

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Sep-21 RM'000	Corresponding preceding quarter ended 30-Sep-20 RM'000	Current period-to-date ended 30-Sep-21 RM'000	Corresponding preceding period-to-date ended 30-Sep-20 RM'000
Revenue		168,293	123,748	494,369	310,585
Other operating income		1,380	1,231	4,627	4,957
Operating expenses		(126,163)	(93,038)	(370,872)	(236,547)
Finance costs		(161)	(202)	(491)	(970)
Share of associate's loss		(408)	(218)	(961)	(888)
Profit before tax	B12	42,941	31,521	126,672	77,137
Tax expense	B5	(798)	(1,807)	(3,269)	(3,436)
Profit for the financial period		42,143	29,714	123,403	73,701
Other comprehensive income:-					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
- Currency translation differences for the foreign operation		110	115	843	484
Other comprehensive income for the financial period		110	115	843	484
Comprehensive income for the financial period		42,253	29,829	124,246	74,185
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		42,211	29,714	123,547	73,701
- Non-controlling interests		(68)	0	(144)	0
		42,143	29,714	123,403	73,701
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		42,321	29,829	124,390	74,185
- Non-controlling interests		(68)	0	(144)	0
		42,253	29,829	124,246	74,185
Earnings per share attributable to owners of the Company (sen) B10					
- Basic		8.94	6.30	26.17	15.63
- Diluted		8.94	6.29	26.15	15.61

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 2020.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Sep-21 RM'000 (Unaudited)	As at 31-Dec-20 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	116,240	96,473
Investment properties	40,600	40,600
Right-of-use assets	33,600	34,084
Investment in associate	21,557	7,584
Investments in club memberships, at cost	91	91
Deferred tax assets	8	8
	<u>212,096</u>	<u>178,840</u>
Current assets		
Inventories	193,541	136,114
Contract Assets	316	0
Receivables	219,168	177,923
Derivatives	0	785
Prepayments	19,488	5,100
Current tax assets	2,617	3,087
Cash and cash equivalents	254,097	258,118
	<u>689,227</u>	<u>581,127</u>
TOTAL ASSETS	<u>901,323</u>	<u>759,967</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	55,239	54,649
Reserves	621,272	514,359
Equity attributable to owners of the Company	<u>676,511</u>	<u>569,008</u>
Non-controlling interests	(139)	(1)
Total equity	<u>676,372</u>	<u>569,007</u>
Non-current liabilities		
Term loans - secured	29,444	33,513
Lease liabilities	92	116
Deferred tax liabilities	2,387	2,387
Deferred income on government grants	589	801
Total non-current liabilities	<u>32,512</u>	<u>36,817</u>
Current liabilities		
Payables	171,453	131,328
Derivatives	253	0
Dividend payable	0	8,261
Term loans - secured	7,423	7,122
Lease liabilities	106	103
Contract liabilities	12,872	6,909
Current tax liabilities	332	420
Total current liabilities	<u>192,439</u>	<u>154,143</u>
Total liabilities	<u>224,951</u>	<u>190,960</u>
TOTAL EQUITY AND LIABILITIES	<u>901,323</u>	<u>759,967</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>143.24</u>	<u>120.54</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 2020.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figures have not been audited)

	Non-distributable					Distributable	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve* RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Period ended 30 September 2021									
Balance at 1 January 2021	54,649	520	51	14,160	62	499,566	569,008	(1)	569,007
Share-based payments	0	0	1,332	0	0	0	1,332	0	1,332
Issue of shares pursuant to Employees' Share Option Scheme	590	0	(159)	0	0	0	431	0	431
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	6	6
Dividends	0	0	0	0	0	(18,650)	(18,650)	0	(18,650)
Total transactions with owners	590	0	1,173	0	0	(18,650)	(16,887)	6	(16,881)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	843	0	843	0	843
Profit/(loss) for the financial period	0	0	0	0	0	123,547	123,547	(144)	123,403
Comprehensive income for the financial period	0	0	0	0	843	123,547	124,390	(144)	124,246
Balance at 30 September 2021	55,239	520	1,224	14,160	905	604,463	676,511	(139)	676,372

