

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Jun-22 RM'000	Corresponding preceding quarter ended 30-Jun-21 RM'000	Current period-to-date ended 30-Jun-22 RM'000	Corresponding preceding period-to-date ended 30-Jun-21 RM'000
Revenue		189,396	196,194	374,673	326,076
Other operating income		1,903	1,849	4,125	3,247
Operating expenses		(138,132)	(145,677)	(276,851)	(244,709)
Finance costs		(376)	(164)	(519)	(330)
Share of associate's loss		(246)	(428)	(460)	(553)
Profit before tax	B12	52,545	51,774	100,968	83,731
Tax (expense)/income	B5	(1,423)	(1,187)	24	(2,471)
Profit for the financial period		51,122	50,587	100,992	81,260
Other comprehensive income for the financial period:-					
- Currency translation differences for the foreign operations (representing item that may be reclassified subsequently to profit or loss)		(110)	246	73	733
Comprehensive income for the financial period		51,012	50,833	101,065	81,993
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		51,351	50,640	101,375	81,336
- Non-controlling interests		(229)	(53)	(383)	(76)
		51,122	50,587	100,992	81,260
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		51,241	50,886	101,448	82,069
- Non-controlling interests		(229)	(53)	(383)	(76)
		51,012	50,833	101,065	81,993
Earnings per share attributable to owners of the Company (sen)	B10				
- Basic*		5.44	5.37	10.73	8.62
- Diluted*		4.95	5.36	9.78	8.61

* 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 accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2021.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-22 RM'000 (Unaudited)	As at 31-Dec-21 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	120,223	109,414
Investment properties	40,600	40,600
Right-of-use assets	81,564	81,776
Investment in associate	21,214	21,674
Investments in club memberships, at cost	91	91
Deferred tax assets	101	1,018
	<u>263,793</u>	<u>254,573</u>
Current assets		
Inventories	221,470	194,058
Receivables	301,384	231,635
Prepayments	19,254	9,447
Current tax assets	1,811	1,397
Cash and cash equivalents	299,111	255,941
	<u>843,030</u>	<u>692,478</u>
TOTAL ASSETS	<u>1,106,823</u>	<u>947,051</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	55,899	55,455
Reserves	727,427	656,148
Equity attributable to owners of the Company	<u>783,326</u>	<u>711,603</u>
Non-controlling interests	(644)	(261)
Total equity	<u>782,682</u>	<u>711,342</u>
Non-current liabilities		
Deferred tax liabilities	2,653	2,653
Loans and borrowings	62,114	27,522
Lease liabilities	160	92
Deferred income on government grants	576	586
Total non-current liabilities	<u>65,503</u>	<u>30,853</u>
Current liabilities		
Derivatives	2,054	48
Payables	194,333	167,985
Dividend payable	31,456	11,807
Loans and borrowings	14,821	7,401
Lease liabilities	136	107
Contract liabilities	15,021	14,521
Current tax liabilities	817	2,987
Total current liabilities	<u>258,638</u>	<u>204,856</u>
Total liabilities	<u>324,141</u>	<u>235,709</u>
TOTAL EQUITY AND LIABILITIES	<u>1,106,823</u>	<u>947,051</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>82.86</u>	<u>75.31</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 accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2021.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
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	Revaluation reserve RM'000	Capital reserve* RM'000	Share option reserve RM'000	Share grant reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Period ended 30 June 2022										
Balance at 1 January 2022	55,455	14,160	520	1,587	0	1,109	638,772	711,603	(261)	711,342
Share-based payments	0	0	0	486	911	0	0	1,397	0	1,397
Issue of shares pursuant to Employees' Share Option Scheme	444	0	0	(110)	0	0	0	334	0	334
Dividends	0	0	0	0	0	0	(31,456)	(31,456)	0	(31,456)
Total transactions with owners	444	0	0	376	911	0	(31,456)	(29,725)	0	(29,725)
Profit/(loss) for the financial period	0	0	0	0	0	0	101,375	101,375	(383)	100,992
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	73	0	73	0	73
Comprehensive income for the financial period	0	0	0	0	0	73	101,375	101,448	(383)	101,065
Balance at 30 June 2022	55,899	14,160	520	1,963	911	1,182	708,691	783,326	(644)	782,682

