

SUSTAINABILITY Statement

SUSTAINABILITY AND OUR BUSINESS

ViTrox recognises that the stability and growth of our business are interconnected with the sustainability of the economic, environmental and social (“EES”) aspects in which we are operating. We are committed to be a responsible company and make a positive contribution to society and the environment.

The core of sustainability of our business in Malaysia is founded on ethical business practices and effective governance without any major change in this scope. In this respect, we vow to work with customers and suppliers to enhance our supply chain value and create an engaging workplace for our employees. This helps us to inspire trust in our workplace, develop strong relationships with our stakeholders, and create long-term value for society and our business.

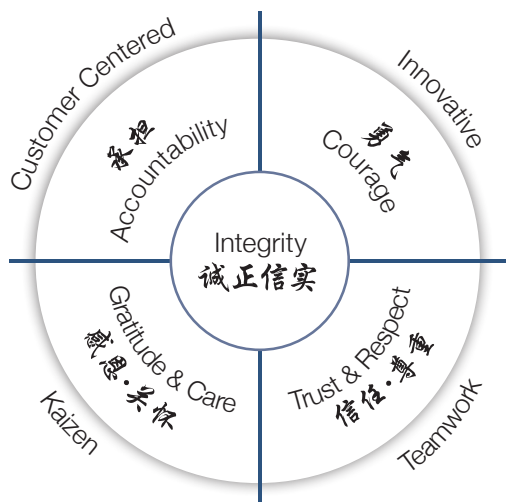
Certainly, there are challenges having sustainability as part of our key business priority but we continue striving to manage the on-going challenges and constantly liaise with our stakeholders to understand their views and regularly in touch with the latest legislative and regulative updates.

We firmly believe that sustainability is only truly attained when we address the matter from inside out, starting from our compassionate heart, to genuinely care about our environment, our community and all our stakeholders. We persistently build our core values and fundamental principles in our daily business operations in order to strive hard to make greater success.

CORE VALUES

ViTrox's core values, **I.A.C.T.G.** (The Power of 5), represents the fundamental principles of ViTrox's shared values that guide us to think, talk and do the right things every day in the pursuit of both individual and company greatness.

‘I.A.C.T.G.’ is the acronym for ‘Integrity’, ‘Accountability’, ‘Courage’, ‘Trust & Respect’, and ‘Gratitude & Care’.



Integrity (诚正信实)

Integrity means Sincerity (真诚), Righteousness (公正), Faithfulness (正信) and Honesty (踏实). It is about doing the right thing, even if nobody is watching. We treat others fairly, with a sincere heart and the way that we want to be treated. By cultivating these inner qualities, we will live in harmony and always be respected by others.

Accountability (承担)

This is the self-commitment to do the right thing and stand by the decision. We take ownership of a committed task and its outcome and are willing to take extra steps to achieve the desired result. Accountability makes us a credible person. (不只把事情做完，更把事情做好)

Courage (勇气)

We have the strength to face and overcome whatever difficulties we encounter along the way, and are willing to stand in front of everyone during a crisis and say ‘I will do it!’. We dare to challenge the status quo, make changes for the better and think out of the box. With ‘Courage’, we stand strong in front of adversities and never back down.

Trust & Respect (信任与尊重)

We communicate openly and candidly with each other and extend our respect and team spirit to customers, partners, suppliers, and the communities in which we live and work. We treat everyone as an individual and, hence, we respect and recognise each individual for their unique talents. We believe that people want to do a good job and will do so, given the proper tools and support.

Gratitude & Care (感恩与关怀)

Gratitude gives us a positive and wonderful view of life and leads us to actualise our true values. We can dissolve thoughts of fear, self-doubt, worry, anger and depression by having a grateful mind. We feel grateful every day for the continuous support and contributions from our customers, colleagues, suppliers and our communities. We serve our customers, colleagues, suppliers and our communities with a caring heart and by paying attention to feelings and needs. “How can I help?” is the common language we use at ViTrox to show that we care and to help others who are in need. Through our caring culture, we improve our organisation daily and are continuously working to build a happy and meaningful organisation.

SUSTAINABILITY Statement

SUSTAINABILITY GOVERNANCE

Our Enterprise Risk Management ("ERM") framework provides the necessary policies, structure, targets and reporting systems to address the material risks and opportunities and we have been systematically embedding sustainability principles throughout our operations. The ERM is headed by an Executive Director, Mr. Yeoh Shih Hoong and its committee comprises the remaining Executive Directors of ViTrox ("Risk Management Committee" or "RMC"). This Committee will be supported by representatives from various department heads ("Risk Management Working Group" or "RMWG"). Any findings and discussion of the ERM are reported to the Audit Committee.

The RMC and RMWG are responsible for materiality assessment and undertake the role of identifying, evaluating and monitoring sustainability initiative and action, executing and implementing the sustainability initiatives that are aligned to the Group's vision, mission, objectives and strategies.

We have yet to formalise a Sustainability Committee at the date of this report. But, we had been working towards this under the guidance of RMC and incorporated the sustainability-related risk and opportunity ("RO") into our corporate RO register in FYE2020.

The scope of our Sustainability Statement covers the period from 1 January 2020 to 31 December 2020 and the reporting boundary is mainly focused on Malaysian operations.

From the various accreditations that we had achieved over the years, it is obvious that we have indeed started our sustainability journey which is divided into four main areas as follows:-

- i. Economic
- ii. Environmental
- iii. Workplace
- iv. Communities

MATERIALITY

The most material matters to our business were determined from an analysis of internal documents, internal process, peer reviews and RO register.

We review sustainability-related RO periodically as part of our risk assessment. This process is to ensure our sustainability practice continues to address our key sustainability concerns. Our RO register evolves to keep pace with legislative requirements and industry best practices while addressing stakeholders' interests.

The materiality matrix is used to identify Sustainability Matters during the assessment. Their significance is relative to the importance of external stakeholders and internal stakeholders. We have identified 10 material Sustainability Matters of which the top 5 material Sustainability Matters of importance to our external and internal stakeholders. They are supply chain management & local ecosystem, employee development & talent management, corporate governance & code of ethics, energy use and water & waste management. The remaining 5 Sustainability Matters are still important and will be continuously monitored and reported.

Materiality Matrix		
Importance to External Stakeholders	High	<div>1. Contribution to Communities</div> <div>1. Supply Chain Management & Local Ecosystem 2. Employee Development & Talent Management 3. Corporate Governance & Code of Ethics 4. Energy Use 5. Water & Waste Management</div>
		<div>1. Labour & Human Rights 2. Employee Welfare</div> <div>1. Occupational Safety & Health 2. Industry 4.0 Smart Solution</div>
	Low	
		Importance to Internal Stakeholders
		Low High

SUSTAINABILITY Statement

STAKEHOLDER ENGAGEMENT

We believe that maintaining a good degree of communication and understanding with all the internal and external stakeholders involved is highly essential in our journey to be good corporate governance and a reputable sustainable business entity. Hence, the Group recognises the need to conduct a continuous dialogue and information sharing with the relevant stakeholders in a timely, effective and transparent manner. A summary of the stakeholder groups, the sustainability topics, and the type of engagement with frequency are listed as below:-

<i>Stakeholders</i>	<i>Sustainability Topics</i>	<i>Type of Engagement</i>	<i>Frequency</i>
Customers	<ul style="list-style-type: none"> • Product quality and performance • Sustaining long-term relationship 	<ul style="list-style-type: none"> • Customer satisfaction survey • On-site visits at ViTrox's premises • Customer audit, if any • Exhibition and roadshow 	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>Annually</p>
Employees	<ul style="list-style-type: none"> • Health and safety • Communication and engagement • Working environment • Career development and training • Business performance review 	<ul style="list-style-type: none"> • Volunteer Programme • Training and development • Formal meeting and discussion • Employee feedback (My voice) • Employee satisfaction survey • Employee Suggestion Programme • Appraisal and performance review 	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>Quarterly</p> <p>Quarterly</p> <p>Annually</p>
Investors / Shareholders	<ul style="list-style-type: none"> • Business performance • Operation 	<ul style="list-style-type: none"> • Corporate website • Investor relationship channel • Quarterly financial results • Quarterly analyst briefing • ISO 9001:2015 audit • Annual Report • Annual General Meeting • Regular meetings and correspondence • Feedback to media enquiries 	<p>On-going</p> <p>On-going</p> <p>Quarterly</p> <p>Quarterly</p> <p>Annually</p> <p>Annually</p> <p>Annually</p> <p>As required</p> <p>As required</p>
Suppliers	<ul style="list-style-type: none"> • Forging a strategic partnership • Supplier performance review • Product quality 	<ul style="list-style-type: none"> • Supplier selection via pre-qualification • Regular meetings and correspondence • Whistleblowing policy • Vendor Assessment Questionnaire 	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>Annually</p>
Media	<ul style="list-style-type: none"> • Timely and accurate information 	<ul style="list-style-type: none"> • Press release 	<p>As required</p>
Government and Regulators	<ul style="list-style-type: none"> • Regulatory compliance • Supporting the country's economic growth 	<ul style="list-style-type: none"> • Site visit and meeting • Participating in programmes organised by government bodies 	<p>As required</p> <p>As required</p>
Community	<ul style="list-style-type: none"> • Environment protection • Local community activities involvement 	<ul style="list-style-type: none"> • Participation in local community and activities • Sponsorship • Donation 	<p>On-going</p> <p>On-going</p> <p>On-going</p>

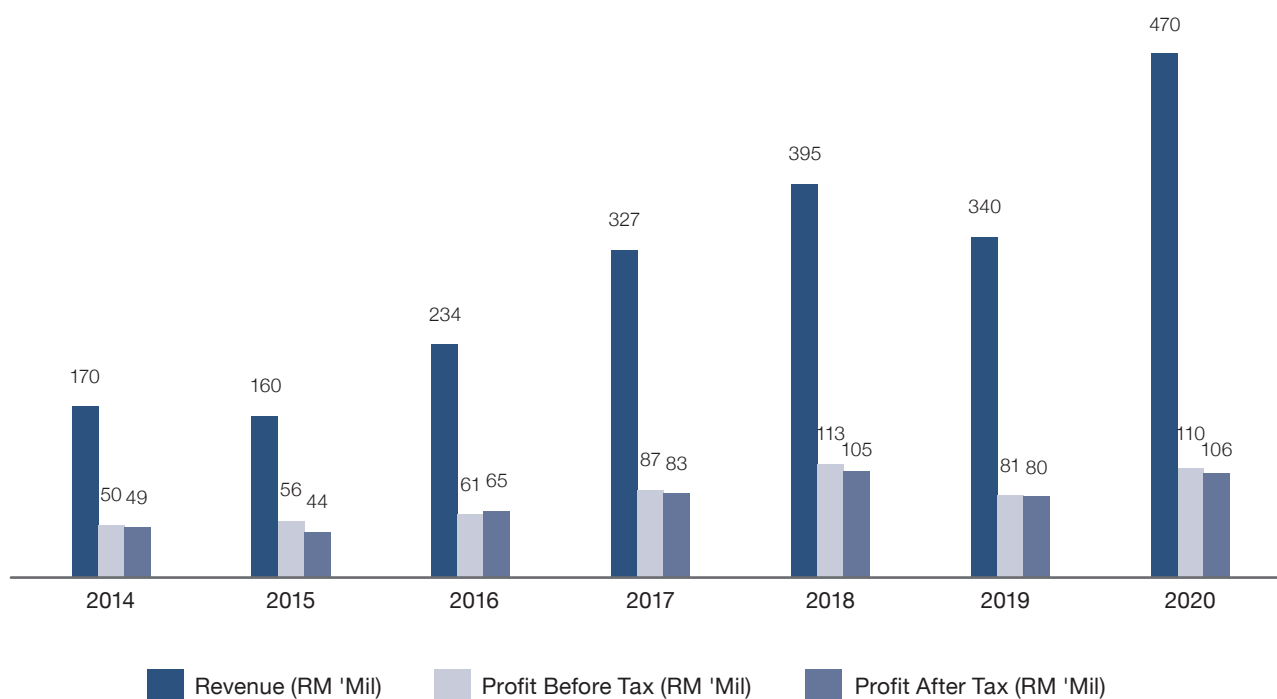
SUSTAINABILITY Statement

ECONOMIC

Our key initiatives for business sustainability within the economic space are focused on several key areas.

1. Financial Performance

We strongly believe that financial strength and sustainability are equally important in running and growing. Hence, we are committed to strengthening our financial position and enhancing our competitiveness by adopting good and ethical business practices, corporate governance as well as effective capital management.



We shall continue to strive towards long-term business profitability and sustainable growth and are committed to providing the most innovative, advanced and cost-effective machine vision solution of excellent quality to our customers through the integration of our technology, our people and our strategic alliances.

2. Our Code of Ethics

Our Code of Ethics for Directors states the standards of responsibility and obligations and promotes fair dealing, integrity and ethical conduct in the way we conduct our business. This Code of Ethics for Directors is our way to set the tone and standards in articulating acceptable practices and guidelines of behaviours expected from directors, management and employees that integrates into our company-wide Management practices.

We have established and implemented policies and procedures on whistleblowing to facilitate the stakeholders of the Group to report genuine concerns or allegations about alleged unethical behaviour, actual or suspected fraud within the Group, or improper business conduct affecting the Group. By encouraging a whistleblowing culture, we hope to achieve a desirable organisation of transparent structure and effective, clear communication. More information about our whistleblowing policy can be found at <https://vitrox.com/company/whistle-blowing-policy.php>

During the year, we have established the Anti-Bribery and Corruption Policy ("ABCP") which applies to all directors, employees and business partners who work for and with ViTrox. The ABCP is established to set out the Group's zero tolerance approach against all forms of bribery and corruption and the Group takes a strong stance against such acts. An Anti-Bribery Compliance Committee is established under the purview of the Audit Committee to support the implementation of the ABCP.

SUSTAINABILITY Statement

ECONOMIC (cont'd)

3. Corporate Governance and Compliance

We recognise the importance of adopting good corporate governance and acknowledge the importance of the principles set out in the Malaysian Code on Corporate Governance and are committed to ensuring high standards of good corporate governance are in place and practice within the Group in order to safeguard the shareholders' assets and relevant stakeholders' interests as well as enhancing shareholders' value.

As a result of these reforms, the fundamentals of the Group remain resilient and our ability to safeguard our financial and other stakeholders' vested interest remain uncompromised. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement contained in this Annual Report.