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

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)**

(The figures have not been audited)

	Non-distributable				Distributable		Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve* RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Period ended 30 September 2020									
Balance at 1 January 2020	52,018	520	803	14,160	(510)	415,397	482,388	0	482,388
Share-based payments	0	0	72	0	0	0	72	0	72
Issue of shares pursuant to Employees' Share Option Scheme	2,220	0	(713)	0	0	0	1,507	0	1,507
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	(13,192)	(13,192)	0	(13,192)
Total transactions with owners	2,220	0	(641)	0	0	(13,192)	(11,613)	0	(11,613)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	484	0	484	0	484
Profit for the financial period	0	0	0	0	0	73,701	73,701	0	73,701
Comprehensive income for the financial period	0	0	0	0	484	73,701	74,185	0	74,185
Balance at 30 September 2020	54,238	520	162	14,160	(26)	475,906	544,960	0	544,960

* 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 2020.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 30-Sep-21 RM'000	Corresponding preceding period-to-date ended 30-Sep-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	126,672	77,137
Adjustments for:-		
Amortisation and depreciation	4,805	5,790
Amortisation of deferred income	(212)	(614)
Fair value losses/(gain) on financial instruments	253	(513)
Gain on disposal of property, plant and equipment	(431)	(760)
Impairment losses/(gains) on financial assets	557	(27)
Interest expense	491	970
Interest income	(2,281)	(3,289)
Inventories written down	14,287	10,199
Property, plant and equipment written-off	2	3
Reversal of inventories written down	(10,817)	(7,784)
Share-based payments	1,333	72
Share of associate's loss	960	888
Unrealised loss on foreign exchange	472	2,503
Operating profit before working capital changes	<u>136,091</u>	<u>84,575</u>
Changes in:-		
Inventories	(60,897)	(22,261)
Contract Assets	(315)	0
Receivables	(40,391)	(21,506)
Derivatives	785	439
Prepayments	(14,389)	(672)
Payables	39,882	26,482
Contract liabilities	5,962	1,799
Cash generated from operations	<u>66,728</u>	<u>68,856</u>
Tax paid	<u>(2,887)</u>	<u>(2,365)</u>
Net cash from operating activities	<u>63,841</u>	<u>66,491</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(24,042)	(3,474)
Addition investment in associate	(15,000)	0
Interest received	2,281	3,289
Proceeds from disposal of property, plant and equipment	444	776
Proceeds from disposal of shares in associate	66	(1,700)
Net cash used in investing activities	<u>(36,251)</u>	<u>(1,109)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(26,912)	(20,256)
Interest paid	(499)	(1,040)
Issue of shares	431	1,507
Issue of shares to non-controlling interests	6	0
Payment of lease liabilities	(83)	(84)
Repayment of term loans	(5,521)	(5,521)
Net cash used in financing activities	<u>(32,578)</u>	<u>(25,394)</u>

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**QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Sep-21 RM000	Corresponding preceding period-to-date ended 30-Sep-20 RM000
Currency translation differences	967	297
Net (decrease)/increase in cash and cash equivalents	(4,021)	40,285
Cash and cash equivalents at beginning of the period	258,118	191,583
Cash and cash equivalents at end of the period	<u>254,097</u>	<u>231,868</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	162,134	149,438
Term deposits	13,547	13,158
Cash and bank balances	78,416	69,272
	<u>254,097</u>	<u>231,868</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 2020.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 2020 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 2020 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

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 2023
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
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 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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

A2 Seasonal or cyclical of operations

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

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

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 36,000 new ordinary shares at average exercise price of RM2.79 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

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

- i) an interim tax exempt dividend of 1.75 sen per share amounting to RM8,260,985 for the financial year ended 31 December 2020, paid on 21 January 2021; and
- ii) the final tax exempt dividend of 3.95 sen per share amounting to RM18,650,908 for the financial year ended 31 December 2020, paid on 16 July 2021.