* 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 SECOND QUARTER ENDED 30 JUNE 2022
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	Revaluation reserve RM'000	Capital reserve* RM'000	Share option reserve RM'000	Share grant reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Period ended 30 June 2021										
Balance at 1 January 2021	54,649	14,160	520	51	0	62	499,566	569,008	(1)	569,007
Share-based payments	0	0	0	912	0	0	0	912	0	912
Issue of shares pursuant to Employees' Share Option Scheme	453	0	0	(122)	0	0	0	331	0	331
Issue of shares to non-controlling interests	0	0	0	0	0	0	0	0	6	6
Dividends	0	0	0	0	0	0	(18,650)	(18,650)	0	(18,650)
Total transactions with owners	453	0	0	790	0	0	(18,650)	(17,407)	6	(17,401)
Profit/(loss) for the financial period	0	0	0	0	0	0	81,336	81,336	(76)	81,260
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	733	0	733	0	733
Comprehensive income for the financial period	0	0	0	0	0	733	81,336	82,069	(76)	81,993
Balance at 30 June 2021	55,102	14,160	520	841	0	795	562,252	633,670	(71)	633,599

* 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 2021

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 30-Jun-22 RM'000	Corresponding preceding period-to-date ended 30-Jun-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	100,968	83,731
Adjustments for:-		
Amortisation and depreciation	4,069	3,228
Amortisation of deferred income	(9)	(209)
Fair value losses on financial instruments	2,054	960
Gain on disposal of property, plant and equipment	(745)	(431)
Impairment loss on financial assets	947	635
Interest expense	519	330
Interest income	(1,445)	(1,711)
Inventories written down	15,514	12,981
Property, plant and equipment written-off	0	2
Reversal of inventories written down	(15,637)	(10,817)
Share of associate's loss	460	553
Share-based payments	1,397	912
Unrealised (gain)/loss on foreign exchange	(4,103)	371
Operating profit before working capital changes	103,989	90,535
Changes in:-		
Inventories	(27,289)	(46,674)
Receivables	(61,900)	(61,134)
Derivatives	(48)	785
Prepayments	(9,808)	(11,433)
Payables	25,179	37,131
Contract liabilities	500	9,304
Cash generated from operations	30,623	18,514
Tax paid	(2,699)	(1,723)
Tax refunded	1,058	0
Net cash from operating activities	28,982	16,791
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(14,514)	(5,557)
Acquisition of right-of-use assets	(5)	0
Addition investment in associate	0	(15,000)
Interest received	1,445	1,711
Proceeds from disposal of property, plant and equipment	749	444
Proceeds from disposal of shares in associate	0	66
Net cash used in investing activities	(12,325)	(18,336)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(11,807)	(8,261)
Interest paid	(430)	(336)
Issue of shares	334	331
Issue of shares to non-controlling interests	0	6
Payment of lease liabilities	(56)	(55)
Repayment of term loans	(5,350)	(3,680)
Term loans raised	43,496	0
Net cash from/(used in) financing activities	26,187	(11,995)

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Jun-22 RM'000	Corresponding preceding period-to-date ended 30-Jun-21 RM'000
Currency translation differences	326	715
Net increase/(decrease) in cash and cash equivalents	43,170	(12,825)
Cash and cash equivalents at beginning of the period	255,941	258,118
Cash and cash equivalents at end of the period	<u>299,111</u>	<u>245,293</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	183,078	127,006
Term deposits	13,770	34,601
Cash and bank balances	102,263	83,626
	<u>299,111</u>	<u>245,233</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 2021.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 2021 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 2021 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
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

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 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
Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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

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 SECOND QUARTER ENDED 30 JUNE 2022

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 10,000, 23,000 and 32,400 new ordinary shares at average exercise price of RM0.50, RM1.39 and RM7.83 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 2.50 sen per share amounting to RM11,806,682 for the financial year ended 31 December 2021, paid on 17 January 2022.