4. Local Ecosystem

We truly believe that the health of the local Semiconductor, Electrical & Electronics & Automation Ecosystem is a vital factor in long-term sustainable growth for the Group and the country. An associate company of ViTrox, Penang Automation Cluster Sdn. Bhd. ("PAC") commenced its operation in October 2019. The principal activities of PAC are Technological Design & Development, Metrology Shared Services, Smart Manufacturing System and Technical Training to the Automation Cluster Companies specialised in the area of Design, Development and Manufacture of high precision metal fabrication components, modules and systems for semiconductor, electronics, automotive, aerospace and other high growth industries in the region.

This enables us to build a robust and reliable supply chain ecosystem in the country that supports its long-term strategy to grow the business in providing a wider range of high-end automated inspection equipment supporting various industries globally.

In FYE2020, PAC has 6 Computer Numerical Control ("CNC") Machining Small and medium-sized enterprises ("SMEs"), 1 Sheet Metal SME and PAC-owned operations of CNC Double Column and Precision Tooling occupying 10 units of industry lots. There are 7 remaining units of industry lots with 6 units estimated to be fully operational by early Q2 FYE2021.



During the Movement Control Order ("MCO") lockdown period with the market experiencing a shortage of 3-ply face mask supply and continuous demand for quality face masks, the PAC Management had decided to set up a 3-ply face masks production line in PAC to support shareholders' consumption as well as market demand.

A face mask machine was imported in May 2020 and started its operation in June 2020. PAC Meditech Sdn. Bhd., a subsidiary of PAC was subsequently incorporated on 29 September 2020 to fully focus on producing 3-ply surgical face masks and developing and manufacturing other quality medical devices in future.

PAC Meditech Sdn. Bhd.'s operation is certified for ISO 13485: 2016 and also CE marking certification for 3-ply surgical face mask.



SUSTAINABILITY Statement

ECONOMIC (cont'd)

5. ViTrox Academy Sdn. Bhd. - Strategic Collaboration & Partnership

We live in an age of speed and demand. It is an era where learning and development for fuelling an individual's professional progression and personal growth matter the most. As high-tech innovations accelerate, so does the need to create more highly relevant upskilling training programmes and effective learning methods for our people.

ViTrox Academy Sdn. Bhd. ("ViTrox Academy") (established on 13 February 2020) is an education arm fully owned by ViTrox Corporation Berhad based in Batu Kawan, Penang. ViTrox Academy focuses on providing a highly industry-driven technical training programme and practical upskilling training programme in this fast-moving tech sector. The foundation of ViTrox Academy is driven by real-world learning experiences and motivated by a lifelong interest in technology innovation, character and competencies building. In the effort of bridging and reinforcing the link between the industry and academia, ViTrox Academy complements academic education with industrial knowledge and resources and provides a realistic learning environment to prepare working professionals and graduates for their career. The quality of practical learning is incredibly important in ensuring that learners acquire competent practical skills and the ability to think beyond the theoretical knowledge they have been taught.

We believe an effective learning environment is one that is empowered and infused with a strong emphasis on practical and community-building to support learners creating opportunities for them to internalise the values, knowledge and skills taught to transform. It is simply where the real learning happens. We develop and integrate best-in-class learning resources through strategic alliances to deliver effective professional and personal learning and growth.

ViTrox Academy also promotes relevant and technical know-hows and cultivates good character with the right values to achieve their fullest potential academically and be an exemplary contributor to society and a citizen of the world. True character is instilled at a deep level so that positive behaviour is automatic. At ViTrox Academy, we provide a holistic journey that explores facets of knowledge, skills, competencies, values and good character. It is an education that explores the learners' potential for an actual transformation.

With an uptick in population now adjusting to the social distancing orders due to the COVID-19 pandemic, we actively collaborate with our partners like Centre of Goodness Studies and universities like Universiti Tunku Abdul Rahman, Kampar and Tunku Abdul Rahman University College to expand our provision to share knowledge with our Local Large Companies, SME and students from our local universities.

The knowledge sharing programmes organised in FYE2020 is listed as follows:-

Title	Date
Altruism Sharing #1: Develop Goodness to achieve Greater Success in the Face of Uncertainties 善经济系列讲座 1 - 面对不确定性- 利他思维与企业转型智慧	21-06-2020
Altruism Sharing #2: The Second Mountain: Journey to Cultivate Common Good 善经济系列讲座 2 - 寻找生命的第二座山	19-08-2020
The Second Mountain: Journey to Cultivate Common Good	20-09-2020, 18-10-2020 & 15-11-2020
Local Industry Dialogue for Workforce Upskilling and Reskilling	07-10-2020
Effective Email Writing for Universiti Sains Malaysia School of Management	06-11-2020
Strategy for Effective Online Research: Supercharge Your R&D with Best Practices in Literature Search	12-11-2020

We have also initiated an ongoing discussion namely, Local Industry Dialogue for Workforce Upskilling and Reskilling with Universiti Tunku Abdul Rahman participated by many Local Large Companies and SME. The key purpose is to establish community and skill clusters to help identify and upskill high-tech & manufacturing industries especially in trending topics like Artificial Intelligence & Data Analytics, Automation & Robotics, Machine Vision and Optics & Photonics with a collaborative effort with Academia.

It has been proven that many of the world's most ground-breaking inventions have been developed in the bosom of academia. We recognise the collaboration between the industry and institute of higher learning is instrumental in enabling more dynamic discussions and technological developments and breakthroughs which may bring profound impacts to enhancing the capability of industry to compete globally while enabling the universities to conduct high quality and relevant research.

When this drive and ambition turns its focus to the greater good, real social impact can happen!

SUSTAINABILITY Statement

ECONOMIC (cont'd)

6. Customer Satisfaction

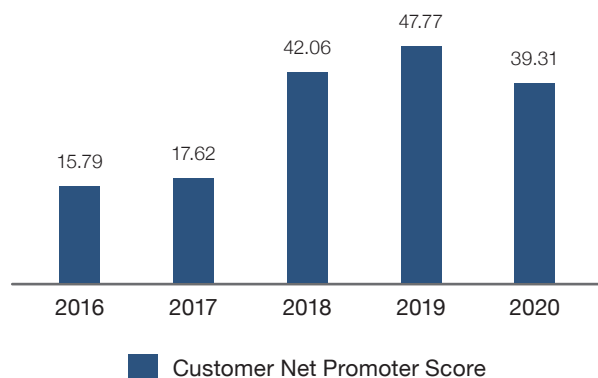
Customers are at the heart of any business and customer satisfaction is important to the sustainability and growth of the Group.

We constantly strive to place our customers at the heart of everything we do while aiming to offer high quality solutions and value-added services to them. We place significant priority on customer engagement and communication with diverse customer feedback platforms in order to further enhance our customer experience and achieve customer satisfaction.

Through active engagement with our customers, we are able to track and measure levels of satisfaction, in order to improve our product quality and service performance. To achieve this, we conduct regular customer satisfaction surveys through online questionnaires or phone calls in the scope of product quality, product features, delivery lead time, responsiveness, training and so forth. We analyse the data gathered, identify areas of improvement, and strategise the approaches to further uplift customer satisfaction and customer experience.

Furthermore, ViTrox donates USD5 to selected Non-Government Organisations ("NGOs") for each customer survey response received as a token of appreciation. It is a way of us supporting and giving back to the community.

**5 years' Customer Net Promoter Score ("NPS")
(FYE2016 to FYE2020)**



In October 2020, we launched a new initiative, namely Customer Experience Recovery Action ("CERA") for addressing less satisfying customer feedback with an e-ticketing mechanism in place to take corrective actions promptly. We have carried forward the CERA programme to FYE2021 and beyond as we witness its effectiveness and serve as one of the key initiatives to improve customer satisfaction and Net Promoter Score ("NPS") in the long run. Besides, we took the initiative to migrate the survey data to V-ONE® Dashboard and shared it with respective business units on a quarterly basis for awareness, action planning and execution.

ENVIRONMENTAL

Just as we think about achieving long-term sustainability in terms of business models, succession planning, talent pipelines and leadership development, our interactions with the natural world and the environment we operate in are equally vital to reaching long-term success. Environmental sustainability remains a key part of our business strategies and corporate responsibility programmes. Any organisation that wants to be around for another 100 years from now need to plan for that long-term success today.

The appraisal of Green Building Certificate is a benchmark for us to design and construct green, sustainable buildings that can provide energy savings, water savings, and a healthier indoor environment.

1. Waste Management

In an effort to drive effective waste management and efficient resources utilisation, we optimise waste management through proper disposal and frequent monitoring. The appointed recycling management company is an ISO 9001:2008 certified company that collects them for proper treatment and recovery. This action helps to prolong the life cycle of materials. This exercise also enables our people to understand just how impactful responsible waste management is, not only to individuals, but to the company and the society as a whole.

Waste management may seem trivial in the grand scheme of things, but it brings impact to every area of the business. While tossing office waste in individual bins may seem to be a more convenient disposal option, but it definitely comes with consequences. It requires regular custodial, higher disposal costs and low recycling rates. We began by removing individual waste bins from under every desk or our work stations to encourage our people to segregate waste by centralising the recycle bins. The centralised recycling system achieves a higher recycling rate because it fundamentally changes the way materials are collected and segregated into their respective types. It is much cleaner and organised as the visibly marked recycling containers make sorting materials easy, which retains the quality of the valuable recyclables, and helps our people to realise many of the materials previously treated as waste are recyclable too.

Not only that, but we also make sure to do the same in our cafeteria for food waste management. Food scraps are a valuable resource that can be turned into compost to feed and nourish the soil and help the plants in our V-Farm to grow organically. It acts as nature's way of recycling.

Our effective approach in managing waste through practising the 3Rs concept (*Reuse, Reduce and Recycle*) and the use of renewable energy allows us to contribute to creating a sustainable planet, society, and economy for future generations.

SUSTAINABILITY Statement

ENVIRONMENTAL (cont'd)

1. Waste Management (cont'd)

ViTrox is committed to complying with all applicable environmental regulations according to the Environmental Quality Act 1974 or any other relevant legislation. Total transparency with regulators is what we strive for. This also includes efforts to reduce our environmental impact, for example the handling of waste. As part of our corporate Environmental, Safety and Health agenda, we have measures in place to minimise the adverse impact on the environment and to achieve continuous improvement of our plants/factories' environmental performance.

In ViTrox, all hazardous waste is handled as per the Environmental Quality (Scheduled Wastes) Regulations 2005 and our Waste Management Procedure through:-

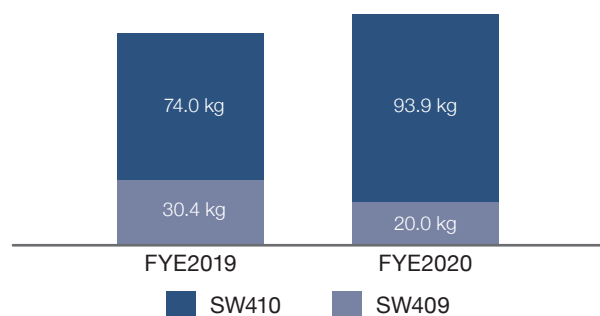
- Efficient usage of raw materials, natural resources and energy
- Dedicated 5Rs (*Refuse, Reduce, Repair, Reuse and Recycle*) programmes
- Proper waste management practices
- Systematically promote and provide education and training on environmental protection and responsibilities across all levels within ViTrox.

All required environmental permits (e.g. discharge monitoring), approval and registrations are obtained, maintained and kept current and their operational and reporting requirements are strictly adhered to.

Throughout FYE2020, we conducted monthly scheduled waste and the waste generated and disposed at our premises were as follows:

- SW409 Disposed containers, bags or equipment contaminated with chemicals – 20.0kg
- SW410 Rags, plastics, papers or filters contaminated with scheduled wastes – 93.9kg

Total Schedule Waste (kg) generated from FYE2019 to FYE2020

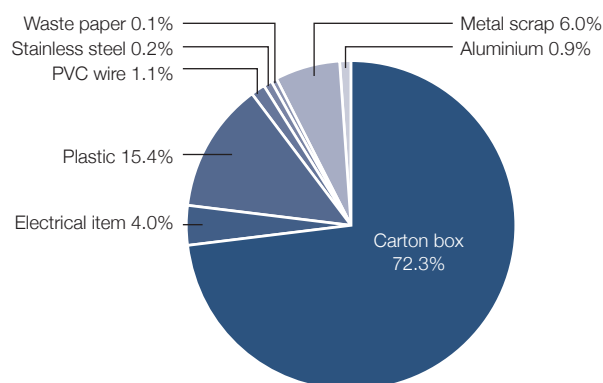


We actively engage in recycling waste management which we work with an integrated recycling management company to collect and process the recycled waste. Throughout FYE2020,

we managed to collect several categories of recycling waste as below:-

- Carton box: 20,772kg
- Plastic: 4,420kg
- Metal scrap: 1,720kg
- Electrical item: 1,138kg
- Aluminium: 259kg
- PVC wire: 320kg
- Stainless steel: 70kg
- Waste paper: 30kg

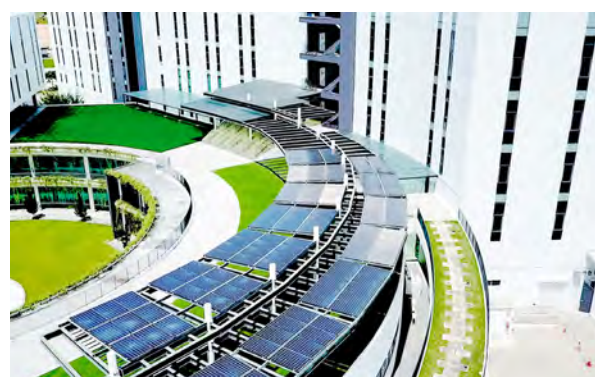
Total Disposal of Recycle Waste by Categories (kg) in FYE2020



In the year under review, ViTrox successfully recycled more than 71% of waste material through a recycling waste management company.

2. Energy Management

Lowering the carbon footprint is an inevitable development trend in this century. We are concerned with environmental sustainability, therefore we are committed to optimising renewable energy resources instead of solely relying on electricity. The application of the Solar Photovoltaic ("PV") System helps us to reduce the effect of climate change. With solar energy powering a business, there is no burning of fuel and no emissions from energy generation.



The installation of 458kW industrial-scale solar photovoltaic, which covers the roof of our building, featured a total of 1,410 panels.




