

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Jun-23 RM'000	Corresponding preceding quarter ended 30-Jun-22 RM'000	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000
Revenue		149,390	189,396	282,721	374,673
Other operating income		5,431	1,903	10,330	4,125
Operating expenses		(113,060)	(138,132)	(216,383)	(276,851)
Finance costs		(1,033)	(376)	(1,983)	(519)
Share of associate's (loss)/profit		(324)	(246)	727	(460)
Profit before tax	B12	40,404	52,545	75,412	100,968
Tax (expense)/income	B5	(2,903)	(1,423)	(5,054)	24
Profit for the financial period		<u>37,501</u>	<u>51,122</u>	<u>70,358</u>	<u>100,992</u>
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)		104	(110)	383	73
Comprehensive income for the financial period		<u>37,605</u>	<u>51,012</u>	<u>70,741</u>	<u>101,065</u>
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		37,655	51,351	70,650	101,375
- Non-controlling interests		(154)	(229)	(292)	(383)
		<u>37,501</u>	<u>51,122</u>	<u>70,358</u>	<u>100,992</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		37,759	51,241	71,033	101,448
- Non-controlling interests		(154)	(229)	(292)	(383)
		<u>37,605</u>	<u>51,012</u>	<u>70,741</u>	<u>101,065</u>
Earnings per share attributable to owners of the Company (sen)	B10				
- Basic		<u>3.98</u>	<u>5.44</u>	<u>7.48</u>	<u>10.73</u>
- Diluted		<u>3.95</u>	<u>5.36</u>	<u>7.41</u>	<u>10.59</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 2022.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30-Jun-23 RM'000 (Unaudited)	As at 31-Dec-22 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	180,525	144,654
Investment properties	44,600	44,600
Right-of-use assets	80,872	81,256
Investment in associate	20,766	25,539
Investments in club memberships, at cost	91	91
Deferred tax assets	702	702
	<u>327,556</u>	<u>296,842</u>
<b>Current assets</b>		
Inventories	203,842	202,706
Receivables	210,637	252,953
Derivatives	0	282
Prepayments	12,079	13,178
Current tax assets	1,719	1,789
Cash and cash equivalents	420,914	370,402
	<u>849,191</u>	<u>841,310</u>
<b>TOTAL ASSETS</b>	<u>1,176,747</u>	<u>1,138,152</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	59,812	55,946
Reserves	850,345	818,389
Equity attributable to owners of the Company	<u>910,157</u>	<u>874,335</u>
Non-controlling interests	(1,049)	(757)
<b>Total equity</b>	<u>909,108</u>	<u>873,578</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,498	3,498
Loans and borrowings	56,551	59,638
Lease liabilities	122	174
Deferred income on government grants	546	561
<b>Total non-current liabilities</b>	<u>60,717</u>	<u>63,871</u>
<b>Current liabilities</b>		
Derivatives	2,652	0
Payables	131,712	153,357
Dividend payable	39,229	11,808
Loans and borrowings	13,742	12,936
Lease liabilities	102	125
Contract liabilities	16,241	19,993
Current tax liabilities	3,244	2,484
<b>Total current liabilities</b>	<u>206,922</u>	<u>200,703</u>
<b>Total liabilities</b>	<u>267,639</u>	<u>264,574</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,176,747</u>	<u>1,138,152</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>96.29</u>	<u>92.56</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 2022.

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Company No: 200401011463 (649966-K)


**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023  
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			
<b>Period ended 30 June 2023</b>										
Balance at 1 January 2023	55,946	14,160	520	2,305	4,636	445	796,323	874,335	(757)	873,578
Share-based payments	0	0	0	148	3,338	0	0	3,486	0	3,486
Issue of shares pursuant to Employees' Share Option Scheme	699	0	0	(167)	0	0	0	532	0	532
Issue of shares pursuant to Share Grant Scheme	3,167	0	0	0	(3,167)	0	0	0	0	0
Dividends	0	0	0	0	0	0	(39,229)	(39,229)	0	(39,229)
Total transactions with owners	3,866	0	0	(19)	171	0	(39,229)	(35,211)	0	(35,211)
Profit/(loss) for the financial period	0	0	0	0	0	0	70,650	70,650	(292)	70,358
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	383	0	383	0	383
Comprehensive income for the financial period	0	0	0	0	0	383	70,650	71,033	(292)	70,741
Balance at 30 June 2023	59,812	14,160	520	2,286	4,807	828	827,744	910,157	(1,049)	909,108

\* 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 2023**  
**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			
<b>Period ended 30 June 2022</b>										
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.