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 December 2020 up to 30 September 2021.

A11 Contractual commitments

	30-Sep-21 RM'000	30-Sep-20 RM'000
Acquisition of property, plant and equipment	<u>19,092</u>	<u>11,638</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 THIRD QUARTER ENDED 30 SEPTEMBER 2021**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

A13 Financial instruments**i) Derivatives**

As at 30 September 2021, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>253</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 September 2021, the Group had contracts with financial institutions due within 1 year to buy RM115,983,000 and sell USD27,618,000 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 September 2021.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
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 30-Sep-21 RM'000	Corresponding preceding quarter ended 30-Sep-20 RM'000		
Revenue	168,293	123,748	44,545	36.00%
Profit before tax	42,941	31,521	11,420	36.23%
Profit for the financial period	42,143	29,714	12,429	41.83%
Profit attributable to owners of the Company	<u>42,211</u>	<u>29,714</u>	<u>12,497</u>	<u>42.06%</u>

The Group achieved revenue of RM168.29 million for the current quarter, representing a growth of 36.0% or RM44.55 million as compared to the same quarter in the preceding year of RM123.75. Higher revenue was attributable to both Machine Vision System (“MVS”) and Automated Board Inspection (“ABI”).

Similarly, the Group recorded higher profit before tax (“PBT”) of RM42.94 million as compared to the same quarter of the preceding year of RM31.52 million in tandem with the Group’s higher revenue, showing an increase of RM11.42 million or 36.2%.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current period-to-date ended 30-Sep-21 RM'000	Corresponding preceding period-to-date ended 30-Sep-20 RM'000		
Revenue	494,369	310,585	183,784	59.17%
Profit before tax	126,672	77,137	49,535	64.22%
Profit for the financial period	123,403	73,701	49,702	67.44%
Profit attributable to owners of the Company	<u>123,547</u>	<u>73,701</u>	<u>49,846</u>	<u>67.63%</u>

The Group’s revenue improved notably from RM310.59 million to RM494.37 million, recording an increase of 59.2% or RM183.78 million. The favorable market condition and well market acceptance of new product introduction led to stronger demand of both MVS and ABI products, and contributed to overall increase in revenue.

In line with the increase in revenue, the Group’s PBT also increased by RM49.54 million or 64.2% from RM77.14 million to RM126.67.

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
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-Sep-21 RM'000	Immediate preceding quarter ended 30-Jun-21 RM'000	Changes RM'000	Changes %
Revenue	168,293	196,194	(27,901)	-14.22%
Profit before tax	42,941	51,774	(8,833)	-17.06%
Profit for the financial period	42,143	50,587	(8,444)	-16.69%
Profit attributable to owners of the Company	<u>42,457</u>	<u>50,640</u>	<u>(8,183)</u>	<u>-16.16%</u>

The Group's revenue declined from RM196.19 million to RM168.29 million, representing a reduction of 14.2% or RM27.90 million as compared to immediate preceding quarter, which was primarily resulting from realignment with customers on the shipment delivery date to next quarter as a result of temporary supply chain disruption due to COVID-19 cases.

The Group's PBT decreased by RM8.83 million or 17.1% from RM51.77 million to RM42.94 million, in tandem with lower revenue.

B3 Prospect

The Group will continue to strengthen its operational efficiencies and elevate its focus on material sourcing process, apart from taking every effort to protect the safety and health of its employees in order to fulfil the delivery commitment to its customers based on the current book to bill visibility. With continuous new product innovation and new market expansion, the Group is well positioned to capture the robust demand in 5G, Electric Vehicles ("EV"), Computing and Artificial Intelligence ("AI") sectors. The Board is cautiously optimistic on the business prospect for the current financial year ending 31 December 2021.