SUSTAINABILITY Statement

ENVIRONMENTAL (cont'd)

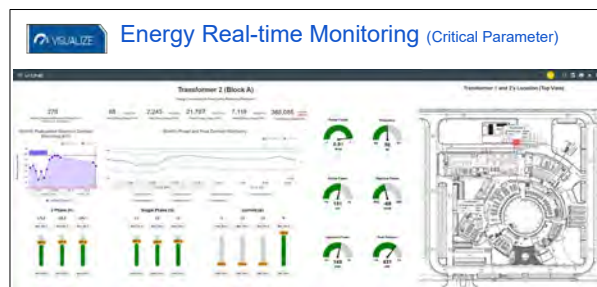
2. Energy Management (cont'd)

In FYE2020, a total of 703,457 kWh (2,533 GJ) of energy was generated by green energy, representing 23% of the total electrical energy consumed in our Campus 2.0.

The total power generation in FYE2019 and FYE2020 is equivalent to:-

		FYE2020	FYE2019
	Green energy generated (kWh)	703,457	720,519
	Carbon dioxide emission (tonne)	488	500
	Number of planted trees to absorb total CO2 emissions (trees)	12,518	12,822

We have deployed our homegrown smart solution, V-ONE® to collect and monitor our daily energy consumption data for better analysis and decision making. In FYE2020, after analysing the trend and behaviour of the plant-wide energy consumption, we manage to change the electricity tariff and save up to an additional RM19,000 (6%) of electricity bill compared to last financial year.



The above data shown is for illustration purposes only.

Whether in industrial or office settings, proper and sufficient lighting makes all work tasks easier. We receive about 85% of information through our sense of sight. As lighting is key for workplace productivity and comfort in office environments, we installed high quality LED lighting based on lighting ergonomics. Generally, LED lighting gives off a better quality of light distribution compared to other available alternatives like fluorescents and incandescent lights. Fewer lights also help us to reduce energy consumption and bring lesser harm to the environment.



3. Water Management

For better water conservation, and to inculcate the concept of reducing the usage of clean water, two eco ponds with self-sustainable and self-renewing mini-ecosystem features were built in ViTroX Campus 2.0.

The first eco-pond, which is near to the R&D office block, is with a collection capacity of approximately 59 m³. While another eco pond, which is located near the visitor hosting block is with a collection capacity of approximately 62 m³. These eco-ponds were built to harvest rainwater from the rooftop. The harvested rainwater mainly is used for irrigation of the landscape. It acts as a sustainable supply to V-Farm for irrigation, as a Go-Green effort to reduce the usage of water supply from the direct supply.



On a side note, the way we use water has become a real problem. Water is a valuable resource for us. That is why we installed a water-saving system, foot-operated water tap mechanism in all our restrooms around the campus. Excessive water usage can be effectively reduced by using the foot levers and it helps to ensure clean hygiene too as there is no touching on the water tap.

SUSTAINABILITY Statement

ENVIRONMENTAL (cont'd)

4. V-Farm Programme

The aim of the V-Farm Programme is to produce pesticide-free and chemical-free green vegetables, herbs and fruits. Meanwhile, we want to promote the benefits of practising healthy eating habits to our fellow ViTroxians. Presently, the yields from the V-Farm contribute directly to several channels such as in-house V-Meal Programme, in-house V-Green Selling Corner and for charity purposes. Based on our past records, we have supplied approximately 2.6 tonnes of vegetables which is 72.7% of our total yield to support the in-house V-Meal Programme. In addition, we also contributed 13.6% of our total yields toward charity bodies such as Yu Hua Zhai Association and Permatang Tinggi Old Folk Home. With the V-Farm Programme, we want to cultivate, instil and embed the concept of being a vegetarian is not just about restrictions or cutting food choices from our diet, but making healthier substitutions instead. Together we can make a difference for a better tomorrow — for ourselves and for the Earth's biodiversity.

5. V-Meal Programme

One of the staples of human happiness is food. We believe it is important to create a lunch culture that fosters closer employee relationships, collaboration and creativity. We continue to implement V-Meal Programme to provide free, varied, nutritious and healthy vegetarian lunch to all the employees from every Monday to Friday as compared to every Monday to Thursday in the previous financial year. Vegetarianism is not simply a diet, it is also a path to better health and more importantly, a positive environmental impact.

We are refuelling our bodies with all the essential vitamins, minerals and nutrients like antioxidants and fibre we need when we eat healthy lunch for our daily diet. Working together with dietitians is the cornerstone of discovering the most suitable and sustainable eating behaviour for our employees. Our creative chef team has been very innovative in designing various course nutrition vegetarian meals such as Asian Delight, Malay Cuisine, Oriental Cuisine, Hawker Delight, etc. under the advice of the dietitians. The nutrient fact of each meal is calculated and presented to the employees.



A healthy employee is a focused and productive employee and thus, our meal intake is fundamental to our health and well-being in the short and long term.

Collectively, we had prepared more than 98,000 free vegetarian meals for our employees and extended them to our subcontractors in FYE2020. With this serving in a year, we saved more than 93,000 meter square of a forest, 300,000 kg of CO₂ and more than ~33,000 animal lives.

Happiness exists in giving, and in serving others. Our V-Meal Programme is unique in the way that our people get to be of service to one another by taking turns voluntarily to serve lunch. However small this action of giving and serving may seem, it gives us a sense of fulfilment and satisfaction. Other than that, we also kicked off the “V-Veggie Salon” Programme where our people spare and contribute their time and effort to prepare, cut and slice the vegetables and fruits at a designated corner near the Cafeteria. These chopped veggies are then made into appetizing, delicious and healthy meals by our chefs. We serve up to 500 people on a daily basis with our V-Meal Programme. The veggie-cutting activity has also turned into one of our team building activities where our people can interact, bond and talk with one another.



WORKPLACE

1. Green, Open and Conductive Workplace

ViTrox aims to provide a supportive, motivating and healthy workplace for employees, and to foster a caring community in our working environment. ViTrox Campus 2.0 is built to envision a revolutionary industrial building design with institutional campus cultures. With ViTrox Campus 2.0, we strive to create a workplace that inspires harmony and innovation while simultaneously developing employees' potential holistically – a “second home” environment, which balances employees' body, mind and soul. We understand that a great workplace helps to drive higher engagement, inspire passion and excitement and nurture a great attitude, all of which positively impacts performance across all levels. Motivated and engaged employees are key to the success of business development and operation. Our people are on the front lines in delivering and transforming our innovations, products and services of excellent quality standards to our customers.

SUSTAINABILITY Statement

WORKPLACE (cont'd)

1. Green, Open and Conducive Workplace (cont'd)

We continue promoting and cultivating the Learning and Teaching Culture among the people, where our people are empowered to learn and develop skills in a conducive working environment, which supports lifelong and continuing education that build a true sense of loyalty and commitment to organisational success.

Most offices today are based in fast-paced, highly urbanised areas that eventually lead to a stressful work environment. On the contrary note, our Campus 2.0 is surrounded by green landscapes and foliage where it permits abundant natural light to enter our workspace and walkways. From the inside, we can see views of the outdoors, providing a peaceful and serene environment. Numerous studies have shown that natural light in office spaces improves employee satisfaction and productivity. Green spaces in the office have an immediate practical application since plants naturally purify the air.



2. Modern Technology and Automation in Operations

The impact of technology advancement in both manufacturing and business operation has exponentially increased the rate of production and speed at which business occurs. Integration of real-time technology in the workplace has helped people become more efficient than ever before. What used to take hours now can take minutes or less. With the rise of Industrial 4.0 and the convergence of both digital and physical worlds, it eventually builds up to this question, "How Smart is Your Factory?"

The future is here. It is the dawn of the smart factory — where connectivity, virtualisation, decentralisation, real-time capabilities, and service orientation is the next phase of digitalisation in manufacturing. At ViTrox, we deploy V-ONE®, an Industry 4.0 Smart Solution in our operation, business and manufacturing floors. With its digital dynamic dashboards that provide and visualise insightful analytics on machines and production data information through connectivity, it enables our engineers to view their manufacturing trends from the past (data trends from the past), in the present (what is the reading now) and future (what are the predictive indicators).



The above data shown is for illustration purposes only.

What used to be attending multiple meetings, frequent line tours and interviewing with the production engineers every single day, the manufacturing monitoring system has now turned into real-time monitoring all the production bays with just a few clicks away. We developed V-EYE, a real-time manufacturing line status monitoring system that is deployed using V-ONE® to monitor and track the status of each of the job orders in our production floors. With the system, it gives us greater visibility and responsiveness across the production schedules ensuring on-time delivery of finished products to our customers.

SUSTAINABILITY Statement

WORKPLACE (cont'd)

2. Modern Technology and Automation in Operations (cont'd)

An optimised smart factory allows operations to be executed with minimal manual intervention and high reliability. In another corner of our production floors, we also deployed an in-house developed real-time quality issue triggering Smart Andon V-RING system, to capture and track quality-related problems occurring in the manufacturing line and other operational-related functionality. Hence, appropriate countermeasures can be taken immediately to resolve and address the issues. It allows us to get ahead of the operational and quality issues in the factory before products are shipped to customers.

As Industry 4.0 moves from concept to becoming a reality, one of the biggest focuses is on energy management and its optimisation. It is also about being efficient overall. That calls for the need to have data online and updated in real-time. We track, monitor, and manage energy consumption using V-ONE® and the data collected can be used to make precise decisions to promote greater energy efficiency and long-term sustainability in the long run.

The time is now to start making the transition to becoming a smart factory. Compared to walking the production floor, data visualisation gives you at-a-glance insight to enable you to connect, visualise and proact to monitor the performance and maximise machine throughput. So think big, start small, and scale fast.



3. Respect for Labour and Human Rights

We are committed to uphold the human rights of workers and to treat each and every one of our employees with dignity and respect as stated in the Employees Handbook. This applies to all our people, including temporary, contract, direct employees, and any other types of workers. Our objectives include:-

- Attain the highest standard of employment practice in compliance with the enacted laws.
- Uphold the culture and principles of equal opportunities in employment.
- Create a working environment where every team member is treated fairly and without fear of reprisal, intimidation or harassment.

4. Employee Development and Talent Management

There must be a reason why employees are regarded as talents or in other terms, assets of the company. As the renowned systems thinker, Peter Senge once said, a learning organisation is an organisation that is continually expanding its capacity to create its future. At ViTrox, we provide ample and flexible opportunities for all our people to share, teach, train, mentor, coach and learn from one another. In FYE2020, we organised a total of 457 sharing sessions especially online sharing during the imposition of the movement restriction order period (FYE2019: 321), 134 internal training (FYE2019: 132) and 41 external training (FYE2019: 102) sessions to develop, expand and groom our people's skill, proficiency and knowledge and overall work performance. The training programmes that were provided to our employees are categorised in internal training FYE2020: 76.6% (FYE2019: 56%) and external training FYE2020: 23.4% (FYE2019: 44%). We enable the transfer of knowledge and skills to happen naturally within the organisation and employees cement learning through training and sharing with other employees. The key to creating a successful culture of knowledge sharing is to acknowledge and recognise their effort for doing so. A true learning culture goes beyond training programmes, workshops, courses or practices. It requires leaders and managers to actively support and role model ongoing learning.

	FYE2020 No. of Training	FYE2019 No. of Training
Group Study	2	7
Knowledge Sharing Corporate Level	34	74
Knowledge Sharing Interdepartment	188	131
Knowledge Sharing Intradepartment	233	90
Offsite Sharing	0	19
Total	457	321

SUSTAINABILITY Statement

WORKPLACE (cont'd)

4. Employee Development and Talent Management (cont'd)

Today's businesses are becoming less and less siloed. All departments must operate as one single entity regardless of function types. Whether you work as an engineering manager or the front-line technical service support, there is value in understanding how every unit operates. A truly unified and engaged workforce that excels at cross-departmental knowledge and skills sharing can help bridge the gap between different functions, give employees the opportunity to learn more about other parts of the business, and encourage more empathy across the board. Employee development is more extensive and expansive than training. It is a long-term strategy and should be made a priority as the industry is always evolving. Investing effort, time and money are crucial to prepare our people for greater challenges and future growth and opportunities. Companies that build a culture that supports and amplifies learning and engage in employee growth – from the moment that an individual is hired – will greatly impact future employee work performance and dedication.

We organised a total of 134 in-house training programmes in FYE2020. The type of internal training programmes that were provided to the employees with the aim that the experts share the latest and diversified range of knowledge and skills to increase work performance and foster an engaged workforce are as follows:-

	FYE2020 No. of Training	FYE2019 No. of Training
Management	17	23
Manufacturing	4	1
Productivity	24	37
Quality	10	29
Safety and Health	1	6
Sales & Marketing	3	4
Supply Chain	2	3
Technical and Engineering	73	29
Total	134	132

In addition to internal training, we also offered ample opportunities and exposure for our employees of all job levels to attend external training programmes. This allows them to learn from the industry experts from a fresh perspective on how things are done. They can gain knowledge and contacts from others in similar roles and businesses. In doing so, they learn new skills while perfecting current ones. We emphasise the long-term commitment to our people's career growth.

In summary, we invested a total of 41 external training in FYE2020 even though the movement restriction order period has limited in-person training. We made the transition to attending external training virtually. The type of training that our employees participated were as follows:-

	FYE2020 No. of Training	FYE2019 No. of Training
Information Technology	1	1
Management	4	24
Manufacturing	1	1
Productivity	1	11
Quality	2	9
Safety and Health	13	14
Sales & Marketing	2	4
Supply Chain	0	4
Technical and Engineering	17	34
Total	41	102

5. ViTrox - Objectives and Key Results ("OKRs")

The key to any successful organisation is the ability to turn goals into plans and plans into actual reality. In FYE2020, ViTrox has initiated a new goal-setting framework and management methodology that connects the work of employees to the Group's overall strategic plan which improves the existing process more dynamically by setting objectives frequently, making the tasks short term, and increasing the feedback frequency.

The implementation of OKR within the organisation is to create meaningful alignment and engagement ensuring everyone is going in the same direction, with clear priorities, in a constant rhythm. OKR is a goal system used and designed in the context of large-scaling companies and tech giants, such as Intel, Google, Amazon, Facebook etc. They have become the undisputed best practice of managing teams in almost all settings.

OKR promotes collaboration company-wide, not just between the managers and executives. Everyone in ViTrox is involved from the top to the bottom, individuals become accountable for ensuring specific key results are achieved. Certainly, the success of OKR implementation did not just happen overnight, neither was Rome built in a day.

When implemented in the right way, the OKR system can transform the way a business runs in a holistic way.

SUSTAINABILITY Statement

WORKPLACE (cont'd)

6. A Safe and Healthy Work Environment

Employee health and safety remain as our top priority as evidenced by the number of training and hours spent in both in-house and external training as highlighted in the earlier sections of this Statement. At ViTrox, we have an Occupational Safety and Health Management ("OSH") unit to safeguard, manage, discuss and report areas related to ViTrox's Health, Safety and Environment ("HSE") performance. The OSH will continue to monitor effectiveness, engage with Management, and drive improvement. The team also reports on the measures to be taken to prevent or minimise accidents from occurring.