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 2022.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
*(The figures have not been audited)*

	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	75,412	100,968
Adjustments for:-		
Amortisation of deferred income	(15)	(9)
Depreciation	4,840	4,069
Fair value (gains)/losses on financial instruments	(506)	2,188
Impairment (gains)/losses on financial assets	(1,871)	947
Interest expense	1,983	519
Interest income	(4,017)	(627)
Inventories written down	21,623	16,286
Loss/(Gain) on disposal of property, plant and equipment	0	(745)
Property, plant and equipment written-off	4	0
Reversal of inventories written down	(20,259)	(15,637)
Share of associate's (profit)/loss	(727)	460
Share-based payments	3,486	1,397
Unrealised gain on foreign exchange	(3,624)	(4,103)
Operating profit before working capital changes	76,329	105,713
Changes in:-		
Inventories	(2,500)	(28,061)
Receivables	52,068	(61,900)
Derivatives	282	(48)
Prepayments	1,099	(9,808)
Payables	(22,283)	25,179
Contract liabilities	(3,752)	500
Cash generated from operations	101,243	31,575
Tax paid	(3,801)	(2,671)
Tax refunded	6	1,058
Net cash from operating activities	97,448	29,962
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(40,333)	(14,514)
Acquisition of right-of-use assets	0	(5)
Interest and fund distributions received	6,747	465
Proceeds from disposal of property, plant and equipment	0	749
Redemption of redeemable convertible preference shares in associate	5,500	0
Net cash used in investing activities	(28,086)	(13,305)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(11,808)	(11,807)
Drawdown of term loans	0	43,496
Interest paid	(1,947)	(430)
Issue of shares	532	334
Payment of lease liabilities	(75)	(56)
Repayment of term loans	(6,282)	(5,350)
Net cash (used in)/from financing activities	(19,580)	26,187

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000
Currency translation differences	730	326
Net increase in cash and cash equivalents	50,512	43,170
Cash and cash equivalents at beginning of the period	370,402	255,941
Cash and cash equivalents at end of the period	<u>420,914</u>	<u>299,111</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	166,841	183,078
Term deposits	124,848	13,770
Cash and bank balances	129,225	102,263
	<u>420,914</u>	<u>299,111</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 2022.

## VITROX CORPORATION BERHAD

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### QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

#### 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 2022 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 2022 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</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 112 <i>International Tax Reform-Pillar Two Model Rules</i>	1 January 2023

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
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 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

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 2023

#### 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, 52,000 and 60,000 new ordinary shares at average exercise price of RM0.50, RM1.39 and RM5.92 respectively pursuant to the Employee Shares Option Scheme ("ESOS"). The Company also issued 457,300 new ordinary shares at issue price of RM6.9255 pursuant to the Employees' Share Grant Scheme ("SGS").

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 1.25 sen per share amounting to RM11,808,200 for the financial year ended 31 December 2022, paid on 18 January 2023.

##### 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:-

ViTrox International Sdn. Bhd. ("VISB") (a wholly owned subsidiary of the Company) had on 15 June 2023 incorporated 100%-owned subsidiary in Texas namely ViTrox Americas Inc.. The intended principal activity of ViTrox Americas Inc. is sale and support activities.

##### A10 Contingencies

There were no contingent assets or liabilities for the Group since 31 December 2022 up to 30 June 2023.

##### A11 Contractual commitments

	30-Jun-23 RM'000	30-Jun-22 RM'000
Acquisition of property, plant and equipment	30,444	74,848

##### 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 SECOND QUARTER ENDED 30 JUNE 2023

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

##### A13 Financial instruments

###### i) Derivatives

As at 30 June 2023, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>2,652</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 2023, the Group had contracts with financial institutions due within 1 year to buy RM62,870,000 and sell USD14,050,000 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 2023.

###### 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 2023**  
**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-23 RM'000	Corresponding preceding quarter ended 30-Jun-22 RM'000		
Revenue	149,390	189,396	(40,006)	-21.1%
Profit before tax	40,404	52,545	(12,141)	-23.1%
Profit for the financial period	37,501	51,122	(13,621)	-26.6%
Profit attributable to owners of the Company	<u>37,655</u>	<u>51,351</u>	<u>(13,696)</u>	<u>-26.7%</u>

The Group generated revenue of RM149.4 million for the current quarter under review, marking 21.1% or RM40.0 million lower than that of the prior year corresponding quarter. The revenue was largely affected by the subdued demand in Machine Vision System (“MVS”) as a result of temporary grim outlook in the semiconductor industry.

