

VITROX CORPORATION BERHAD

(Incorporated in Malaysia)

Company No: 200401011463 (649966-K)


QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30-Jun-24 RM'000	Corresponding preceding quarter ended 30-Jun-23 RM'000	Current period-to-date ended 30-Jun-24 RM'000	Corresponding preceding period-to-date ended 30-Jun-23 RM'000
Revenue		137,199	149,390	256,812	282,721
Other operating income		5,433	5,431	11,009	10,330
Operating expenses		(110,580)	(113,060)	(215,727)	(216,383)
Finance costs		(945)	(1,033)	(1,917)	(1,983)
Share of associate's (loss)/profit		(30)	(324)	(252)	727
Profit before tax	B12	<u>31,077</u>	<u>40,404</u>	<u>49,925</u>	<u>75,412</u>
Tax expense	B5	<u>(3,211)</u>	<u>(2,903)</u>	<u>(5,044)</u>	<u>(5,054)</u>
Profit for the financial period		<u>27,866</u>	<u>37,501</u>	<u>44,881</u>	<u>70,358</u>
Other comprehensive income for the financial period:- Item that may be reclassified subsequently to profit or loss:- - Currency translation differences for the foreign operations		(148)	104	148	383
Comprehensive income for the financial period		<u>27,718</u>	<u>37,605</u>	<u>45,029</u>	<u>70,741</u>
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		28,101	37,655	45,331	70,650
- Non-controlling interests		<u>(235)</u>	<u>(154)</u>	<u>(450)</u>	<u>(292)</u>
		<u>27,866</u>	<u>37,501</u>	<u>44,881</u>	<u>70,358</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		27,953	37,759	45,479	71,033
- Non-controlling interests		<u>(235)</u>	<u>(154)</u>	<u>(450)</u>	<u>(292)</u>
		<u>27,718</u>	<u>37,605</u>	<u>45,029</u>	<u>70,741</u>
Earnings per share attributable to owners of the Company (sen) B10					
- Basic*		<u>1.49</u>	<u>1.99</u>	<u>2.40</u>	<u>3.74</u>
- Diluted*		<u>1.48</u>	<u>1.97</u>	<u>2.39</u>	<u>3.70</u>

* Basic and diluted EPS are calculated based on the weighted average of ordinary shares which has been adjusted for bonus issue retrospectively.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and audited financial statements for the financial year ended 31 December 2023.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-24 RM'000 (Unaudited)	As at 31-Dec-23 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	214,897	210,288
Investment properties	46,600	46,600
Right-of-use assets	79,125	79,938
Development expenditure	5,575	5,575
Investment in associate	17,326	17,578
Investments in club memberships, at cost	91	91
Deferred tax assets	1,026	1,026
Prepayments	17,310	3,722
	<u>381,950</u>	<u>364,818</u>
Current assets		
Inventories	212,601	198,575
Receivables	202,714	191,126
Derivatives	0	809
Prepayments	34,179	22,098
Current tax assets	2,000	0
Cash and cash equivalents	351,776	388,993
	<u>803,270</u>	<u>801,601</u>
TOTAL ASSETS	<u>1,185,220</u>	<u>1,166,419</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	63,587	59,967
Reserves	921,797	898,939
Equity attributable to owners of the Company	985,384	958,906
Non-controlling interests	(1,922)	(1,472)
Total equity	<u>983,462</u>	<u>957,434</u>
Non-current liabilities		
Deferred tax liabilities	4,952	4,952
Loans and borrowings	43,562	48,937
Lease liabilities	133	228
Deferred income on government grants	532	539
Total non-current liabilities	<u>49,179</u>	<u>54,656</u>
Current liabilities		
Derivatives	152	0
Payables	101,282	115,182
Dividend payable	20,810	11,817
Loans and borrowings	13,751	13,471
Lease liabilities	226	232
Contract liabilities	12,498	11,078
Current tax liabilities	3,860	2,549
Total current liabilities	<u>152,579</u>	<u>154,329</u>
Total liabilities	<u>201,758</u>	<u>208,985</u>
TOTAL EQUITY AND LIABILITIES	<u>1,185,220</u>	<u>1,166,419</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>52.09</u>	<u>50.72 *</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 2023.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024
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			
Year ended 30 June 2024										
Balance at 1 January 2024	59,967	14,160	520	2,286	7,588	806	873,579	958,906	(1,472)	957,434
Share-based payments	0	0	0	0	1,713	0	0	1,713	0	1,713
Issue of shares pursuant to Employees' Share Option Scheme	131	0	0	(35)	0	0	0	96	0	96
Issue of shares pursuant to Share Grant Scheme	3,489	0	0	0	(3,489)	0	0	0	0	0
Transfer of share option reserve to retained profits	0	0	0	(2,251)	0	0	2,251	0	0	0
Dividend	0	0	0	0	0	0	(20,810)	(20,810)	0	(20,810)
Total transactions with owners	3,620	0	0	(2,286)	(1,776)	0	(18,559)	(19,001)	0	(19,001)
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	148	0	148	0	148
Profit/(loss) for the financial period	0	0	0	0	0	0	45,331	45,331	(450)	44,881
Comprehensive income for the financial period	0	0	0	0	0	148	45,331	45,479	(450)	45,029
Balance at 30 June 2024	63,587	14,160	520	0	5,812	954	900,351	985,384	(1,922)	983,462