In FYE2020, our total workforce increased by approximately 18% as compared to a year ago. The recorded occupational incident increased to 4 in FYE2020 against 1 in FYE2019. These 4 recorded occupational incidents contributed to 18 loss days as compared to 2 lost days in FYE2019. The incidents were reported and recorded according to the Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease ("NADOPOD") Guideline by the Department of Occupational Safety and Health Malaysia and ViTrox's Incident Reporting and Recording Matrix. We prepared an employee incident report to create awareness among employees and to review the effectiveness of our safety and health programmes. Besides, we had included Hazard Identification, Risk Assessment and Risk Control ("HIRARC") as part of our Environment, Safety and Health ("EHS") Management System, to further understand the hazards at the workplace, and implement the most effective control measures to continue to improve and drive for zero accident without lost day.

We will continue to do right things by conducting training and promoting health and safety awareness among the ViTroxians which cover new hires, existing employees, and managers to improve the situation.

Description	FYE2020	FYE2019	FYE2018
Total Headcount (including subcontractors and trainees)	837	790	709
Impermanent Disability Injuries	4	1	13
Loss Days	18	2	13

As of 31 December 2020, the COVID-19 pandemic has infected about 113,010 people in Malaysia.

In January 2020, we immediately set up a COVID-19 action team that is responsible for the precautionary measures of the COVID-19. The initiatives done by the COVID-19 action team includes:-

Reduce the risk of transmission

We managed to reduce the risk of transmission of the COVID-19 by reducing the workforce in our ViTrox Campus 2.0. Segregation of the employees has also been done to ensure our employees' health and operation's well-being.

Respond promptly

Our COVID-19 action team has responded promptly to the situations needed. We have done contact tracing by using the 6 degrees of separation for the employees that are classified as People Under Investigation ("PUI") and have conducted disinfections to the work areas swab tests for the employees who have had closed contact with the PUI.

Boost the morale of the employees

The COVID-19 action team has kept boosting the morale of the employees by sharing constructive information and updates regarding the COVID-19. Our employees have adapted to the new norm and also the Group's policies since the COVID-19 pandemic.

Together with everyone's cooperation and effort, we have managed to record zero COVID-19 cases in our company in FYE2020.



SUSTAINABILITY Statement

WORKPLACE (cont'd)

6. A Safe and Healthy Work Environment (cont'd)

Boost the morale of the employees (cont'd)

Control Measures	Description
Reduce the risk of transmission	<ul style="list-style-type: none"> Enhancement of COVID-19 Visitor Management Installation of portable and automatic hand sanitizers at pantries and common areas around company Quarantine employees who came back from overseas according to KKM guideline Daily temperature counter scanning is set up for employees before entering the office Weekly activity of cleaning and disinfecting workspace by employees as a health safety precaution Thorough cleaning of common areas (pantries, toilets, door handles and etc) 3 times daily by cleaners Daily face mask distribution to the employees since 19 March 2020 (approximately 200,000 face masks have been distributed FYE2020) Set up the markings for social distancing guideline at common areas (cafeteria, meeting rooms, surau, smoking area, lifts and etc.) Segregation of operation and non-operation employees Segregation of operation employees into 2 teams (Team A & Team B) Installation of partition at work areas of the operation teams Distribution of 400 safety glasses to operation and technical support teams as extra precautionary measures Enhancement of company policy for COVID-19 such as not allow to eat out and attending social gatherings Special arrangement for employees who eat out or attended social gathering (i.e. work in isolation area) Enhancement of Customers' Support Policy to protect our employees
Response promptly	<ul style="list-style-type: none"> Establishment of COVID-19 Action Team First COVID-19 Action Team meeting was held on 28 January 2020 Virtual Town Hall meeting to share knowledge about COVID-19 and communicated the control measures in place to all employees COVID-19 Action Team come out with a SOP for general pandemic as our reference COVID-19 Action Team come out with an enhanced contact tracing matrix Contact tracing is done for the employees classify as Person Under Investigation ("PUI") Disinfection of the work areas when needed
Boost the morale of the employees	<ul style="list-style-type: none"> Conduct COVID-19 screening test for the employees classify as People Under Surveillance ("PUS") and also foreign workers as extra precautionary measures COVID-19 awareness slide is sent to company wide through email Around 81,000 pax of free lunch provided for all of the employees daily since 19 March 2020 Daily and travelling allowance for the employees during MCO Provide the information and updates of the COVID-19 situations to company wide through email and telegram

Emergency Response

In FYE2020, we had approximately 51 people as compared to 43 people in FYE2019 who are part of Vitrox's Emergency Response Team ("ERT"), ready to respond in emergency situations. They are trained to administer first aid, firefighting, help evacuate buildings, and provide other assistance. In FYE2020, the annual Incident Management Drills with mass gathering was not conducted in order to reduce the risk of transmission of the COVID-19.



SUSTAINABILITY Statement

7. Healthier Work-Life Practices

Work plays a significant part in all our lives. In fact, one-third of our lives are spent at work and it makes a huge impact on one's quality of life. At ViTrox, we understand and recognise how important it is to foster a positive workplace that encourages employees to stay healthy, happy and motivated. When employees are well-taken care of, they feel invested in the organisation's goals and are more willing to contribute more.

Protecting and taking care of our people's health and wellbeing is crucial to helping them realise their potential and abilities, and cope with the stresses of life. We put priority in promoting and building a positive physical and mental health environment in the workplace, to enable our people to thrive.

That is the reason why encouraging and facilitating team sports within the workplace can reap many highly desirable rewards, including increased productivity and improved company morale. A successful and highly-driven business comes from the high density of team collaboration, which also means people will need to work together to get things done, whether this is across departments or in more focused groups. Studies have shown that having an outlet for employees to participate in team sports actually foster a real sense of team spirit and camaraderie among team members. In FYE2020, we constructed and set-up a new V-Sport Court in ViTrox Campus 2.0 to encourage our people to practice and participate in healthy and active lifestyles. The V-Sport Court consists of the following facilities, such as: basketball, futsal, tennis, volleyball and sepak takraw. Employees can reserve the courts through the V-Sport Court booking system and enjoy the facilities with the sports equipment provided.

The objective of a team, whether it is in business or sport, is to achieve targets through a set of values that all members hold in common. Besides that, the success of a company's business also relies on employees working together to get things accomplished.

Workplace sport is no doubt a powerful fuel source for our people to be at their best. Team sport breaks down barriers, promotes teamwork and communication, and helps create a sense of belonging and trust between one another. That is exactly what we strive for.



Other than physical sports activities, we also take care of our ViTroxians' mental growth by promoting various classes such as Mindfulness classes or Soundbathing classes. In March 2020, all physical activities had halted due to the imposition of movement restriction order. Thus we created our online Tabata video and launched online courses such as yoga to benefit our employees during the hardship period.



Like how a potted plant needs consistent watering, we care for our employees' work-life = harmony too. At ViTrox, we have a total of 9 voluntary interest clubs and each club organises many unique activities for our employees to participate in to develop one's skills and personal interests. One shall not stop learning because life never stops teaching!

- i. Music & Singing Club
- ii. Performing & Art Club
- iii. Charity Club
- iv. Flora & Farming Club
- v. Cooking Club
- vi. Go Green Club
- vii. Photography Club
- viii. Toastmasters Club
- ix. Sport & Recreation Club

(consists of a few sub-clubs: Running, Badminton, Basketball, Cycling, Ping Pong, Futsal, Yoga, Zumba, Gym & Tabata)

SUSTAINABILITY Statement

7. Healthier Work-Life Practices (cont'd)

Year 2020 marks the 20th anniversary of ViTrox. Rooted in the core values, ViTrox is grateful for its journey thus far and ready to soar to greater heights and achievements with the strong teamwork from its employees.



All photos were taken on 29 February 2020 during ViTrox 20th Anniversary Annual Dinner

SUSTAINABILITY Statement

COMMUNITIES

On 13 October 2020, we organised 1013 - "One Person, One Good Deed" fundraising event in our campus during the V-Meal Programme by serving vegan lunch to our employees and they donated voluntarily. Besides, our voluntary club also prepared homemade Rojak and sold to employees. We managed to raise RM5,815.30 and donated to ViTrox Charity Fund with the aim to help the needy. Other than fundraising activities, we also launched a good deed campaign by inviting ViTroxians to participate by completing a few good deed tasks.

In a continuous effort to contributing back to the community in supporting charity and education, we donated RM902,588 to various groups and NGOs in FYE2020 for the following events:-

Charity		Education	
1	ViTrox 20 th Anniversary - Penang Welfare Association for Mentally Retarded Children - Tzu-Chi Merit Society Malaysia	1	ViTrox Education Financial Assistance Programme (4x Pax)
2	USAINS - Marketplace portal	2	Finance Assistance
3	V-Serve Programme	Total : RM132,100	
4	Donation of Protection Suit ("PPE"), Isolation gown & Ventilators for COVID-19 relief	ViTrox 20 th Anniversary	RM500,000
5	500K pc of Facemask donation to Penang State Government	Support on Charity & Education	RM354,000
6	Others CSR	Other CSR	RM48,588
Total : RM267,728		Total : RM902,588	
		1	ViTrox 20 th Anniversary - UTAR Education Fund - Penang Science Cluster - SJK(C) Keng Koon - SJK(T) Ldg Batu Kawan
		2	USM - Project Building Social Business: Towards a Societal Well-being
		3	Other CSR
		Total : RM502,760	

With the collaboration with our business partners and management team, we successfully raised an additional fund of RM530,000 during ViTrox 20th Anniversary. As such, the total contribution from ViTrox, management team and business partner are amounting to RM1,432,588 in FYE2020.

CORPORATE GOVERNANCE *Statement* *Overview*

The Board of Directors (“the Board”) of ViTrox Corporation Berhad (“ViTrox” or “the Company”) is committed to ensure high standards of corporate governance are in place and practiced throughout the Group. The Board recognises the importance of adopting good corporate governance and is committed to ensure high standards of good corporate governance are in place and practiced within the Group in order to safeguard the shareholders and relevant stakeholders’ interests as well as enhancing shareholders’ value.

This statement is prepared in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and it is to be read together with the Company’s Corporate Governance Report 2020 (“CG Report”) which is available on ViTrox’s website <https://www.vitrox.com/investor/annual-report.php> as well as via the Company’s announcement made to Bursa Malaysia Securities Berhad. The CG Report provides the details on how the Company has applied each Practice as set out in the Malaysian Code on Corporate Governance (“Code”) during FYE2020.

Principle A: Board Leadership and Effectiveness

1. Board Responsibilities

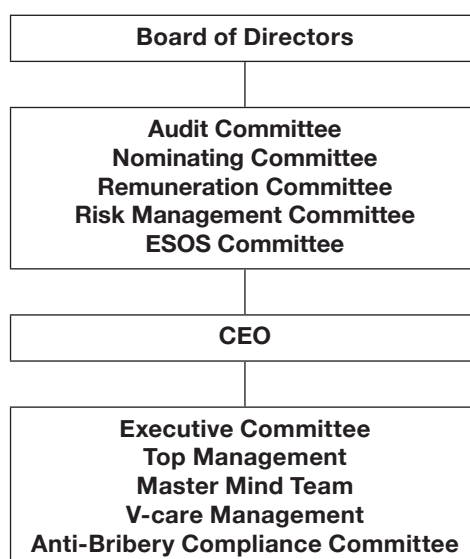
The Board is responsible for oversight and overall management of the Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership function, the Board is delegating specific powers of the Board to relevant various committees within the Board (“Board Committees”), the CEO and the senior management of the Company. All approvals are supported by the authority limits, which clearly sets out relevant matters reserved for the Board’s approval, as well as those which the Board may delegate to the Board Committees, the CEO and the senior management.

The Board plays an active role in the development of the Company’s strategy. The Board reviews and approves the annual business plan recommended by the management.

The Board has direct access to senior management and has unrestricted and immediate access to information relating to the Group’s business and affairs in the discharge of their duties. The Board will consider inviting the senior management to attend meetings for reporting on major issues relating to their respective responsibility.

The Board Committees are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference (“TOR”). The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The CEO is responsible for the day-to-day management of the business and operations of the Group in respect of both its regulatory and commercial functions. The Board is also kept informed of key strategic initiatives and significant operational issues and the Group’s performance, based on the approved KPIs in the Corporate Hoshin Plan.



CORPORATE GOVERNANCE *Overview Statement*

Principle A: Board Leadership and Effectiveness (cont'd)

1. Board Responsibilities (cont'd)

The Company practices a division of responsibilities between the Independent Non-Executive Chairman and the CEO. Their roles are separated and clearly defined to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO. The positions of the Chairman and CEO are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of ViTrox ("Board Charter").

Additionally, ViTrox has in place the Whistleblower Policy and Procedures that fosters an environment in which integrity and ethical behavior are maintained and any illegal or improper actions and/or wrong doing in the Company may be exposed. The Company's Codes of Ethics for Directors continue to govern the standards of ethics and good conduct expected from Directors.

During the year, an Anti-Bribery and Corruption Policy was established to set out the Group's zero tolerance approach against all forms of bribery and corruption and the Group takes a strong stance against such acts. The Group's practices are in accordance to the Malaysian Anti-Corruption Commission Act 2009 and the new provision of Malaysian Anti-Corruption Commission Act 2018 ("MACC ACT") and any of its amendments from time to time.

The Board members have full access to the two (2) Company Secretaries, both are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("CA") who provide advisory services to the Board, particularly on changes in MMLR, CG issues and compliance with the relevant policies and procedures, laws and regulatory requirements, in addition to the administrative matters.

Further details pertaining to the respective TOR of Board Committee, Board Charter, Code of Ethics, Whistleblower Policy and Procedures and Anti-Bribery and Corruption Policy are available at ViTrox's website under "Company" section.

2. Board Composition

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

The Board through its Nominating Committee ("NC") conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. On 24 February 2021, the NC conducted an assessment of the effectiveness of the Board, respective Board Committee and Independence ("the Assessment") in respect of FYE2020. Appraisal forms which comprising quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee, were being circulated at the Meeting for assessment. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committee and agreed that it has the necessary mix of skill, experience and other necessary qualities to serve effectively.