Profit before tax (“PBT”) slipped by 23.1% to RM40.4 million against RM52.5 million in the corresponding quarter a year ago on lower revenue as the customer demand was still languishing.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000		
Revenue	282,721	374,673	(91,952)	-24.5%
Profit before tax	75,412	100,968	(25,556)	-25.3%
Profit for the financial period	70,358	100,992	(30,634)	-30.3%
Profit attributable to owners of the Company	<u>70,650</u>	<u>101,375</u>	<u>(30,725)</u>	<u>-30.3%</u>

First half revenue of the Group shrank by 24.5% year-on-year to RM282.7 million from RM374.7 million a year prior. In tandem with the dwindling revenue, PBT was reported at RM75.4 million and reflecting a decline of 25.3% or RM25.6 million as compared to RM101.0 million in the previous year. The contracted results were mainly plagued by the cautious capital expenditure spending from the semiconductor customers against MVS products during the market slowdown.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023****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-23 RM'000	Immediate preceding quarter ended 31-Mar-23 RM'000	Changes RM'000	Changes %
Revenue	149,390	133,331	16,059	12.0%
Profit before tax	40,404	35,008	5,396	15.4%
Profit for the financial period	37,501	32,857	4,644	14.1%
Profit attributable to owners of the Company	<u>37,655</u>	<u>32,995</u>	<u>4,660</u>	<u>14.1%</u>

Revenue came in 12.0% higher at RM149.4 million in the current quarter as compared to RM133.3 million in the immediate preceding quarter, bolstered by a moderate recovery in the demand of MVS and Automated Board Inspection ("ABI"). The industry outlook shows a gradual recovery in the second quarter.

PBT inched up 15.4% to RM40.4 million from RM35.0 million in the immediate preceding quarter on the back of stronger revenue.

**B3 Prospect**

Despite the sluggish economic growth expected to persist, the Group remained cautiously optimistic on the business prospect for the second half of the year 2023 driven by the well-diversified customer base and the gradual pick up in customer demand. Nonetheless, the Group will continue to focus on long term growth strategies such as market expansion, customer relationship building and product innovation while expecting the global semiconductor equipment demand to bounce back in the next 12 months.

**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-23 RM'000	Corresponding preceding quarter ended 30-Jun-22 RM'000	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000
Current tax	<u>(2,903)</u>	<u>(1,423)</u>	<u>(5,054)</u>	<u>24</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 SECOND QUARTER ENDED 30 JUNE 2023****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-23 RM'000	As at 30-Jun-23 USD'000	As at 30-Jun-22 RM'000	As at 30-Jun-22 USD'000
<b><u>Term loans - secured</u></b>				
Short-term borrowings	13,742	2,937	14,821	3,364
Long-term borrowings	56,551	12,086	62,114	14,099
	<u>70,293</u>	<u>15,023</u>	<u>76,935</u>	<u>17,463</u>
Exchange rate		<u>4.68</u>		<u>4.41</u>

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

The effective interest rates for the current period ended ranged from 5.84% to 6.10% as compared to 2.02% to 2.40% for the 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**

The Company proposed a final dividend of 4.15 sen per share exempt from income tax for the year ended 31 December 2022 on 6 April 2023. The shareholders had on 21 June 2023 approved the final dividend amounting to RM39,228,883 which was paid to all holders of ordinary share on 14 July 2023 whose name appeared in the Record of Depositors at the close of business for 30 June 2023.

**VITROX CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)

**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023****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-23	Corresponding preceding quarter ended 30-Jun-22	Current period-to-date ended 30-Jun-23	Corresponding preceding period-to-date ended 30-Jun-22
Profit attributable to owners of the Company (RM'000)	37,655	51,351	70,650	101,375
Weighted average number of shares for computing basis earnings per share ('000)	945,094	944,615	945,094	944,615
Basic earnings per share (sen)	<u>3.98</u>	<u>5.44</u>	<u>7.48</u>	<u>10.73</u>
Weighted average number of shares for computing diluted earnings per share ('000)	953,897	957,160	953,897	957,160
Diluted earnings per share (sen)	<u>3.95</u>	<u>5.36</u>	<u>7.41</u>	<u>10.59</u>

**B11 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2022 was not subject to any qualification.

**B12 Profit before tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-23 RM'000	Corresponding preceding quarter ended 30-Jun-22 RM'000	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	2,443	2,103	4,840	4,069
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	2,140	1,885	1,819	1,392
- unrealised	1,259	2,223	2,652	2,054
Gain on foreign exchange:-				
- realised	(1,204)	(3,419)	(2,773)	(3,730)
- unrealised	(7,856)	(3,528)	(3,624)	(4,103)
Impairment (gain)/loss on financial assets	(70)	149	(1,871)	947
Interest expense	1,033	376	1,983	519
Inventories written down	253	772	21,623	16,286
Property, plant and equipment written off	2	0	4	0

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023****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-23 RM'000	Corresponding preceding quarter ended 30-Jun-22 RM'000	Current period-to-date ended 30-Jun-23 RM'000	Corresponding preceding period-to-date ended 30-Jun-22 RM'000
Amortisation of deferred income	(4)	(6)	(15)	(9)
Gain on disposal of property, plant and equipment	0	(600)	0	(745)
Interest income	(2,123)	(328)	(4,017)	(627)
Reversal of inventories written down	0	0	(20,259)	(15,637)

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 27 July 2023.