

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 649966-K


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Jun-19 RM'000	Corresponding preceding quarter ended 30-Jun-18 RM'000	Current period-to-date ended 30-Jun-19 RM'000	Corresponding preceding period-to-date ended 30-Jun-18 RM'000
Revenue		89,031	105,020	177,987	182,332
Other operating income		1,714	1,529	3,806	2,812
Operating expenses		(65,154)	(77,016)	(130,631)	(133,316)
Finance costs		(528)	0	(1,087)	(2)
Share of associate's loss		(39)	(19)	(126)	(38)
Profit before tax	B12	<u>25,024</u>	<u>29,514</u>	<u>49,949</u>	<u>51,788</u>
Tax expense	B5	(637)	(1,757)	(1,946)	(3,771)
Profit for the financial period		<u>24,387</u>	<u>27,757</u>	<u>48,003</u>	<u>48,017</u>
Other comprehensive income:-					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
Currency translation differences for the foreign operation		(58)	(67)	(12)	(123)
Other comprehensive income for the financial period		<u>(58)</u>	<u>(67)</u>	<u>(12)</u>	<u>(123)</u>
Comprehensive income for the financial period		<u>24,329</u>	<u>27,690</u>	<u>47,991</u>	<u>47,894</u>
Earnings per share attributable to ordinary equity holders of the Company (sen)	B10				
- Basic		<u>5.18</u>	<u>5.90</u>	<u>10.20</u>	<u>10.21</u>
- Diluted		<u>5.17</u>	<u>5.89</u>	<u>10.17</u>	<u>10.20</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2018.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-19 RM'000 (Unaudited)	As at 31-Dec-18 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	157,317	155,144
Investment properties	600	600
Development expenditure	299	658
Investment in associate	3,621	3,047
Investments in club memberships, at cost	91	91
Deferred tax assets	487	487
	<u>162,415</u>	<u>160,027</u>
Current assets		
Inventories	108,611	103,696
Receivables	142,493	156,687
Derivatives	0	117
Prepayments	5,110	5,360
Current tax assets	947	1,485
Cash and cash equivalents	179,527	148,733
	<u>436,688</u>	<u>416,078</u>
TOTAL ASSETS	<u>599,103</u>	<u>576,105</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	51,038	50,637
Reserves	392,071	362,868
Total equity	<u>443,109</u>	<u>413,505</u>
Non-current liabilities		
Deferred tax liabilities	1,579	1,579
Term loans - secured	45,887	53,089
Deferred income on government grants	2,262	3,038
Total non-current liabilities	<u>49,728</u>	<u>57,706</u>
Current liabilities		
Payables	73,807	83,894
Dividend payable	18,830	8,235
Term loans - secured	7,103	3,145
Derivatives	96	0
Contract liabilities	6,354	8,352
Current tax liabilities	76	1,268
Total current liabilities	<u>106,266</u>	<u>104,894</u>
Total liabilities	<u>155,994</u>	<u>162,600</u>
TOTAL EQUITY AND LIABILITIES	<u>599,103</u>	<u>576,105</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>94.13</u>	<u>87.88</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2018.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 649966-K

**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
(The figures have not been audited)

	Share capital 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 30 June 2019						
Balance at 1 January 2019	50,637	489	929	(222)	361,672	413,505
Profit for the financial period	0	0	0	0	48,003	48,003
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	(12)	0	(12)
Comprehensive income for the financial period	0	0	0	(12)	48,003	47,991
Dividend	0	0	0	0	(18,830)	(18,830)
Share-based payments	0	0	178	0	0	178
Issue of shares pursuant to Employees' Share Option Scheme	401	0	(136)	0	0	265
Total transactions with owners	401	0	42	0	(18,830)	(18,387)
Balance at 30 June 2019	51,038	489	971	(234)	390,845	443,109

* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)
Company No: 649966-K



QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

(The figures have not been audited)