The Board is presently of the view that there is no necessity to fix a maximum tenure limit for Independent Non-Executive Directors ("NED") as there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and knowledge of the Company's businesses and affairs. The current complement of NEDs provides an effective Board with a mix of industry specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. However, those NED served more than nine (9) years will be subject to shareholders' approval for the re-appointment during the annual general meeting ("AGM").

CORPORATE GOVERNANCE *Statement* *Overview*

Principle A: Board Leadership and Effectiveness (cont'd)

2. Board Composition (cont'd)

Based on the review of the Board composition in FYE2020, the Board agreed to maintain the Board size at seven (7) as this size would still enable effective oversight and delegation of responsibilities by the Board in meeting the Company's current needs and requirements. Whereas, the women representation on the Board of ViTrox was at 29% as at 31 December 2020 (25% as at 31 December 2019). The Independence elements of the Board was at 57% (FYE2020) which is in line with Practice 4.1 of the Code.

As at 31 December 2020, the Company complied with Paragraph 15.02 of the MMLR as there were four (4) Independent Directors out of the total of seven (7) members in the Board.

A Board matrix has also been developed internally and used as reference for the Board refreshment and succession planning to complement one another. During the Assessment, the NC observed that the gap areas remain relevant in the current Board composition. Hence, the following are taken into consideration in strengthening the mix of skills and composition of the Board:

	Composition
Independent NED	4
Executive Director	3

Nationality	Composition
Malaysian	7
Foreigner	0

Industry / Background	Composition*
Technology	5
Marketing	1
Industrial	5
Corporate / Planning	4
Accounting / Finance	1
Governance Risk and Compliance	6
Law / Legal	1

* Individual directors may fall into one or more categories

Age	Composition
40-49	2
50-59	2
60-69	2
≥70	1

Gender	Composition
Male	5
Female	2

Race / Ethnicity	Composition
Bumiputra	1
Chinese	6
Foreign	0

Tenure	Composition
1-8 years	1
9-11 years	0
>12 years	6

The Assessment conducted by the NC also indicated that there was no apparent weaknesses/shortcoming identified that warrants specific action plan to address the same. Nevertheless, the Board agreed on an enhancement areas relating to the needs of the Directors to upskill and/or further equip the Directors with the necessary competencies and knowledge to meet the needs of the Board from time to time.

3. Remuneration

It is the Company's policy to remunerate Directors adequately to attract and retain the Directors of the necessary caliber to manage its business in promoting business stability and growth. The determination of the remuneration of each Independent NED is decided by the Board as a whole. The Board reimburses any reasonable expense incurred by these Directors in the course of their duties as Directors.

CORPORATE GOVERNANCE *Overview Statement*

Principle A: Board Leadership and Effectiveness (cont'd)

3. Remuneration (cont'd)

The Remuneration Committee ("RC") is responsible for recommending to the Board on the remuneration framework and the remuneration package of Executive Directors ("EDs") to ensure that rewards commensurate with their contributions to the Group's growth and profitability in order to align the interest of the Directors with those of the shareholders. The RC also ensures the level of remuneration for NEDs and ED are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

The current Board Remuneration was approved by the shareholders at the 16th AGM of the Company held on 29 June 2020.

In February 2021, the RC undertake a review of the Board Remuneration with the view to determine its competitiveness and sufficiency to attract, retain and motivate individuals with strong credentials, high caliber and astute insights to serve on the Board of ViTrox. The Board approved the recommendation by the RC in respect to the revisions to the Board Remuneration which will be put forth to the shareholders for approval at the 17th AGM, in accordance with Sections 230 and 340(1)(c) of the CA.

Principle B: Effective Audit and Risk Management

1. Audit Committee

The Audit Committee of the Company ("AC") comprises wholly three (3) Independent NEDs. The AC is chaired by an Independent NED, Ms. Chuah Poay Ngee. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed in the checklist. Annually, the composition of AC is reviewed by the NC and recommended to the Board for its approval. With the view to maintain an independent and effective AC, the NC ensures that only an Independent NED who possesses the appropriate level of expertise and experience, and has the strong understanding of the Company's business would be considered for membership on AC.

2. Risk Management and Internal Control Framework

The Board fulfils its responsibilities in the risk governance and oversight functions through its Risk Management Committee ("RMC") in order to manage the overall risk exposure of the Group. The RMC assessed and monitored the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls were reviewed by the AC in relation to internal audit function for the Group. The RMC comprise of EDs who are familiar with the Company's business situation. The Board is satisfied with the performance of the RMC and AC and their respective Chairmen in discharging their responsibilities, based on the results of the Board Committees effectiveness evaluation of the FYE2020.

The Board is of the view that the internal control and risk management system in place is sound and sufficient to safeguard the Group's assets, shareholders' investments and the interests of customers, regulators, employees and other stakeholders. The details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE *Statement* *Overview*

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

1. Communication with Stakeholders

ViTrox ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. ViTrox also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on ViTrox's website and engagement through the investor relations function. In FYE2020, the epidemic of unprecedented COVID-19 pandemic has plagued the country and worldwide, as an effort to curb the spread of the pandemic, a number of events were held via fully virtual meeting during the year to maintain an open communication with the investors, shareholders, intermediaries, regulators, employees and other communities as highlighted in Sustainability Statement.

2. Conduct of General Meetings

ViTrox's AGM is an important means of communicating with its shareholders. At the 16th AGM of the Company held on 29 June 2020, seven (7) members of the Board were present at the meeting to respond to the questions raised by the shareholders or proxies. The Chairman of the Board chaired the 16th AGM in an orderly manner and allowed the shareholders or proxies to speak at the meeting. The CEO presented the overall performance of the Group at the meeting. The senior management of the Company were also present to respond to any enquiries from the shareholders.

The voting at the 16th AGM was conducted by way of electronic poll-voting. The Company continues to explore the leveraging of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company.

This CG Overview Statement was approved by the Board of Directors of ViTrox on 25 March 2021.

AUDIT COMMITTEE *Report*

The Board of Directors ("Board") presents the Audit Committee ("AC" or "Committee") Report which provides insights into the manner in which the Committee discharged its functions for the Group in the FYE2020.

COMPOSITION

The present members of the Committee comprise:-

Chuah Poay Ngee
Chairman
Independent, Non-Executive Director

Dato' Seri Dr. Kiew Kwong Sen
Member
Independent, Non-Executive Director

Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Member
Independent, Non-Executive Director

Chang Mun Kee (*retired on 1 August 2020*)
Member
Independent, Non-Executive Director

This composition meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Main LR). Ms. Chuah Poay Ngee, the Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Main LR.

Details of the Terms of Reference for Committee are available on the Company's corporate website.

Attendance at Meetings

The information on the attendance of each member at the Committee meetings held during the FYE2020 is as follows:-

Member	No. of Meetings Held	No. of Meetings Attended
Chuah Poay Ngee	5	4
Dato' Seri Dr. Kiew Kwong Sen	5	5
Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	5	3
Chang Mun Kee (<i>retired on 1 August 2020</i>)	5	4

AUDIT COMMITTEE *Report*

Summary of work performed by the Audit Committee

The activities carried out by the Committee during the FYE2020 in the discharge of its duties and responsibilities are as follows:-

1. Financial Reporting

- a. In overseeing the Company's financial reporting, the Committee reviewed the quarterly financial statements for the fourth quarter of FYE2020 and the annual audited financial statements of FYE2020 at its meeting held on 24 February 2021 and 25 March 2021 respectively.

The quarterly financial statements for the first, second and third quarters of FYE2020, which were prepared in compliance with MFRS 134, "Interim Financial Reporting", issued by the Malaysian Accounting Standards Board ("MASB") and the disclosure requirements as set out in Appendix 9B of the Main LR were reviewed at the Committee meetings on 28 May 2020, 23 July 2020 and 22 October 2020 respectively. On 24 February 2021, the Committee reviewed the quarterly financial statements for the fourth quarter of FYE2020. The Committee's recommendations were presented for approval at the subsequent Board meeting.

- b. To safeguard the integrity of information, the CEO/CFO of the Company, who are also the director/officer primarily responsible for the financial management of the Group had, on 28 May 2020, 23 July 2020, 22 October 2020 and 24 February 2021, given assurance to the Committee that:-
 - i. Appropriate accounting policies had been adopted and applied consistently;
 - ii. The going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements was appropriate;
 - iii. Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards ("MFRSs");
 - iv. Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs, International Accounting Standard and Main LR; and
 - v. The Annual Financial Statements and Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for FYE2020.

2. External Audit

The Committee has on 27 February 2020, 2 April 2020, 22 October 2020, 24 February 2021 and 25 March 2021 respectively met with the External Auditors without the presence of the Executive Members.

On 27 February 2020, the External Auditors tabled the Audit Review Memorandum FYE2019 for the Committee's information and discussion, inter alia, 2 accounting and audit issues i.e. Slow Moving Inventories and Impairment of Trade Receivables were highlighted to the Committee for its attention. There were no critical areas of concern raised by the External Auditors.

During the Meeting held on 2 April 2020, the External Auditors tabled the draft audited Financial Statement FYE2019 for discussion. The Committee noted that the impact of outbreak of COVID-19 pandemic (post-FYE2019) was duly addressed under the Management Discussion and Analysis in the Annual Report 2019.

On 22 October 2020, the External Auditors tabled the Audit Plan prior to the commencement of audit of financial statements for financial year ending 2020, particularly outlined the audit approach, areas of audit emphasis, and the Accounting standard update. The External Auditors informed that the Management, Committee and the Board of Directors to address the extent of the financial impact of the COVID-19 pandemic to the Group's operation in the preparation of the financial statements.

AUDIT COMMITTEE

Report

2. External Audit (cont'd)

At the Meeting held on 24 February 2021, the External Auditors tabled and the Committee reviewed the Audit Review Memorandum of the Group for FYE2020. The External Auditors identified 2 accounting and audit issues i.e. Slow Moving Inventories and Impairment of Trade Receivables to the Committee. At the same Meeting, copies of the External Auditors Performance and Independence Checklist in respect for the FYE2020 were being distributed at the Meeting for review (the Assessment). The Committee concluded that based on the Assessment, amongst others as set out below, the External Auditors Performance for FYE2020 was found adequate and thereby recommended the re-appointment of Messrs. Crowe Malaysia PLT ("CM") as the External Auditors of the Group to the Board for approval by its shareholders:-

- after having satisfied with its audit independence and the performance of CM throughout its course of audit FYE2020;
- highly satisfied that the quality processes/performance of External Auditors;
- able to give adequate technical support when audit issue arises; and
- adequate experience and resources of CM and audit engagements.

3. Internal Audit Function

The Group has engaged the services of an independent professional accounting and consulting firm, BDO Governance Advisory Sdn. Bhd. ("BDO") to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. BDO reports directly to the Committee on its activities. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The annual cost for the Group's internal audit function is RM24,000 (for 2 Audit areas/cycles namely, Human Resources Management and Procure to Pay). The Committee is of the opinion that the amount spent in FYE2020 is adequate to provide an effective internal audit function.

On 27 February 2020, the Internal Auditors presented the Internal Audit Plan FYE2020 for the Committee's review. The Internal Auditors reported its findings together with recommendation and management action plan to the Committee for review on 23 July 2020 and 22 October 2020 respectively. Besides, the Committee also followed up from time to time the updates and corrective actions by the Management on audited areas reported in the prior quarters.

During the FYE2020, Internal Auditors have conducted review on internal control for the following areas:-

Audit Areas	Reporting Date
1. Human Resources Management	13 July 2020
2. Procure to Pay Cycle	9 October 2020

4. Employees' Share Option Scheme ("ESOS") Allocation

On 25 March 2021, the Committee reviewed and verified the allocation of options pursuant to the ESOS for FYE2020 and satisfied that it is in compliance with the criteria set out in the By-Laws and provision of the Scheme.

The Audit Committee reviewed the Statement on Risk Management and Internal Control in respect of FYE2020 on 25 March 2021 for publication in the Annual Report 2020. Information pertaining to the Company's internal controls is shown in the Statement on Risk Management and Internal Control set out on page 90 to 95 of this Annual Report.

STATEMENT ON *Risk Management and Internal Control*

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

The Board of Directors ("the Board") of ViTrox Corporation Berhad ("the Company") is pleased to present this Statement on Risk Management & Internal Control ("this Statement"), which has been prepared in accordance with the *Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers* issued by Bursa Malaysia Securities Berhad.

Internal Control Objectives

The Board recognises the importance of maintaining a sound system of internal control to achieve the following objectives:-

1. Safeguard the shareholders' investment and assets of the Group
2. Identify and manage risks affecting the business of the Group
3. Ensure compliance with regulatory requirements
4. Ensure the effectiveness and efficiency of operations to achieve business objectives of the Group
5. Ensure the integrity and reliability of financial information

Board Responsibility

The Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing risks that may affect the achievement of business objectives. The control structure and process which have been instituted throughout the Group are updated and reviewed from time to time to suit changes in business environment, and this on-going process has been in place for whole financial year under review and up to date of approval of this Statement for inclusion in the annual report.

The role of the Board amongst others, is to ensure:-

1. Organisational structure of each business unit clearly defines operational and financial responsibilities
2. Key responsibilities are clearly defined and properly segregated
3. Authority level is properly defined
4. Key management personnel including Executive Directors meet regularly to address key business risks and operational issues
5. Operational procedures are governed by Standard Operating Manuals which are reviewed and updated regularly
6. Effective financial reporting system is in place to ensure timely generation of financial information for management's review

The Board is ultimately responsible to ensure that the Group maintains a sound system of internal control. However, the Board wishes to draw attention that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements, loss or fraud.

The Group's system of risk management and internal control applies principally to the Company and its subsidiaries but do not apply to the associate.

The Audit Committee ("AC") is responsible for reviewing and monitoring the adequacy and effectiveness of Group's internal controls. The review and monitoring of the adequacy and effectiveness of the system of internal control are carried out through the internal audit function. In this respect, the Group has outsourced the internal audit function to an external independent professional consulting firm. Audit issues and actions taken by Management to address the issues tabled by Internal Audit ("IA") were deliberated during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

STATEMENT ON *Risk Management and Internal Control*

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

Board Responsibility (cont'd)

The Risk Management Committee ("RMC") provides oversight on risk management matters relating to the activities of the Group, to ensure prudent risk management over ViTrox's business and operations. At its scheduled meetings in 2020, the RMC had reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the overall risk exposure of the Group. The RMC also reviewed proposals for new products, monitored the progress and status of risk management activities, as well as raised issues of concern and provided feedback for Management's action.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the RMC and reviewed by AC before presenting to the Board for its deliberation and approval and matters or decisions made within the AC's and RMC's purview were escalated to the Board for its information.