* 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 2024
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			
Year ended 30 June 2023										
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)
Currency translation differences for foreign operations (representing other comprehensive income for the financial period)	0	0	0	0	0	383	0	383	0	383
Profit/(loss) for the financial period	0	0	0	0	0	0	70,650	70,650	(292)	70,358
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.

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 2023.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	Current period-to-date ended 30-Jun-24 RM'000	Corresponding preceding period-to-date ended 30-Jun-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	49,925	75,412
Adjustments for:-		
Amortisation of deferred income	(7)	(15)
Depreciation	6,342	4,840
Fair value gains on financial instruments	(671)	(506)
Impairment gains on financial assets	(1,263)	(1,871)
Interest expense	1,917	1,983
Interest income	(5,979)	(4,017)
Inventories written down	25,645	21,623
Property, plant and equipment written-off	4	4
Reversal of inventories written down	(23,716)	(20,259)
Share of associate's loss/(profit)	252	(727)
Share-based payments	1,713	3,486
Unrealised loss/(gain) on foreign exchange	332	(3,624)
Operating profit before working capital changes	54,494	76,329
Changes in:-		
Inventories	(15,955)	(2,500)
Receivables	(9,547)	52,068
Derivatives	809	282
Prepayments	(25,668)	1,099
Payables	(13,843)	(22,283)
Contract liabilities	1,409	(3,752)
Cash generated from operations	(8,301)	101,243
Tax paid	(5,603)	(3,801)
Tax refunded	0	6
Net cash (used in)/from operating activities	(13,904)	97,448
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,119)	(40,333)
Interest and fund distributions received	6,672	6,747
Redemption of redeemable convertible preference shares in associate	0	5,500
Net cash used in investing activities	(3,447)	(28,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(11,817)	(11,808)
Interest paid	(2,008)	(1,947)
Issue of shares	96	532
Payment of lease liabilities	(115)	(75)
Repayment of term loans	(6,282)	(6,282)
Net cash used in financing activities	(20,126)	(19,580)

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)***(The figures have not been audited)*

	Current period-to-date ended 30-Jun-24 RM'000	Corresponding preceding period-to-date ended 30-Jun-23 RM'000
Currency translation differences	261	730
Net increase in cash and cash equivalents	(37,216)	50,512
Cash and cash equivalents at beginning of the period	388,992	370,402
Cash and cash equivalents at end of the period	<u>351,776</u>	<u>420,914</u>
Cash and cash equivalents consist of:-		
Highly liquid investments	36,234	166,841
Term deposits	218,414	124,848
Cash and bank balances	97,128	129,225
	<u>351,776</u>	<u>420,914</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 2023.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 2023 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 2023 except for the adoption of the following MFRSs:-

MFRS	Effective for annual periods beginning on or after
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

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 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

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.

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.

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QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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

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 430,200 and 67,200 new ordinary shares at issued price of RM6.9255 and RM7.5873 respectively pursuant to the Employee Shares 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 RM11,816,894 for the financial year ended 31 December 2023, paid on 15 January 2024.

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 2023 up to 30 June 2024.