	Share capital 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 30 June 2018						
Balance at 1 January 2018						
- Brought forward from preceding period	49,275	277	745	(8)	279,951	330,240
- Changes in accounting policies	0	0	0	0	(165)	(165)
- Adjusted	49,275	277	745	(8)	279,786	330,075
Profit for the financial period	0	0	0	0	48,017	48,017
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	(123)	0	(123)
Comprehensive income for the financial period	0	0	0	(123)	48,017	47,894
Dividend	0	0	0	0	(14,106)	(14,106)
Share-based payments	0	0	286	0	0	286
Issue of shares pursuant to Employees' Share Option Scheme	47	0	(23)	0	0	24
Total transactions with owners	47	0	263	0	(14,106)	(13,796)
Balance at 30 June 2018	49,322	277	1,008	(131)	313,697	364,173

* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2018.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 649966-K


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 30-Jun-19 RM'000	Corresponding preceding period-to-date ended 30-Jun-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	49,949	51,788
Adjustments for:-		
Amortisation and depreciation	4,487	3,168
Amortisation of deferred income	(776)	(849)
Fair value gains on financial instruments	96	466
Gain on disposal of property, plant and equipment	(376)	0
Impairment gains on financial assets	(289)	0
Interest expense	1,087	2
Interest income	(2,506)	(1,944)
Inventories written down	6,064	4,246
Reversal of inventories written down	(5,018)	(3,430)
Share-based payments	178	286
Share of associate's loss	126	38
Unrealised loss/(gain) on foreign exchange	164	(1,713)
Operating profit before working capital changes	53,186	52,058
Changes in:-		
Inventories	(5,960)	(25,096)
Receivables	11,070	(20,304)
Derivatives	117	1,046
Prepayments	249	(2,026)
Payables	(6,303)	724
Contract liabilities	(1,998)	2,243
Cash generated from operations	50,361	8,645
Tax paid	(3,443)	(2,599)
Tax refunded	841	56
Net cash from operating activities	47,759	6,102
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,578	2,009
Proceeds from disposal of property, plant and equipment	445	0
Purchase of property, plant and equipment	(6,366)	(13,227)
Subscription for shares in associate	(700)	(1,400)
Net cash used in investing activities	(4,043)	(12,618)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,235)	(7,052)
Interest paid	(1,092)	(414)
Issue of shares	265	24
Repayment of term loans	(3,307)	(1,772)
Net cash used in financing activities	(12,369)	(9,214)

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 649966-K

**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Jun-19 RM'000	Corresponding preceding period-to-date ended 30-Jun-18 RM'000
Currency translation differences	(553)	114
Net increase/(decrease) in cash and cash equivalents	30,794	(15,616)
Cash and cash equivalents at beginning of period	148,733	150,572
Cash and cash equivalents at end of period	<u>179,527</u>	<u>134,956</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	141,763	102,381
Term deposits	5,870	4,737
Cash and bank balances	<u>31,894</u>	<u>27,838</u>
	<u>179,527</u>	<u>134,956</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2018.

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Company No: 649966-K

**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019****A. NOTES TO THE INTERIM FINANCIAL REPORT****A1 Basis of preparation of Interim Financial Report**

The interim financial report is unaudited and has been prepared in compliance with *Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting* issued by the Malaysian Accounting Standards Board, Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and method of computation adopted in the interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2018 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 112 <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs Eligible for Capitalisation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019

The adoption of the above MFRSs did not result in any significant changes in the accounting policies of the Group.

The Group has not applied the following MFRSs which have been issued as at the end of reporting period but are not yet effective:-

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

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 reported in prior financial year.

A5 Debts and equity securities

During the current quarter, the Company issued 18,500, 72,000 and 72,000 new ordinary shares at average exercise price of RM2.79, RM1.01 and RM0.81 respectively pursuant to the Employee Shares Option Scheme ("ESOS").

Saved as disclosed above, there were no other issuances, cancellations, repurchases, resale or repayments of debts and equity securities during the current quarter under review.

A6 Dividend paid

During the financial period, the Company paid an interim tax exempt dividend of 1.75 sen per share amounting to RM8,234,672 for the financial year ended 31 December 2018, paid on 18 January 2019.

A7 Segment reporting

No segment reporting has been prepared as the Group is principally engaged in development and production of vision inspection system and printed circuit board assemblies for microprocessor applications.