Key Internal Control Processes

The Group Internal Control System comprises the following key processes:-

1. Authority and Responsibility

- a. Certain responsibilities are delegated to Board Committees through clearly defined Terms of Reference ("TOR").
- b. The Authority Manual is reviewed and updated periodically to reflect the authority and authorisation limits of Management in all aspects of the Group's major business operations and regulatory functions.
- c. The Management Governance Framework, comprising committees for the governance function i.e. Risk Management Working Group ("RMWG") and four committees for the operations function i.e. Top Management, Master Mind Team, V-care Management Team and Anti-Bribery Compliance Committee has clearly defined role and responsibility to enable good business and regulatory governance.

2. Planning, Monitoring and Reporting

- a. An annual planning and budgetary exercise is undertaken requiring all divisions to prepare business plans and budgets for the forthcoming year. These are deliberated on and approved by the Management before its implementation.
- b. The Board is updated on the Group's performance at the scheduled meetings on quarterly basis. The Group's business plan and actual versus budget performance for the year are reviewed and deliberated by the Board on a quarterly basis.
- c. There is a regular and comprehensive flow of information to the Board and Management on all aspects of the Group's operations to facilitate the monitoring of performance against the Group's corporate strategy, business and regulatory plans.
- d. The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are required to provide reasonable assurance to the Board that Group's risk management and internal control system are operating adequately and effectively in all aspects, based on the risk management and internal control system of the Group.

The Executive Directors are also responsible of the appropriate accounting policies have been adopted and applied consistently, the going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements of the Group is appropriate, and that prudent judgements and reasonable estimates have been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs") and that the Annual Financial Statements and the quarterly Condensed Consolidated Financial Statements of the Group give a true and fair view of the financial position and financial performance of the Group and do not contain any material misstatement.

STATEMENT ON *Risk Management and Internal Control*

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

Key Internal Control Processes (cont'd)

3. Policies and Procedures

Policies and procedures of business processes are documented and set out in a series of Standard Operating Manual and implemented throughout the Group. These policies and procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational needs.

All the documented policies and procedures can be accessed via the Company's intranet for easy access by employees.

4. Audits

- a. The Board has outsourced the internal audit function to BDO Governance Advisory Sdn. Bhd. ("BDO"), an independent professional firm of consultants.

Internal audit is carried out to assess the adequacy and integrity of the internal control system of the Group based on the internal audit plan reviewed and approved by the AC. Based on the audits, the internal auditors will advise management on areas of improvement and subsequently, initiate follow-up actions to determine the extent of implementation of their recommendations.

The internal audit plan was circulated to the members of the AC prior to the execution of the assignment. Findings arising from the internal audit exercise were reported and discussed at the AC meeting. During the year under review, the internal auditors have not reported any significant weaknesses in the system of internal controls of the Group.

- b. The IA team is required to conduct assessments of the internal control system pertaining to the processes of the relevant business/functional units which have a bearing on the financial information of the Group, to ensure the reliability and integrity of such information. At least 2 audit areas to be covered in a year. For the FYE2020, the covered audit areas are Human Resources Management and Procure to Pay Cycle.
- c. The External Auditors' annual plan and audit review memorandum is tabled annually to the AC for deliberation and approval.

5. Risk Management

The Board has established an organisation structure with clearly defined line of responsibility, authority limits and accountability aligned to business and operation requirements which supports the maintenance of a strong and robust control environment.

The Group is continuously committed in setting standards whilst maintaining an effective risk management framework to ensure the Group's objective are achieved and stakeholders interest are protected. The Board acknowledges its responsibility to adopt best practices in risk management and internal control as part of the Group's business culture.

RMC is the first line of defence and accountable for all risks assigned under their respective areas of responsibility. This group of personnel is also responsible for the continuous development of the risk management capabilities of employees and ensures that risk management is embedded in all key processes and activities. The RMC reviews the risk management reports it receives from the RMWG and assesses risks at the Group level.

RMWG is formed at each business/functional unit and it reports to the RMC. The functions of the RMWG are to identify risks, quantify the risk impact and formulating risk mitigation strategies.

STATEMENT ON *Risk Management and Internal Control*

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

Key Internal Control Processes (cont'd)

5. Risk Management (cont'd)

The AC will monitor the effectiveness of the risk management and internal control system during FYE2020 and discussed at the AC Meeting.

The Group has established a structured process for identification, assessment, communication, monitoring and periodical review of risks. The analysis and evaluation of the risks are guided by approved risk criteria. The Group also has risk management tools to support the risk management process and reporting.

In FYE2020, the RMC has continuously monitored the top 5 operational risks and top 5 non-operational risks respectively. All the operational risks were continuously monitored by internal operation enhancement. 2 non-operational risks were covered by the IA in FYE2020. The remaining 3 non-operational risks were continuously mitigated by internal process enhancement.

Being a certified ISO 9001:2015 organisation, the Group endeavours to continuously reviewing and enhancing the above processes and procedures in accordance with global best practices and standards to ensure that the risk management framework remains relevant and applicable in the evolving market environment.

Towards the end of FYE2020, all existing significant risks have been reviewed together with any relevant inherent and emerging risks to assess their impact on the Group for the upcoming year. Except for those risks which have been gradually mitigated through the internal process/operation enhancement, the Group recognises that the remaining significant risks will remain relevant for the financial year ending 2021.

6. Compliance Management

The Group's compliance management covers compliance to all legal obligations imposed on ViTrox, in particular laws, regulations, rules and major identified guidelines or legal requirements. It also covers risk-based compliance to internal policies and procedures, code of ethics and business conduct.

In FYE2020, there were no major non-compliance issues encountered.

7. Performance Management

Key Performance Indicators ("KPIs"), which are based on the Corporate and Divisional Hoshin Plan and Individual KPIs and Behavioural Competencies are used to track and measure employees' performance.

Ongoing employee and customer satisfaction surveys are conducted to gain feedback on the effectiveness and efficiency of stakeholder engagements for continuous improvement.

8. Employees' Competency

Proper guidelines within the Group regarding employment and dismissal, formal training programmes as well as other relevant procedures are in place to ensure that employees are competent and adequately guided in carrying out their responsibilities.

STATEMENT ON *Risk Management and Internal Control*

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

Key Internal Control Processes (cont'd)

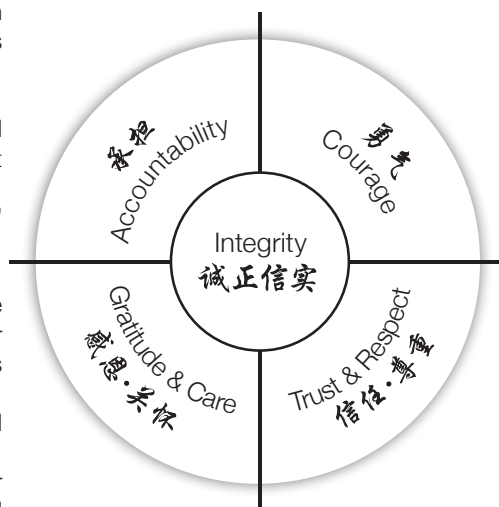
9. Conduct of Employees

ViTrox's corporate culture is originated on the following core values which are continuously inculcated in employees on their conducts to ViTrox and its stakeholders:-

ViTrox's core values, 'I.A.C.T.G.- The Power of 5', represents the fundamental principles of ViTrox's shared values that guide us to think, talk and do the right things every day in the pursuit of both individual and company greatness. 'I.A.C.T.G.' is the acronym for 'Integrity,' 'Accountability,' 'Courage,' 'Trust and Respect,' and 'Gratitude and Care'.

ViTrox has a Whistleblower Policy and Procedures ("WPP") to provide an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Group. The AC has the overall responsibility in overseeing the implementation of the WPP for ViTrox Group.

Segregation of duties is practised whereby conflicting tasks are assigned to different employees to reduce the scope for error and fraud.



10. Supplier Code of Conduct

The Board expects all ViTrox Group's suppliers to observe high ethical business standard of honesty and integrity and to apply these values to all aspects of their business and professional practices.

A Supplier Code of Conduct is established in which the Group's minimum expectations on the suppliers vis-à-vis legal compliance and ethical business practices are stipulated.

The Code applies to all suppliers, vendors, contractors and any other persons doing business with the Group.

11. Anti-Bribery and Corruption Policy

Anti-Bribery and Corruption Policy is to provide procedures for the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices which can lead to serious reputational damage to the Group. The Policy is applicable to the Board, Management, and all employees of the Group including the company's suppliers, contractors, subcontractors, agents or intermediary, and any other person associated with or acting on behalf of the Group. The Group is committed to conduct its business ethically with zero-tolerance approach against all forms of bribery and corruption and the Group takes a strong stance against such acts.

12. Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken by Management to review the coverage of the assets as recorded in the current fixed asset register and their respective carrying amount and "replacement values", that is the prevailing market price for the same or similar item, where applicable.

STATEMENT ON *Risk Management and Internal Control*

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

Review of this Statement

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2020 Annual Report. As set out in their terms of engagement, the limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

Based on review by External Auditors, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of the Listed Issuers to be set out, nor is this Statement factually inaccurate.

IA has also reviewed this Statement and reported to the AC that, while it has addressed certain individual lapses in internal control during the course of its internal audit assignments for the year, it has not identified any circumstances which suggest any fundamental deficiencies in the Group's risk management and internal control system.

Conclusion

The Board is of the view that the system of internal control and risk management in place for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

The Board has also received reasonable assurance from the CEO and the CFO that the Group's risk management and internal control system are operating adequately and effectively in all aspects, based on the risk management and internal control system of the Group.

STATEMENT OF Directors Responsibilities

Pursuant to Paragraph 15.26(a) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")

The Directors are required to prepare audited financial statements that give a true and fair view of the state of affairs, including the cash flows and results, of the Group and of the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:-

- That the Group and the Company have used appropriate accounting policies, and these are applied consistently;
- That reasonable and prudent judgements and estimates were made;
- That the approved accounting standards in Malaysia have been adopted; and
- That the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and subsidiary companies maintain proper accounting records which disclose with reasonable accuracy the financial positions of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a board of directors resolution dated 25 March 2021.

ADDITIONAL COMPLIANCE *Information*

Utilisation of Proceeds

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the FYE2020 by the Company's Auditors, or a firm or corporation affiliated to the Auditors' firm are as follow:-

Category	Audit Fees (RM)	Non-Audit Fees (RM)^
Company	55,000	43,000
Subsidiaries	105,500	102,100
Total	160,500	145,100

^ Non-audit fees consist of review of Statement on Risk Management and Internal Control and tax fees.

Employees' Share Scheme

The shareholders of the Company had via its Extraordinary General Meeting held on 27 February 2014, amongst others, approved the Establishment of an Employees' Share Option Scheme ("ESOS") of up to 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS Scheme. The implementation of the ESOS is effective from 4 March 2014.

During FYE2020, the total number of ESOS exercised, lapsed and outstanding are set out below:-

Category	Number of ESOS options as at 31 December 2020			
	Balance 1 January 2020	Exercised	Lapsed	Balance 31 December 2020
Directors	600,000	(600,000)	-	-
Employees	827,000	(452,000)	-	375,000
Total	1,427,000	(1,052,000)	-	375,000

Pursuant to the Company's ESOS, not more than 70% of the options available under scheme shall be allotted, in aggregate, to Directors and senior management.

Since the commencement of the scheme, 51.51% of the options under the scheme have been granted to Directors and senior management.

ADDITIONAL COMPLIANCE

Information

Employees' Share Scheme (cont'd)

During the financial year, no options have been granted to Directors and senior management.

The table below set out the ESOS granted to, exercised by the Non-Executive Directors (except for Mary Yeo Chew Yen who was appointed on 1 April 2018) pursuant to the ESOS in respect of the FYE2020:-

	Number of ESOS Options			Balance 31 December 2020
	Balance 1 January 2020	Granted	Exercised	
Dato' Seri Dr. Kiew Kwong Sen	-	-	-	-
Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	-	-	-	-
Chuah Poay Ngee	-	-	-	-
Chang Mun Kee	600,000	-	(600,000)	-
Total	600,000	-	(600,000)	-

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at 31 December 2020 or entered into since the end of the previous financial year.

Financial **REPORT**

CONTENTS

100	Directors' Report
106	Statement by Directors
106	Statutory Declaration
107	Independent Auditors' Report
111	Consolidated Statement of Financial Position
112	Consolidated Statement of Comprehensive Income
113	Consolidated Statement of Changes in Equity
115	Consolidated Statement of Cash Flows
117	Statement of Financial Position
118	Statement of Comprehensive Income
119	Statement of Changes in Equity
120	Statement of Cash Flows
121	Notes to the Financial Statements

DIRECTORS' Report

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2020. All values shown in this report are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

Principal activities

The principal activities of the Company are those of investment holding and development of 3D and line scan vision inspection system. The principal activities and other details of the subsidiaries are disclosed in Note 8 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(loss) for the financial year attributable to:-		
- Owners of the Company	105,621	29,024
- Non-controlling interests	(1)	0
	<u>105,620</u>	<u>29,024</u>

Dividends

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

	RM'000
In respect of financial year ended 31 December 2019:-	
- Interim tax exempt dividend of 1.50 sen per share, paid in January 2020	7,065
- Final tax exempt dividend of 2.80 sen per share, paid in July 2020	13,191
In respect of financial year ended 31 December 2020:-	
- Interim tax exempt dividend of 1.75 sen per share, paid in January 2021	<u>8,261</u>
	<u>28,517</u>

The directors have proposed a final tax exempt dividend of 3.95 sen per share in respect of the financial year ended 31 December 2020, subject to the members' approval at the forthcoming Annual General Meeting.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

DIRECTORS' Report

Issue of shares or debentures

During the financial year, the Company issued 1,052,000 new ordinary shares pursuant to the Employees' Share Option Scheme ("ESOS") as follows:-

Number of shares	Exercise price RM	Cash consideration RM'000
300,000	0.81	243
300,000	1.01	303
452,000	2.79	1,261
1,052,000		1,807

The Company did not issue any debentures during the financial year.

Share options

The shareholders of the Company, by a resolution passed at the Extraordinary General Meeting held on 27 February 2014, approved the Company's ESOS. The ESOS became effective on 4 March 2014.