A11 Contractual commitments

	30-Jun-24 RM'000	30-Jun-23 RM'000
Acquisition of property, plant and equipment	<u>9,560</u>	<u>30,444</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 2024**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

A13 Financial instruments**i) Derivatives**

As at 30 June 2024, the Group's outstanding derivatives are as follows:-

	RM'000
Forward exchange contracts - at fair value	
- Current liabilities	<u>152</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 2024, the Group had contracts with financial institutions due within 1 year to buy RM81,005,000 and sell USD17,250,000 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 2024.

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 2024
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-24 RM'000	Corresponding preceding quarter ended 30-Jun-23 RM'000		
Revenue	137,199	149,390	(12,191)	-8.2%
Profit before tax	31,077	40,404	(9,327)	-23.1%
Profit for the financial period	27,866	37,501	(9,635)	-25.7%
Profit attributable to owners of the Company	<u>28,101</u>	<u>37,655</u>	<u>(9,554)</u>	<u>-25.4%</u>

In the current quarter review, the revenue has declined by RM12.2 million or 8.2% from RM149.4 million to RM137.2 million compared to the preceding quarter. The slower pace of global market recovery than initial anticipation has affected the sales demand for Automated Board Inspection ("ABI") but the unfavorable effects were partially mitigated by the robust sales orders from Machine Vision System ("MVS").

Profit before tax ("PBT") slipped by 23.1%, or RM9.3 million, to RM31.1 million from RM40.4 million. This was mainly due to ongoing Research and Development ("R&D") investments coupled with an unfavorable foreign exchange loss in the current quarter review.

	CUMULATIVE QUARTER		Changes RM'000	Changes %
	Current period-to-date ended 30-Jun-24 RM'000	Corresponding preceding period-to-date ended 30-Jun-23 RM'000		
Revenue	256,812	282,721	(25,909)	-9.2%
Profit before tax	49,925	75,412	(25,487)	-33.8%
Profit for the financial period	44,881	70,358	(25,477)	-36.2%
Profit attributable to owners of the Company	<u>45,331</u>	<u>70,650</u>	<u>(25,319)</u>	<u>-35.8%</u>

The Group recorded revenue at RM256.8 million for the period ended 30 June 2024, a decrease of RM25.9 million or 9.2% from RM282.7 million registered in the corresponding preceding period. The decline was predominantly due to lower revenue from ABI, partially offset by the growth contributed by MVS.

PBT declined by 33.8%, or RM25.5 million, from RM75.4 million a year ago to RM49.9 million for the period ended 30 June 2024. The primary factor leading to the reduction of PBT was high prudent spending in R&D, which was aimed at capturing future growth prospects and sustaining long-term competitiveness.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024****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-24 RM'000	Immediate preceding quarter ended 31-Mar-24 RM'000	Changes RM'000	Changes %
Revenue	137,199	119,613	17,586	14.7%
Profit before tax	31,077	18,848	12,229	64.9%
Profit for the financial period	27,866	17,015	10,851	63.8%
Profit attributable to owners of the Company	<u>28,101</u>	<u>17,230</u>	<u>10,871</u>	<u>63.1%</u>

The Group attained RM137.2 million of revenue in the current quarter under review, reporting a notable surge of RM17.6 million, or 14.7%, from RM119.6 million in the immediate preceding quarter. With the gradual recovery in the semiconductor industry, MVS has seized the opportunity to gain favorable sales orders from the worldwide market.

PBT increased 64.9%, or RM12.2 million, from RM18.8 million in the immediate preceding quarter to RM31.1 million in the current quarter under review. The increase was mainly due to a favorable sales mix coupled with various cost-saving initiatives and strategies implemented.

B3 Prospect

In the second half of 2024, the Board remains cautiously optimistic about the group's business prospects. Amidst the slower-than-expected world economic recovery, we are poised to navigate the volatility and embrace the challenges ahead. The Group is confident in achieving steady growth and improvements in the semiconductor back-end sector. To maintain our competitive edge, we will vigorously invest in R&D to deliver cutting-edge solutions, capitalizing on the opportunities presented by Industry 4.0 and the AI boom. Our focus will remain on fortifying customer relationships and ensuring diligent cost management.

Meanwhile, the construction of the ViTrox Institute of Technology ("VIT"), a 5-storey training and industrial research center, commenced in July 2024 and is on track for completion in 2026. VIT is set to be a beacon of excellence where engineers will pioneer groundbreaking R&D innovations. Additionally, it will serve as a premier education hub dedicated to nurturing the next generation of STEM talents. With VIT, we aim to address the talent shortage and elevate technological advancements in Malaysia to unprecedented heights.