A8 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current reporting period that have not been reflected in the interim financial report.

A9 Changes in the composition of the Group

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

A10 Contingencies

There were no contingent assets or liabilities for the Group since 31 March 2019.

A11 Contractual commitments

	30-Jun-19 RM'000	30-Jun-18 RM'000
Purchase of property, plant and equipment	<u>13,585</u>	<u>21,290</u>

A12 Significant related party transactions

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

QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

A13 Financial instruments**i) Derivatives**

As at 30 June 2019, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>96</u>

Derivatives consist of forward exchange contracts which are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 30 June 2019, the Group had contracts with financial institutions due within 1 year to buy RM37,769,000 and USD9,121,000 at contractual forward rates.

The fair values of forward exchange contracts were quoted by the financial institutions, which normally measured the fair values using present value technique by discounting the differences between contractual forward prices and observable current market forward prices using risk-free interest rate (i.e. Level 2).

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

There were no gains/(losses) arising from fair value changes of financial liabilities for the current quarter and period ended 30 June 2019.

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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(Incorporated in Malaysia)

Company No: 649966-K


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS
B1 Review of performance

	INDIVIDUAL QUARTER			
	Current quarter ended 30-Jun-19 RM'000	Corresponding preceding quarter ended 30-Jun-18 RM'000	Changes RM'000	Changes %
Revenue	89,031	105,020	(15,989)	-15.22%
Profit before tax	25,024	29,514	(4,490)	-15.21%
Profit for the financial period	24,387	27,757	(3,370)	-12.14%
Profit attributable to owners of the Company	<u>24,387</u>	<u>27,757</u>	<u>(3,370)</u>	<u>-12.14%</u>

The Group achieved revenue of RM89.03 million for the quarter under review against RM105.02 million in the corresponding quarter of preceding year, representing a decrease of 15%. The decrease in revenue was mainly because of decline in customer demand by 33% from Machine Vision System (MVS).

The Group achieved a profit before tax of RM25.02 million against profit before tax of RM29.51 million in the corresponding quarter of preceding year, representing a decrease of 15%. Lower profit before tax recorded was in tandem with the revenue. Accordingly, the Group's profit after tax is at RM24.39 million against profit after tax of RM27.76 million in the corresponding preceding quarter.

	CUMULATIVE QUARTER			
	Current period-to-date ended 30-Jun-19 RM'000	Corresponding preceding period-to-date ended 30-Jun-18 RM'000	Changes RM'000	Changes %
Revenue	177,987	182,332	(4,345)	-2.38%
Profit before tax	49,949	51,788	(1,839)	-3.55%
Profit for the financial period	48,003	48,017	(14)	-0.03%
Profit attributable to owners of the Company	<u>48,003</u>	<u>48,017</u>	<u>(14)</u>	<u>-0.03%</u>

The Group recorded revenue of RM177.99 million in the period ended 30 June 2019, a decrease of 2% as compared to the preceding period ended 30 June 2018. The decrease was mainly due to decline in customer order for MVS.

The profit before tax was declined by RM1.84 million as compared with preceding year corresponding period. The decrease was mainly due to softer revenue in the current period.

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(Incorporated in Malaysia)

Company No: 649966-K


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
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 30-Jun-19 RM'000	Immediate preceding quarter ended 31-Mar-19 RM'000	Changes RM'000	Changes %
Revenue	89,031	88,956	75	0.08%
Profit before tax	25,024	24,925	99	0.40%
Profit for the financial period	24,387	23,616	771	3.26%
Profit attributable to owners of the Company	<u>24,387</u>	<u>23,616</u>	<u>771</u>	<u>3.26%</u>

The Group recorded revenue and profit before tax of RM89.03 million and RM25.02 million respectively for the current quarter under review against revenue and profit before tax of RM88.96 million and RM24.93 million respectively for the immediate preceding quarter. The profit before tax has recorded a slight increase of 0.4%.