The principal features of the ESOS are as follows:-

- (i) At any point of time when the offer is made, the maximum number of shares to be issued under the ESOS shall not exceed 10% of the total issued and fully paid-up share capital of the Company during the duration of the ESOS.
- (ii) Any employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least 18 years of age and has been confirmed and completed at least 1 year of service within the Group on a full time basis.
- (iii) All non-executive directors who have been appointed to the Board for more than 1 year shall be eligible to participate in the ESOS in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad and subject to the Articles of Association of the Company.
- (iv) The ESOS shall be valid for a duration of 10 years from the effective date.
- (v) The option price shall be determined based on the weighted average market price of shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10%.
- (vi) The options granted are exercisable on a time proportion basis over the duration of the ESOS. The employee's entitlement to the options is vested as soon as they become exercisable.
- (vii) The new shares to be allotted and issued upon exercise of any options granted under the scheme will, upon allotment and issuance, rank pari passu in all respects with the then existing shares and paid-up shares in the Company, save and except that the new shares so allotted and issued will not be entitled to any right, dividend, allotment and/or distribution declared, made or paid, the entitlement date of which precedes the date of exercise of the options.

DIRECTORS' Report

Share options (cont'd)

The movements in the number of options during the financial year are as follows:-

Date of offer	Date of expiration	Exercise price RM	Number of options over ordinary shares				Balance at 31.12.2020
			Balance at 1.1.2020	Granted	Exercised	Forfeited	
15 May 2014	1 March 2024	0.81	300,000	0	(300,000)	0	0
20 October 2014	1 March 2024	1.01	310,000	0	(300,000)	0	10,000
16 May 2017	1 March 2024	2.79	817,000	0	(452,000)	0	365,000
			1,427,000	0	(1,052,000)	0	375,000

Bad and doubtful debts

Before the financial statements were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements misleading.

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group or the Company misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

DIRECTORS' Report

Change of circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Directors

The directors in office since the beginning of the financial year are:-

Dato' Seri Dr. Kiew Kwong Sen
Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Chu Jenn Weng
Siaw Kok Tong
Yeoh Shih Hoong
Chuah Poay Ngee
Mary Yeo Chew Yen
Chang Mun Kee (retired on 1.8.2020)

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:-

Name of director	Number of ordinary shares				Balance at 31.12.2020
	Balance at 1.1.2020	Bought	(Sold)	Transferred	
Dato' Seri Dr. Kiew Kwong Sen					
- Direct	7,183,800	0	(604,100)	0	6,579,700
Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani					
- Direct	1,877,000	0	(297,700)	0	1,579,300
Chu Jenn Weng					
- Direct	126,978,334	0	0	0	126,978,334
- Indirect*	1,228,198	0	0	0	1,228,198
Siaw Kok Tong					
- Direct	90,123,028	0	0	0	90,123,028

DIRECTORS' Report

Directors' interests (cont'd)

Name of director	Number of ordinary shares				Balance at 31.12.2020
	Balance at 1.1.2020	Bought	(Sold)	Transferred	
Yeoh Shih Hoong					
- Direct	48,386,464	0	0	(4,000,000)	44,386,464
- Indirect*	362,096	0	0	0	362,096
- Indirect**	0	0	0	4,000,000	4,000,000
Chuah Poay Ngee					
- Direct	405,000	5,000	(20,000)	0	390,000
Mary Yeo Chew Yen					
- Direct	37,000	0	0	0	37,000
- Indirect*	19,000	0	0	0	19,000

* Deemed interest by virtue of shares held by family member (who is not director of the Company)

** Registered in the name of HSBC Nominees (Tempatan) Sdn Bhd – Exempt an For Credit Suisse (HK BR-TST-TEMP), is the custodian bank of Credit Suisse Hong Kong Private Banking, of which Yeoh Shih Hoong 4,000,000 shares are currently safe-kept in

By virtue of his interests in shares in the Company, Chu Jenn Weng is deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement, apart from the Company's ESOS, whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance for directors and officers

There was no indemnity given to or liability insurance effected for any director or officer of the Group or the Company during the financial year.

DIRECTORS' *Report*

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 26 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 25 March 2021

Chu Jenn Weng

Siaw Kok Tong

STATEMENT *by Directors*

In the opinion of the directors, the financial statements set out on pages 111 to 160 give a true and fair view of the financial position of the Group and the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 25 March 2021

Chu Jenn Weng

Siaw Kok Tong

STATUTORY *Declaration*

I, Chu Jenn Weng, being the director primarily responsible for the financial management of ViTrox Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 111 to 160 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Chu Jenn Weng at George Town
in the State of Penang on this 25 March 2021

Chu Jenn Weng

Before me

Shamini A/P M Shanmugam
No. P157
Commissioner for Oaths

Independent Auditors' Report

to the Members of ViTrox Corporation Berhad

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ViTrox Corporation Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 111 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><u>Valuation of inventories (Refer to Notes 3 and 11 to the financial statements)</u></p> <p>The Group carries significant inventories. Management periodically reviews the inventories for potential write-downs by considering their aging profile, estimation of market price fluctuations and net realisable value. These reviews involve judgements and estimation uncertainty in forming expectations about future consumptions, sales and demands.</p>	<p>Our audit procedures included, among others:-</p> <ul style="list-style-type: none"> Obtaining an understanding of:- <ul style="list-style-type: none"> the Group's inventory management process; how the Group identifies and assesses inventory write-downs; and how the Group makes the accounting estimates for inventory write-downs. Reviewing the ageing analysis of inventories and testing the reliability thereof. Examining the perpetual records for inventory movements and to identify slow moving aged items. Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories. Reviewing the net realisable value of major inventories. Evaluating the reasonableness and adequacy of the allowance for inventories recognised for identified exposures.

Independent Auditors' Report

to the Members of ViTrox Corporation Berhad

Report on the audit of the financial statements (cont'd)

Key audit matters (cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><u>Impairment of receivables (Refer to Notes 3 and 12 to the financial statements)</u></p> <p>The Group carries significant receivables and is subject to major credit risk exposure. The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.</p>	<p>Our audit procedures included, among others:-</p> <ul style="list-style-type: none"> Obtaining an understanding of:- <ul style="list-style-type: none"> the Group's control over the receivable collection process; how the Group identifies and assesses the impairment of receivables; and how the Group makes the accounting estimates for impairment. Reviewing the ageing analysis and past due status of receivables and testing the reliability thereof. Reviewing the subsequent cash collections for major receivables and overdue amounts. Making inquiries of management regarding the action plans to recover overdue amounts. Comparing and challenging management's view on the recoverability of overdue amounts to historical patterns of collections. Reviewing the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix. Evaluating the reasonableness and adequacy of the resulting loss allowance recognised.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report (but does not include the financial statements of the Group and the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and request that a correction be made. If the directors refuse to make the correction, we shall take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom our auditors' report is prepared.

Independent Auditors' Report

to the Members of ViTrox Corporation Berhad

Report on the audit of the financial statements (cont'd)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

to the Members of ViTrox Corporation Berhad

Report on the audit of the financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Date: 25 March 2021

Penang

Eddy Chan Wai Hun

02182/10/2021 J

Chartered Accountant

Consolidated Statement of Financial Position

as at 31 December 2020

	Note	2020 RM'000	2019 RM'000
Non-current assets			
Property, plant and equipment	4	96,473	99,088
Investment properties	5	40,600	40,600
Right-of-use assets	6	34,084	34,804
Development expenditure	7	0	0
Investment in associate	9	7,584	4,063
Investments in club memberships, at cost		91	91
Deferred tax assets	10	8	0
		178,840	178,646
Current assets			
Inventories	11	136,114	111,495
Receivables	12	177,923	126,378
Derivatives	13	785	439
Prepayments		5,100	4,449
Current tax assets		3,087	3,675
Cash and cash equivalents	14	258,118	191,584
		581,127	438,020
Current liabilities			
Payables	15	131,328	68,251
Dividend payable		8,261	7,065
Loans and borrowings	16	7,122	7,343
Lease liabilities	17	103	98
Contract liabilities	18	6,909	5,224
Current tax liabilities		420	667
		154,143	88,648
Net current assets		426,984	349,372
Non-current liabilities			
Loans and borrowings	16	33,513	41,381
Lease liabilities	17	116	219
Deferred tax liabilities	10	2,387	2,484
Deferred income on government grants	19	801	1,546
		36,817	45,630
Net assets		569,007	482,388
Equity			
Share capital	20	54,649	52,018
Revaluation surplus		14,160	14,160
Capital reserve		520	520
Share option reserve		51	803
Currency translation reserve		62	(510)
Retained profits		499,566	415,397
Equity attributable to owners of the Company		569,008	482,388
Non-controlling interests	21	(1)	0
Total equity		569,007	482,388

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Revenue	22	470,379	339,592
Interest income		4,148	4,925
Other income		2,891	3,720
Amortisation of development expenditure		0	(658)
Changes in work-in-progress and finished goods		4,207	5,815
Depreciation	23	(7,568)	(8,379)
Employee benefits expense	24	(80,400)	(51,010)
Impairment losses on financial assets	25	(345)	(170)
Raw materials consumed		(184,126)	(124,405)
Finance costs		(1,152)	(2,059)
Other expenses		(96,522)	(85,179)
Share of associate's loss		(1,203)	(734)
Profit before tax	26	110,309	81,458
Tax expense	27	(4,689)	(1,807)
Profit for the financial year		105,620	79,651
Other comprehensive income:-			
<i>Items that will not be reclassified to profit or loss:-</i>			
- Fair value gains on investment properties	5	0	14,980
- Deferred tax effect thereof		0	(820)
<i>Item that may be reclassified subsequently to profit or loss:-</i>			
- Currency translation differences for foreign operations		572	(288)
Total other comprehensive income for the financial year		572	13,872
Comprehensive income for the financial year		106,192	93,523
Profit/(loss) for the financial year attributable to:-			
- Owners of the Company		105,621	79,651
- Non-controlling interests	21	(1)	0
		105,620	79,651
Comprehensive income for the financial year attributable to:-			
- Owners of the Company		106,193	93,523
- Non-controlling interests		(1)	0
		106,192	93,523
Earnings per share:-	28		
- Basic (sen)		22.40	16.92
- Diluted (sen)		22.37	16.88

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2020

	Non-distributable				Distributable				Equity attributable to owners of the Company		Non-controlling interests		Total equity	
	Share capital	Revaluation surplus	Capital reserve*	Share option reserve	Currency translation reserve	Retained profits	Company	Non-controlling interests	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2019	50,637	0	489	929	(222)	361,672	413,505	0	413,505	0	0	0	413,505	
Share-based payments	0	0	0	275	0	0	275	0	275	0	0	0	275	
Issue of shares pursuant to Employees' Share Option Scheme	1,381	0	0	(401)	0	0	980	0	980	0	0	0	980	
Dividends (Note 29)	0	0	0	0	0	(25,895)	(25,895)	0	(25,895)	0	0	0	(25,895)	
Total transactions with owners	1,381	0	0	(126)	0	(25,895)	(24,640)	0	(24,640)	0	0	0	(24,640)	
Fair value gains on investment properties	0	14,980	0	0	0	0	14,980	0	14,980	0	0	0	14,980	
Deferred tax effect thereof	0	(820)	0	0	0	0	(820)	0	(820)	0	0	0	(820)	
Currency translation differences for foreign operations	0	0	0	0	(288)	0	(288)	0	(288)	0	0	0	(288)	
Total other comprehensive income for the financial year	0	14,160	0	0	(288)	0	13,872	0	13,872	0	0	0	13,872	
Profit for the financial year	0	0	0	0	0	79,651	79,651	0	79,651	0	0	0	79,651	
Comprehensive income for the financial year	0	14,160	0	0	(288)	79,651	93,523	0	93,523	0	0	0	93,523	
Transfer to capital reserve	0	0	31	0	0	(31)	0	0	0	0	0	0	0	
Balance at 31 December 2019	52,018	14,160	520	803	(510)	415,397	482,388	0	482,388	0	0	0	482,388	

* 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 annexed notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2020

	Non-distributable				Distributable		Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Share capital	Revaluation surplus	Capital reserve*	Share option reserve	Currency translation reserve	Retained profits	Company RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2020	52,018	14,160	520	803	(510)	415,397	482,388	0	0	482,388
Share-based payments	0	0	0	72	0	0	72	0	0	72
Issue of shares pursuant to Employees' Share Option Scheme	2,631	0	0	(824)	0	0	1,807	0	0	1,807
Dividends (Note 29)	0	0	0	0	0	(21,452)	(21,452)	0	0	(21,452)
Total transactions with owners	2,631	0	0	(752)	0	(21,452)	(19,573)	0	0	(19,573)
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	0	572	0	572	0	0	572
Profit/(loss) for the financial year	0	0	0	0	0	105,621	105,621	(1)	(1)	105,620
Comprehensive income for the financial year	0	0	0	0	572	105,621	106,193	(1)	(1)	106,192
Balance at 31 December 2020	54,649	14,160	520	51	62	499,566	569,008	(1)	(1)	569,007

* 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 annexed notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Cash flows from operating activities			
Profit before tax		110,309	81,458
Adjustments for:-			
Amortisation of deferred income		(745)	(1,492)
Amortisation of development expenditure		0	658
Depreciation		7,568	8,379
Fair value gains on financial instruments		(785)	(439)
Gain on disposal of property, plant and equipment		(759)	(1,244)
Impairment losses on financial assets		345	170
Interest expense		1,152	2,059
Interest income		(4,148)	(4,925)
Inventories written down		10,817	7,784
Property, plant and equipment written off		37	29
Reversal of inventories written down		(7,784)	(5,018)
Share-based payments		72	275
Share of associate's loss		1,203	734
Unrealised loss on foreign exchange		3,663	1,800
Operating profit before working capital changes		120,945	90,228
Changes in:-			
Inventories		(27,652)	(10,565)
Receivables		(56,828)	28,007
Derivatives		439	117
Prepayments		(651)	911
Payables		64,311	(15,233)
Contract liabilities		1,685	(3,128)
Cash generated from operations		102,249	90,337
Tax paid		(4,453)	(5,660)
Tax refunded		0	1,634
Net cash from operating activities		97,796	86,311
Cash flows from investing activities			
Acquisition of property, plant and equipment		(4,292)	(11,863)
Acquisition of right-of-use assets	30	0	(2)
Interest received		4,148	4,925
Proceeds from disposal of property, plant and equipment		776	1,333
Additional investment in associate		(4,724)	(1,750)
Net cash used in investing activities		(4,092)	(7,357)

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Cash flows from financing activities			
Dividends paid		(20,256)	(27,065)
Interest paid		(1,234)	(2,097)
Issue of shares		1,807	980
Payment of lease liabilities	30	(98)	(86)
Repayment of term loans	30	(7,361)	(6,988)
Net cash used in financing activities		(27,142)	(35,256)
Currency translation differences		(28)	(847)
Net increase in cash and cash equivalents		66,534	42,851
Cash and cash equivalents brought forward		191,584	148,733
Cash and cash equivalents carried forward	14	258,118	191,584

The annexed notes form an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2020

	Note	2020 RM'000	2019 RM'000
Non-current assets			
Property, plant and equipment	4	0	0
Development expenditure	7	0	0
Investments in subsidiaries	8	11,766	11,222
Investment in associate	9	9,624	4,900
		21,390	16,122
Current assets			
Receivables	12	5,553	20,830
Prepayments		63	97
Current tax assets		9	0
Cash and cash equivalents	14	82,930	59,415
		88,555	80,342
Current liabilities			
Payables	15	5,962	3,128
Dividend payable		8,261	7,065
		14,223	10,193
Net current assets		74,332	70,149
Non-current liabilities			
Deferred income on government grants	19	0	0
Net assets		95,722	86,271
Equity			
Share capital	20	54,649	52,018
Share option reserve		51	803
Retained profits		41,022	33,450
Total equity		95,722	86,271

The annexed notes form an integral part of these financial statements.