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 except as follows:-

The Company had on 15 June 2022 incorporated a wholly-owned subsidiary, ViTrox Green Sdn. Bhd. (VGSB) by way of subscribing 10 ordinary shares in VGSB for a total cash consideration of RM10. The intended principal activity of VGSB is involved in provision of food and beverages services and operation of convenience store to support internal operations.

A10 Contingencies

There were no contingent assets or liabilities for the Group since 31 December 2021 up to 30 June 2022.

A11 Contractual commitments

	30-Jun-22 RM'000	30-Jun-21 RM'000
Acquisition of property, plant and equipment	<u>74,848</u>	<u>13,399</u>

A12 Significant related party transactions

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

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

A13 Financial instruments

i) Derivatives

As at 30 June 2022, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>2,054</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 2022, the Group had contracts with financial institutions due within 1 year to buy RM148,893,000 and sell USD34,150,000 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 2022.

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 SECOND QUARTER ENDED 30 JUNE 2022****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-Jun-22 RM'000	Corresponding preceding quarter ended 30-Jun-21 RM'000		
Revenue	189,396	196,194	(6,798)	-3.5%
Profit before tax	52,545	51,774	771	1.5%
Profit for the financial period	51,122	50,587	535	1.1%
Profit attributable to owners of the Company	<u>51,351</u>	<u>50,640</u>	<u>711</u>	<u>1.4%</u>

The revenue of the Group was recorded at RM189.4 million in the quarter under review, showing a slight decrease of 3.5% or RM6.8 million as compared to RM196.2 million in the corresponding preceding quarter. The decline in revenue was mainly contributed by lower sales demand from Machine Vision System (“MVS”) offsetting with continuous high demand from Automated Board Inspection (“ABI”).

ViTrox’s profit before tax (“PBT”) increased to RM52.5 million from RM51.8 million, representing a rise of RM0.8 million or 1.5% from the corresponding preceding quarter. The increase is mainly due to strengthening of USD.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current period-to-date ended 30-Jun-22 RM'000	Corresponding preceding period-to-date ended 30-Jun-21 RM'000		
Revenue	374,673	326,076	48,597	14.9%
Profit before tax	100,968	83,731	17,237	20.6%
Profit for the financial period	100,992	81,260	19,732	24.3%
Profit attributable to owners of the Company	<u>101,375</u>	<u>81,336</u>	<u>20,039</u>	<u>24.6%</u>

For the period ended 30 June 2022, ViTrox has attained higher revenue of RM374.7 million, representing a significant increase of RM48.6 million or 14.9% from RM326.1 million in the corresponding preceding period. The hike in the revenue was largely driven by strong demand from ABI.

The PBT of the Group achieved an upsurge of RM17.2 million or 20.6% from RM83.7 million to RM101.0 million in the period under review. The higher PBT is attributed to strengthening of USD and favorable product mix.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022****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-22 RM'000	Immediate preceding quarter ended 31-Mar-22 RM'000	Changes RM'000	Changes %
Revenue	189,396	185,277	4,119	2.2%
Profit before tax	52,545	48,423	4,122	8.5%
Profit for the financial period	51,122	49,870	1,252	2.5%
Profit attributable to owners of the Company	<u>51,351</u>	<u>50,024</u>	<u>1,327</u>	<u>2.7%</u>

The Group's revenue was closed at RM189.4 million as compared to RM185.3 million in the immediate preceding quarter, showing an increase of RM4.1 million or 2.2%. The increase in the revenue was largely driven by strong demand from ABI.

