Dec-17 RM'000	Corresponding preceding period ended 31-Dec-16 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	86,502	60,920
Adjustments for:		
Allowance for slow moving inventories	3,430	2,975
Amortisation and depreciation	6,699	5,109
Amortisation of deferred income	(2,255)	(1,351)
Gain on disposal of property, plant and equipment	0	(1)
Impairment loss on receivables	0	579
Interest expense	42	74
Interest income	(2,590)	(953)
Reversal of allowance for slow moving inventories	(2,975)	(2,066)
Reversal of impairment loss on receivables	0	(43)
Share-based payments	527	442
Share of associate's loss	38	0
Unrealised (gain)/loss on financial instruments at fair value through profit or loss	(1,046)	3,021
Unrealised gain on foreign exchange	(1,577)	(9,286)
Operating profit before working capital changes	<u>86,795</u>	<u>59,420</u>
Changes in:		
Inventories	(7,092)	(9,500)
Receivables and prepayments	(26,343)	(3,264)
Payables and advance billings	18,042	37,550
Financial instruments at fair value through profit or loss	(3,021)	(158)
Cash generated from operations	<u>68,381</u>	<u>84,048</u>
Tax paid	(3,957)	(3,877)
Tax refunded	2,339	169
Net cash from operating activities	<u>66,763</u>	<u>80,340</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of associate	(1,050)	0
Grants received	2,830	314
Interest received	2,505	952
Proceeds from disposal of property, plant and equipment	0	5
Purchase of property, plant and equipment	(46,534)	(59,228)
Net cash used in investing activities	<u>(42,249)</u>	<u>(57,957)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(15,256)	(11,688)
Interest paid	(1,056)	(349)
Issue of shares	1,443	1,701
Repayment of term loans	(4,103)	(3,210)
Share issue transaction costs	(96)	0
Term loans raised	35,299	29,000
Net cash from financing activities	<u>16,231</u>	<u>15,454</u>
Currency translation differences	(279)	8,284
Net increase in cash and cash equivalents	40,466	46,121
Cash and cash equivalents at beginning of period	<u>110,106</u>	<u>63,985</u>
Cash and cash equivalents at end of period	<u>150,572</u>	<u>110,106</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	80,346	30,438
Term deposits	3,687	8,194
Cash and bank balances	66,539	71,474
	<u>150,572</u>	<u>110,106</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

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 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

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 2016, except for the adoption of new MFRSs which are effective for financial period beginning on or after 1 January 2017. The adoption of new MFRSs did not result in any significant changes in the accounting policies of the Group.

A2 Seasonal or cyclical of operations

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

A3 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current interim period.

A4 Material changes in estimates

There were no changes in estimates of amounts reported in prior interim period of the current financial year or changes in estimate of amounts report in prior financial year.

A5 Debts and equity securities

During the current quarter, the Company issued 18,800 and 48,600 new ordinary shares at average exercise price of RM0.81 and RM1.01 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 Dividends paid

Since the end of the previous financial year, the Company paid the following dividends :-

- i) an interim tax exempt dividend of 2.5 sen per share amounting to RM5,858,664 for the financial year ended 31 December 2016, paid on 20 January 2017; and
- ii) the final tax exempt dividend of 4.0 sen per share amounting to RM9,397,036 for the financial year ended 31 December 2016, paid on 24 July 2017.

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**QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017****A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

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 30 September 2017.

A11 Contractual commitments

	31-Dec-17 RM'000	31-Dec-16 RM'000
Purchase of property, plant and equipment	<u>27,888</u>	<u>46,939</u>

A12 Significant related party transactions

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

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
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-17 RM'000	Corresponding preceding quarter ended 31-Dec-16 RM'000		
Revenue	95,893	63,708	32,185	51%
Profit before tax	21,354	18,777	2,577	14%
Profit for the financial period	20,698	18,958	1,740	9%
Profit attributable to owners of the Company	<u>20,698</u>	<u>18,958</u>	<u>1,740</u>	<u>9%</u>

The Group achieved revenue of RM95.89 million for the quarter under review against RM63.71 million in the corresponding quarter of preceding year, representing an increase of 51%. The increase in revenue was contributed from the increase in revenue recorded for Machine Vision System (MVS) and Automated Board Inspection (ABI). Revenue from MVS and ABI have recorded an increase of 115% and 27% respectively against the corresponding quarter of preceding year. The increase was mainly due to higher demand from wider customer base and positive acceptance of our products.

The Group achieved a profit before tax of RM21.35 million against profit before tax of RM18.78 million in the corresponding quarter of preceding year, representing an increase of 14%. Higher profit before tax recorded was mainly due to higher revenue achieved from MVS and ABI. Accordingly, the Group's profit after tax is at RM20.70 million against profit after tax of RM18.96 million in the corresponding quarter.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Cumulative period ended 31-Dec-17 RM'000	Corresponding preceding period ended 31-Dec-16 RM'000		
Revenue	327,488	234,026	93,462	40%
Profit before tax	86,502	60,920	25,582	42%
Profit for the financial period	83,019	64,849	18,170	28%
Profit attributable to owners of the Company	<u>83,019</u>	<u>64,849</u>	<u>18,170</u>	<u>28%</u>

The Group recorded a revenue of RM327.49 million for current period ended 31 December 2017, representing an increase of 40% as compared to the preceding period ended 31 December 2016. The increase was mainly due to increase in customer orders for MVS, ABI and Electronics Communication System (ECS).