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-Sep-21 RM'000	Corresponding preceding quarter ended 30-Sep-20 RM'000	Current period-to-date ended 30-Sep-21 RM'000	Corresponding preceding period-to-date ended 30-Sep-20 RM'000
Current tax	<u>798</u>	<u>1,807</u>	<u>3,269</u>	<u>3,436</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 subsidiaries, ViTrox Technologies Sdn. Bhd. ("VTSB") and ViE Technologies Sdn. Bhd. ("ViE").

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)
B5 Tax expense (cont'd)

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 systems and machines 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.

VTSB has also obtained the MIDA approval letter for further 5 years' extension for the above mentioned pioneer status till 16 June 2025. 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.

ViE had been granted pioneer status by MITI for a period of 3 years to undertake activities 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. The incentive commenced from 1 June 2018 to 31 May 2021 (extendable for further 2 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 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-21 RM'000	As at 30-Sep-21 USD'000	As at 30-Sep-20 RM'000	As at 30-Sep-20 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	7,423	1,773	7,381	1,775
Long-term borrowings	29,444	7,031	36,558	8,791
	<u>36,867</u>	<u>8,804</u>	<u>43,939</u>	<u>10,566</u>
Exchange rate		<u>4.19</u>		<u>4.16</u>

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

The effective interest rates of term loans at current period end and corresponding preceding period was 1.65%.

B8 Material litigation

As of 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

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

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
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-Sep-21	Corresponding preceding quarter ended 30-Sep-20	Current period-to-date ended 30-Sep-21	Corresponding preceding period-to-date ended 30-Sep-20
Profit attributable to owners of the Company (RM'000)	42,211	29,714	123,547	73,701
Weighted average number of shares for computing basis earnings per share ('000)	472,179	471,510	472,179	471,510
Basic earnings per share (sen)	<u>8.94</u>	<u>6.30</u>	<u>26.17</u>	<u>15.63</u>
Weighted average number of shares for computing diluted earnings per share ('000)	472,397	472,220	472,397	472,220
Diluted earnings per share (sen)	<u>8.94</u>	<u>6.29</u>	<u>26.15</u>	<u>15.61</u>

B11 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2020 was not subject to any qualification.

B12 Profit before tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Sep-21 RM'000	Corresponding preceding quarter ended 30-Sep-20 RM'000	Current period-to-date ended 30-Sep-21 RM'000	Corresponding preceding period-to-date ended 30-Sep-20 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,577	1,874	4,805	5,790
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	1,015	(680)	2,070	801
- unrealised	(707)	(530)	253	(513)
Gain on foreign exchange:-				
- realised	(1,491)	1,990	(4,795)	(3,198)
- unrealised	101	(203)	472	2,503
Interest expense	161	202	491	970
Inventories written down	14,287	10,199	14,287	10,199
Property, plant and equipment written off	0	3	2	3

VITROX CORPORATION BERHAD

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QUARTERLY REPORT ON RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES
MAIN MARKET LISTING REQUIREMENTS (cont'd)

B12 Profit before tax (cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Sep-21 RM'000	Corresponding preceding quarter ended 30-Sep-20 RM'000	Current period-to-date ended 30-Sep-21 RM'000	Corresponding preceding period-to-date ended 30-Sep-20 RM'000
Amortisation of deferred income	(3)	(169)	(212)	(614)
Gain on disposal of property, plant and equipment	0	(58)	(431)	(760)
Impairment losses/(gains) on financial assets	78	(24)	557	(27)
Interest income	(570)	(876)	(2,281)	(3,289)
Reversal of inventories written down	(12,312)	(9,498)	(10,817)	(7,784)
	<u>(12,312)</u>	<u>(9,498)</u>	<u>(10,817)</u>	<u>(7,784)</u>

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 21 October 2021.