B3 Prospect

The Board is cautiously optimistic on the business prospect for the financial year 2019. 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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-19 RM'000	Corresponding preceding quarter ended 30-Jun-18 RM'000	Current period-to-date ended 30-Jun-19 RM'000	Corresponding preceding period-to-date ended 30-Jun-18 RM'000
Current tax	<u>637</u>	<u>1,757</u>	<u>1,946</u>	<u>3,771</u>

The effective tax rate of the Group for the current financial period is lower than the statutory tax rate of 24%. This was mainly due to tax incentive enjoyed by its wholly-owned subsidiary, ViTrox Technologies Sdn. Bhd. ("VTSB") and ViE Technologies Sdn. Bhd. ("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). With effective from 17 August 2018 until 16 June 2020 (extendable for further 5 years), the pioneer activities have been extended to its related modules. The current provision of income tax is in respect of certain non-business income and non-tax exempted income generated from non-pioneer products and services.

QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B5 Tax expense (cont'd)

On 15 March 2019, ViE had received an approved letter from MIDA granted a pioneer status for design, development and manufacturing of Industrial Internet of Things (IIoT) devices for data acquisition and machine communication/control with intelligent and predictive capabilities for semiconductor and electronics industries.

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-Jun-19 RM'000	As at 30-Jun-19 USD'000	As at 30-Jun-18 RM'000	As at 30-Jun-18 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	7,103	1,715	3,054	756
Long-term borrowings	45,887	11,079	53,254	13,187
	<u>52,990</u>	<u>12,794</u>	<u>56,308</u>	<u>13,943</u>
Exchange rate		<u>4.14</u>		<u>4.04</u>

The decline in the term loan is due to the monthly repayment of term loan.

The effective interest rates of term loans as at current period end was 3.90% as compared to 3.35% as at corresponding preceding period.

B8 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.

B9 Dividend

On 23 May 2019, the shareholders approved the proposed final dividend of 4.0 sen per share tax exempt amounting to RM18,829,788 for the financial year ended 31 December 2018 which was paid to all holders of ordinary shares on 18 July 2019 whose names appeared in the Records of Depositors at the close of business on 28 June 2019.

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Company No: 649966-K


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B10 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-19	Corresponding preceding quarter ended 30-Jun-18	Current period-to-date ended 30-Jun-19	Corresponding preceding period-to-date ended 30-Jun-18
Profit attributable to owners of the Company (RM'000)	24,387	27,757	48,003	48,017
Weighted average number of shares for computing basis earnings per share ('000)	470,718	470,182	470,718	470,182
Basic earnings per share (sen)	<u>5.18</u>	<u>5.90</u>	<u>10.20</u>	<u>10.21</u>
Weighted average number of shares for computing diluted earnings per share ('000)	471,896	470,861	471,896	470,861
Diluted earnings per share (sen)	<u>5.17</u>	<u>5.89</u>	<u>10.17</u>	<u>10.20</u>

B11 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2018 was not subject to any qualification.

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(Incorporated in Malaysia)

Company No: 649966-K

**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****B12 Profit Before Tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-19 RM'000	Corresponding preceding quarter ended 30-Jun-18 RM'000	Current period-to-date ended 30-Jun-19 RM'000	Corresponding preceding period-to-date ended 30-Jun-18 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	2,255	1,549	4,487	3,168
Fair value (gain)/loss on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	(77)	(1,069)	(110)	(1,379)
- unrealised	303	1,727	96	466
(Gain)/Loss on foreign exchange:-				
- realised	(834)	2,131	171	3,088
- unrealised	280	(3,470)	164	(1,713)
Interest expense	528	0	1,087	2
Inventories written down	6,064	4,246	6,064	4,246
Loss/(Gain) on disposal of property, plant and equipment	28	0	(376)	0
Amortisation of deferred income	(366)	(421)	(776)	(849)
Grant related to income	0	(2)	0	(2)
Impairment gains on financial assets	(273)	0	(289)	0
Interest income	(1,312)	(1,091)	(2,506)	(1,944)
Reversal of inventories written down	(5,515)	(3,542)	(5,018)	(3,430)

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Securities Main Market Listing Requirements are not applicable.

B13 Authorisation for issue

The interim financial statements are authorised for issue by the Board of Directors on 25 July 2019.