The PBT increased from RM48.4 million to RM52.5 million in the current quarter review, representing a growth of 8.5% is mainly from the strengthening of USD and favorable product mix.

B3 Prospect

The Group is cautiously optimistic on achieving healthy business growth in the second half of 2022. The effort in continuous innovation of new products coupled with our relentless efforts in market expansion activities have successfully broaden the customer base, specifically from the automotive, telecommunication infrastructure and high performance computer ("HPC") segments. The strategy in securing critical parts has also smoothen the supply chain and the material shortage issue is being resolved toward the second half of 2022.

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 quarter ended 30-Jun-22 RM'000	Corresponding preceding quarter ended 30-Jun-21 RM'000	Current period-to-date ended 30-Jun-22 RM'000	Corresponding preceding period-to-date ended 30-Jun-21 RM'000
Current tax	<u>(1,423)</u>	<u>(1,187)</u>	<u>24</u>	<u>(2,471)</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").

QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)

B5 Tax (expense)/income (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 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). ViE has also obtained the approval letter from MIDA for further 2 years' extension for the above-mentioned pioneer status until 31 May 2023. 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-Jun-22 RM'000	As at 30-Jun-22 USD'000	As at 30-Jun-21 RM'000	As at 30-Jun-21 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	14,821	3,364	7,366	1,773
Long-term borrowings	62,114	14,099	31,036	7,471
	<u>76,935</u>	<u>17,463</u>	<u>38,402</u>	<u>9,244</u>
Exchange rate		<u>4.41</u>		<u>4.15</u>

Higher term loans in 2022 is contributed by drawdown of additional term loan to finance the purchase of new land in Batu Kawan.

The effective interest rates for the current period ended ranged from 2.02% to 2.40% as compared to 1.65% as at corresponding preceding period.

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

On 19 May 2022, the shareholders approved the proposed final dividend of 3.33 sen per share tax exempt amounting to RM 31,456,212 for the financial year ended 31 December 2021 which will be paid to all holders of ordinary shares on 15 July 2022 whose names appeared in the Records of Depositors of the close of business on 30 June 2022.

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
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	Corresponding	Current	Corresponding
	ended	preceding	period-to-date	preceding
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Profit attributable to owners of the Company (RM'000)	51,351	50,640	101,375	81,336
Weighted average number of shares for computing basis earnings per share ('000)	944,615	944,320	944,615	944,320
Basic earnings per share (sen)	<u>5.44</u>	<u>5.37</u>	<u>10.73</u>	<u>8.62</u>
Weighted average number of shares for computing diluted earnings per share ('000)	1,036,565	944,784	1,036,565	944,784
Diluted earnings per share (sen)	<u>4.95</u>	<u>5.36</u>	<u>9.78</u>	<u>8.61</u>

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

B11 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not subject to any qualification.

B12 Profit before tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Corresponding	Current	Corresponding
	ended	preceding	period-to-date	preceding
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	2,103	1,527	4,069	3,228
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	1,751	772	1,258	1,055
- unrealised	1,835	(979)	2,054	960
Gain on foreign exchange:-				
- realised	(3,419)	(782)	(3,730)	(3,304)
- unrealised	(3,528)	1,260	(4,103)	371
Impairment loss on financial assets	149	307	947	635
Interest expense	376	164	519	330
Inventories written down	15,514	12,981	15,514	12,981
Property, plant and equipment written off	0	2	0	2

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022
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-Jun-22 RM'000	Corresponding preceding quarter ended 30-Jun-21 RM'000	Current period-to-date ended 30-Jun-22 RM'000	Corresponding preceding period-to-date ended 30-Jun-21 RM'000
Amortisation of deferred income	(6)	(143)	(9)	(209)
Gain on disposal of property, plant and equipment	(600)	0	(745)	(431)
Interest income	(758)	(873)	(1,445)	(1,711)
Reversal of inventories written down	(15,514)	(12,312)	(15,637)	(10,817)

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 28 July 2022.