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-24 RM'000	Corresponding preceding quarter ended 30-Jun-23 RM'000	Current period-to-date ended 30-Jun-24 RM'000	Corresponding preceding period-to-date ended 30-Jun-23 RM'000
Current tax	<u>3,211</u>	<u>2,903</u>	<u>5,044</u>	<u>5,054</u>

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****B5 Tax expense (cont'd)**

The effective tax rate of the Group for the current financial period is lower than the statutory tax rate of 24%. This was mainly due to tax incentive enjoyed by its wholly-owned subsidiary, ViTrox Technologies Sdn. Bhd. ("VTSB").

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.

B6 Status of corporate proposals announced

Save as disclosed below, there were no Corporate Proposal announced and not completed as at the date of this report:-

On 24 May 2024, shareholders of ViTrox approved the Proposed Bonus Issue of up to 945,929,000 new ordinary shares on the basis of 1 Bonus Share for every 1 existing ViTrox Share in the Extraordinary General Meeting.

Vide the announcement made on 24 May 2024, the entitlement date of the Bonus Issue was fixed on 11 June 2024.

On 12 June 2024, Affin Hwang Investment Bank Berhad on behalf of the Board of Directors of ViTrox announced that the Bonus Issue has been completed following the listing of and quotation for 945,917,700 Bonus Shares issued pursuant to the Bonus Issue on the Main Market of Bursa Securities.

B7 Group borrowings

	As at 30-Jun-24 RM'000	As at 30-Jun-24 USD'000	As at 30-Jun-23 RM'000	As at 30-Jun-23 USD'000
<u>Term loans - secured</u>				
Short-term borrowings	13,751	2,914	13,742	2,937
Long-term borrowings	43,562	9,230	56,551	12,086
	<u>57,313</u>	<u>12,144</u>	<u>70,293</u>	<u>15,023</u>
Exchange rate		<u>4.72</u>		<u>4.68</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 6.35% to 6.37%% as compared to 5.84% to 6.10% for the corresponding preceding period.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024****B. DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (cont'd)****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 1.10 sen per share exempt from income tax for the year ended 31 December 2023 on 5 April 2024. The shareholders had on 24 May 2024 approved the final dividend amounting to RM20,810,189 which was paid to all holders of ordinary share on 15 July 2024 whose name appeared in the Record of Depositors at the close of business for 28 June 2024.

B10 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 30-Jun-24	Corresponding preceding quarter ended 30-Jun-23	Current period-to-date ended 30-Jun-24	Corresponding preceding period-to-date ended 30-Jun-23
Profit attributable to owners of the Company (RM'000)	28,101	37,655	45,331	70,650
Weighted average number of shares for computing basis earnings per share ('000)	1,891,507	1,890,188	1,891,507	1,890,188
Basic earnings per share (sen)	<u>1.49</u>	<u>1.99</u>	<u>2.40</u>	<u>3.74</u>
Weighted average number of shares for computing diluted earnings per share ('000)	1,898,076	1,907,794	1,898,076	1,907,794
Diluted earnings per share (sen)	<u>1.48</u>	<u>1.97</u>	<u>2.39</u>	<u>3.70</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 2023 was not subject to any qualification.

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**QUARTERLY REPORT ON RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024****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-24 RM'000	Corresponding preceding quarter ended 30-Jun-23 RM'000	Current period-to-date ended 30-Jun-24 RM'000	Corresponding preceding period-to-date ended 30-Jun-23 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	3,177	2,443	6,342	4,840
Fair value losses/(gain) on financial instruments mandatorily measured at fair value through profit or loss:-				
- realised	498	2,140	1,954	1,819
- unrealised	(441)	1,259	152	2,652
(Gain)/Loss on foreign exchange:-				
- realised	(94)	(1,204)	(2,339)	(2,773)
- unrealised	322	(7,856)	332	(3,624)
Impairment loss/(gain) on financial assets	(569)	(70)	(1,263)	(1,871)
Interest expense	945	1,033	1,917	1,983
Inventories written down	916	253	25,645	21,623
Property, plant and equipment written off	4	2	4	4
Amortisation of deferred income	(4)	(4)	(7)	(15)
Interest income	(3,006)	(2,123)	(5,979)	(4,017)
Reversal of inventories written down	0	0	(23,716)	(20,259)

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 2024.