The profit before tax increased by RM25.58 million as compared with corresponding preceding period. The increase was mainly because of higher revenue achieved in the current period.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
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-17 RM'000	Immediate preceding quarter ended 30-Sep-17 RM'000	Changes RM'000	Changes %
Revenue	95,893	84,363	11,530	14%
Profit before tax	21,354	23,410	(2,056)	-9%
Profit for the financial period	20,698	22,410	(1,712)	-8%
Profit attributable to owners of the Company	<u>20,698</u>	<u>22,410</u>	<u>(1,712)</u>	<u>-8%</u>

The Group recorded revenue and profit before tax of RM95.89 million and RM21.35 million respectively for the current quarter under review against revenue and profit before tax of RM84.36 million and RM23.41 million respectively for the immediate preceding quarter. The revenue and profit before tax have recorded an increase of 14% and decrease of 9% respectively. The decrease in profit before tax was due to change in sales mix and higher operating cost in current quarter.

B3 Prospects for the financial year ending 31 December 2018

The Board is optimistic on the business prospect for the financial year 2018. The Group will continue to focus on market expansion activities, customer relationship building and product innovation to grow our business further in the new financial year. Besides that, the Group has taken steps to minimise its net monetary assets in order to mitigate the financial impacts arising from currency fluctuation.

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

	Current quarter ended 31-Dec-17 RM'000	Corresponding preceding quarter ended 31-Dec-16 RM'000	Cumulative period ended 31-Dec-17 RM'000	Corresponding preceding period ended 31-Dec-16 RM'000
Current tax	<u>(656)</u>	<u>181</u>	<u>(3,483)</u>	<u>3,929</u>

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B5 Tax (expense)/income (cont'd)

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, ViE Technologies Sdn. Bhd. ("ViE") and ViTrox Technologies Sdn. Bhd. ("VTSB").

ViE has 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.

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 system and machine 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). 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.

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-17 RM'000	As at 31-Dec-17 USD'000	As at 31-Dec-16 RM'000	As at 31-Dec-16 USD'000
<u>Term-loans - secured</u>				
Short term borrowings	3,483	857	5,075	1,131
Long term borrowings	<u>55,021</u>	<u>13,545</u>	<u>27,033</u>	<u>6,026</u>
	<u>58,504</u>	<u>14,402</u>	<u>32,108</u>	<u>7,157</u>
Exchange rate		<u>4.06</u>		<u>4.49</u>

Higher term loan as at current period end as compared preceding period end was due to additional drawdown of term loans in the current quarter to finance the construction of the new building in Batu Kawan.

The effective interest rates of term loans as at current period end ranged from 2.80% to 3.85% as compared to 2.25% to 2.72% as at corresponding preceding period.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B8 Financial instruments**i) Derivatives**

As at 31 December 2017, the Group's outstanding derivatives are as follows:-

	Contract value RM'000	Fair value gain RM'000
Forward exchange contracts		
- Less than 1 year	40,138	1,046

ii) Gain/(Losses) arising from fair value changes of financial liabilities

There were no gain/(losses) arising from fair value changes of financial liabilities for the current quarter and period ended 31 December 2017.

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.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B9 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.

B10 Dividends

On 4 December 2017, the Company declared an interim tax exempt dividend of 1.5 sen per share amounting to RM7,052,394 for the financial year ended 31 December 2017 which was paid to all holders of ordinary share on 19 January 2018 whose name appeared in the Record of Depositors at the close of business for 31 December 2017.

B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Dec-17	Corresponding preceding quarter ended 31-Dec-16	Cumulative period ended 31-Dec-17	Corresponding preceding period ended 31-Dec-16
Profit attributable to owners of the Company (RM'000)	20,698	18,958	83,019	64,849
Weighted average number of shares for computing basis earnings per share ('000)	469,907	468,110	469,907	468,110
Basic earnings per share (sen)	<u>4.40</u>	<u>4.05</u>	<u>17.67</u>	<u>13.85</u>
Weighted average number of shares for computing diluted earnings per share ('000)	471,193	469,538	471,193	469,538
Diluted earnings per share (sen)	<u>4.39</u>	<u>4.04</u>	<u>17.62</u>	<u>13.81</u>

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

B12 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2016 was not subject to any qualification.

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QUARTERLY REPORT ON RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B13 Notes to the statement of comprehensive income**Profit Before Tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31-Dec-17 RM'000	Corresponding preceding quarter ended 31-Dec-16 RM'000	Cumulative period ended 31-Dec-17 RM'000	Corresponding preceding period ended 31-Dec-16 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Allowance for slow moving inventories	3,430	2,851	3,430	2,975
Amortisation and depreciation	1,550	1,363	6,699	5,109
Impairment loss on receivables	0	579	0	579
Interest expense	6	(125)	42	74
(Gain)/Loss on financial instruments at fair value through profit or loss :-				
- realised	(305)	753	(1,558)	223
- unrealised	(930)	2,651	(1,046)	3,021
(Gain)/Loss on foreign exchange :-				
- realised	(4,391)	(1,720)	7,470	7,583
- unrealised	6,577	(3,336)	(1,577)	(9,286)
Amortisation of deferred income	(542)	(445)	(2,255)	(1,351)
Gain on disposal of property, plant and equipment	0	(1)	0	(1)
Grants related to income	711	(2,521)	391	(3,894)
Insurance claims received	0	0	(1,500)	0
Interest income	(828)	(360)	(2,590)	(953)
Rental income	0	(8)	0	(28)
Reversal of allowance for slow moving inventories	(2,632)	(2,066)	(2,975)	(2,066)
Reversal of impairment loss on receivables	0	(11)	0	(43)

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.

B14 Authorisation for issue

The interim financial statements are authorised for issue by the Board of Directors on 22 February 2018.