Statement of Comprehensive Income

for the financial year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Revenue	22	49,671	50,829
Interest income		1,461	1,898
Other income		17	240
Amortisation of development expenditure		0	(658)
Depreciation	23	0	(2)
Employee benefits expense	24	(21,249)	(12,678)
Other expenses		(871)	(2,132)
Profit before tax	26	29,029	37,497
Tax expense	27	(5)	(6)
Profit for the financial year		29,024	37,491
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		29,024	37,491

The annexed notes form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2020

		Non-distributable	Distributable	
	Share capital	Share option reserve	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2019	50,637	929	21,854	73,420
Share-based payments	0	275	0	275
Issue of shares pursuant to Employees' Share Option Scheme	1,381	(401)	0	980
Dividends (Note 29)	0	0	(25,895)	(25,895)
Total transactions with owners	1,381	(126)	(25,895)	(24,640)
Profit (representing comprehensive income) for the financial year	0	0	37,491	37,491
Balance at 31 December 2019	52,018	803	33,450	86,271
Share-based payments	0	72	0	72
Issue of shares pursuant to Employees' Share Option Scheme	2,631	(824)	0	1,807
Dividends (Note 29)	0	0	(21,452)	(21,452)
Total transactions with owners	2,631	(752)	(21,452)	(19,573)
Profit (representing comprehensive income) for the financial year	0	0	29,024	29,024
Balance at 31 December 2020	54,649	51	41,022	95,722

The annexed notes form an integral part of these financial statements.

Statement of Cash Flows

for the financial year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Cash flows from operating activities			
Profit before tax		29,029	37,497
Adjustments for:-			
Amortisation of deferred income		0	(237)
Amortisation of development expenditure		0	658
Depreciation		0	2
Dividend income		(30,000)	(30,000)
Interest income		(1,461)	(1,898)
Property, plant and equipment written off		0	1
Share-based payments		28	106
Operating (loss)/profit before working capital changes		(2,404)	6,129
Changes in:-			
Receivables		15,277	(2,380)
Prepayments		34	(14)
Payables		2,834	(7,042)
Cash generated from/(absorbed by) operations		15,741	(3,307)
Tax paid		(14)	(6)
Tax refunded		0	25
Net cash from/(used in) operating activities		15,727	(3,288)
Cash flows from investing activities			
Dividends received		30,000	30,000
Interest received		1,461	1,898
Additional investment in associate		(4,724)	(1,750)
Subscription for shares in subsidiary		(500)	(339)
Net cash from investing activities		26,237	29,809
Cash flows from financing activities			
Dividends paid		(20,256)	(27,065)
Issue of shares		1,807	980
Net cash used in financing activities		(18,449)	(26,085)
Net increase in cash and cash equivalents		23,515	436
Cash and cash equivalents brought forward		59,415	58,979
Cash and cash equivalents carried forward	14	82,930	59,415

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2020

1. General information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are those of investment holding and development of 3D and line scan vision inspection system. The principal activities of the subsidiaries are disclosed in Note 8.

The registered office of the Company is located at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Penang, Malaysia and its principal place of business is located at 746, Persiaran Cassia Selatan 3, Batu Kawan Industrial Park, 14110 Bandar Cassia, Penang, Malaysia.

The consolidated financial statements set out on pages 111 to 116 together with the notes thereto cover the Company and its subsidiaries ("Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 117 to 120 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

The financial statements were authorised for issue in accordance with a resolution of the directors dated 25 March 2021.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following MFRSs became effective for the financial year under review:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The Group and the Company have also early applied the Amendment to MFRS 16 *Covid-19-Related Rent Concessions* which is effective for annual periods beginning on or after 1 June 2020.

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

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.1 Basis of preparation of financial statements (cont'd)

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the 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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
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 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.

2.2 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
- (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

(b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2%
Furniture, fittings and equipment	20% - 33%
Motor vehicles	25%
Renovation and electrical installation	25%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.4 Investment properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property is stated at fair value. Any gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

When an owner-occupied property becomes an investment property to be stated at fair value, the Group applies the accounting policies as disclosed in Note 2.3 (for owned property) or Note 2.5 (for leased property) up to the date of change in use. Any difference at that date between the carrying amount of the property in accordance with Note 2.3 or Note 2.5 and its fair value is treated in the same way as a revaluation adjustment.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.5 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Initial recognition and measurement

When the Group acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group has elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset that meets the definition of investment property is subsequently measured using the fair value model as disclosed in Note 2.4. Other right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.10.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

As a practical expedient, the Group has elected not to assess whether a rent concession occurring as a direct consequence of the covid-19 pandemic is a lease modification. Accordingly, any change in lease payments resulting from such rent concession is accounted for as a variable lease payment in profit or loss.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.6 Research and development expenditure

Research expenditure is recognised in profit or loss when incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group or the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is recognised in profit or loss when incurred.

Capitalised development expenditure, considered to have finite useful lives, is stated at cost less accumulated amortisation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. Amortisation is calculated on a straight-line basis over the estimated commercial lives of the underlying products of not more than 5 years. The amortisation period and method are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.7 Investments in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.8 Investment in associate

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.9 Investments in club memberships

Investments in club memberships are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.10 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than investment properties stated at fair value, deferred tax assets and inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

2.11 Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.12 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.13. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.13 Financial assets

Financial assets of the Group and the Company consist of receivables, derivatives and cash and cash equivalents.

Initial recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.18). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(i) Amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

(ii) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to both collect contractual cash flows and sell financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group and the Company do not have any financial assets classified under this category.

(iii) Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. All derivatives are classified under this category. Any gain or loss is recognised in profit or loss.

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.14 Financial liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings, derivatives and financial guarantee contracts.

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Derivatives are subsequently measured at fair value through profit or loss. Any gain or loss is recognised in profit or loss.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.15 Foreign currency transactions and translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

In translating the financial position and results of a foreign operation whose functional currency is not the presentation currency, i.e. Ringgit Malaysia, assets and liabilities are translated into the presentation currency using the closing rate, whereas income and expenses are translated using the exchange rates at transaction dates. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity as currency translation reserve until the foreign operation is disposed of, at which time the cumulative exchange differences previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Any goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation to be expressed in its functional currency and translated into the presentation currency using the closing rate.

2.16 Share capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Own shares purchased are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. The total amount of consideration paid, including directly attributable costs, is recognised directly in equity. When treasury shares are distributed as share dividends, the cost of the shares distributed is applied in the reduction of distributable reserves. When treasury shares are resold in the open market, the difference between the sale consideration and the cost of the shares resold is adjusted to share capital. When treasury shares are cancelled, the cost of the shares cancelled is applied in the reduction of distributable reserves and the issued share capital is diminished by the shares so cancelled.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use 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 valuation techniques used include the following or a combination thereof:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

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.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Non-financial assets

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

Financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings 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 of forward exchange contracts are measured 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).

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.18 Revenue from contracts with customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.
- (v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Rendering of services

The Group and the Company determine that the transfer of control of promised services generally coincides with their performance as the customer simultaneously receives or consumes the benefits of the performance as the Group or the Company performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group and the Company measure the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.

2.19 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income is recognised in profit or loss using the effective interest method.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the Group or the Company will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group or the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statement of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statement of comprehensive income.

2.21 Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Defined contribution plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). One of the Group's foreign subsidiaries makes contributions to its country's statutory pension scheme. Contributions to defined contribution plans are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Share-based payments

The Employees' Share Option Scheme ("ESOS") of the Company grants the Group's eligible employees options to subscribe for shares in the Company at pre-determined subscription prices. These equity compensation benefits are treated as equity-settled share-based payment transactions and recognised in profit or loss with a corresponding increase in equity over the vesting period as share option reserve. The total amount to be recognised is determined by reference to the fair value of the share options at grant date and the estimated number of share options expected to vest on vesting date.

2.22 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

for the financial year ended 31 December 2020

2. Significant accounting policies (cont'd)

2.23 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. Judgements and estimation uncertainty

Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 11).

Impairment of receivables

The Group and the Company recognise loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 12).

Notes to the Financial Statements

for the financial year ended 31 December 2020

4. Property, plant and equipment

Group

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation and electrical installation RM'000	Capital work-in- progress RM'000	Total RM'000
Cost						
Balance at 1 January 2019	112,356	34,368	525	772	354	148,375
Additions	0	4,327	0	350	7,186	11,863
Transfer to investment properties	(28,094)	0	0	(664)	0	(28,758)
Disposals/Write-offs	0	(1,209)	0	0	0	(1,209)
Currency translation differences	0	(2)	0	0	0	(2)
Reclassifications	3,776	33	0	0	(3,809)	0
Balance at 31 December 2019	88,038	37,517	525	458	3,731	130,269
Additions	0	2,675	0	12	1,605	4,292
Disposals/Write-offs	0	(781)	(155)	0	(3)	(939)
Currency translation differences	0	2	0	0	0	2
Reclassifications	677	223	0	0	(900)	0
Balance at 31 December 2020	88,715	39,636	370	470	4,433	133,624
Accumulated depreciation						
Balance at 1 January 2019	5,395	24,097	222	741	0	30,455
Depreciation	2,314	5,136	106	65	0	7,621
Transfer to investment properties	(5,146)	0	0	(659)	0	(5,805)
Disposals/Write-offs	0	(1,091)	0	0	0	(1,091)
Currency translation differences	0	1	0	0	0	1
Balance at 31 December 2019	2,563	28,143	328	147	0	31,181
Depreciation	1,774	4,889	90	95	0	6,848
Disposals/Write-offs	0	(746)	(139)	0	0	(885)
Currency translation differences	0	7	0	0	0	7
Balance at 31 December 2020	4,337	32,293	279	242	0	37,151
Carrying amount						
Balance at 1 January 2019	106,961	10,271	303	31	354	117,920
Balance at 31 December 2019	85,475	9,374	197	311	3,731	99,088
Balance at 31 December 2020	84,378	7,343	91	228	4,433	96,473

The buildings have been pledged as security for credit facilities granted to the Group.

Notes to the Financial Statements

for the financial year ended 31 December 2020

4. Property, plant and equipment (cont'd)

Company

	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
Cost			
Balance at 1 January 2019	3,085	86	3,171
Write-offs	(3)	0	(3)
Balance at 31 December 2019 / 31 December 2020	3,082	86	3,168
Accumulated depreciation			
Balance at 1 January 2019	3,082	86	3,168
Depreciation	2	0	2
Write-offs	(2)	0	(2)
Balance at 31 December 2019 / 31 December 2020	3,082	86	3,168
Carrying amount			
Balance at 1 January 2019	3	0	3
Balance at 31 December 2019 / 31 December 2020	0	0	0

5. Investment properties

Group

	Leasehold land RM'000	Buildings RM'000	Shoplots RM'000	Total RM'000
Fair value				
Balance at 1 January 2019	0	0	600	600
Transfer from property, plant and equipment	0	22,953	0	22,953
Transfer from right-of-use assets	2,067	0	0	2,067
Fair value gains	14,933	47	0	14,980
Balance at 31 December 2019 / 31 December 2020	17,000	23,000	600	40,600

The fair values of investment properties were measured based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2).

Notes to the Financial Statements

for the financial year ended 31 December 2020

5. Investment properties (cont'd)

The fair value gains of RM14,980,000 recognised in the previous financial year represented the differences between the carrying amounts of the properties transferred and their fair values, and were accounted for as a revaluation increase in other comprehensive income.

6. Right-of-use assets

Group

	Leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Cost				
Balance at 1 January 2019	38,113	109	226	38,448
Additions	0	70	0	70
Transfer to investment properties	(2,691)	0	0	(2,691)
Balance at 31 December 2019 / 31 December 2020	35,422	179	226	35,827
Accumulated depreciation				
Balance at 1 January 2019	889	0	0	889
Depreciation	663	42	53	758
Transfer to investment properties	(624)	0	0	(624)
Balance at 31 December 2019	928	42	53	1,023
Depreciation	619	48	53	720
Balance at 31 December 2020	1,547	90	106	1,743
Carrying amount				
Balance at 1 January 2019	37,224	109	226	37,559
Balance at 31 December 2019	34,494	137	173	34,804
Balance at 31 December 2020	33,875	89	120	34,084

The Group acquired the right to use the leasehold land as its principal place of business for 60 years. It also leases motor vehicles and office equipment from third parties for 3 to 5 years.

The leasehold land has been pledged as security for credit facilities granted to the Group.

Notes to the Financial Statements

for the financial year ended 31 December 2020

7. Development expenditure

Group and Company

	RM'000
Cost	
Balance at 1 January 2019 / 31 December 2019	2,872
Write-offs	(2,872)
Balance at 31 December 2020	<u>0</u>
Accumulated amortisation	
Balance at 1 January 2019	2,214
Amortisation	658
Balance at 31 December 2019	2,872
Write-offs	(2,872)
Balance at 31 December 2020	<u>0</u>
Carrying amount	
Balance at 1 January 2019	<u>658</u>
Balance at 31 December 2019 / 31 December 2020	<u>0</u>

8. Investments in subsidiaries

Company

	2020 RM'000	2019 RM'000
Unquoted shares, at cost	10,042	9,542
Employees' share options granted to subsidiaries	2,224	2,180
Impairment loss	(500)	(500)
	<u>11,766</u>	<u>11,222</u>

Notes to the Financial Statements

for the financial year ended 31 December 2020

8. Investments in subsidiaries (cont'd)

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2020	2019	
ViTrox Technologies Sdn. Bhd.	Malaysia	100%	100%	Design, development and production of automated vision inspection system and digital automated vision inspection equipment and modules
ViE Technologies Sdn. Bhd.	Malaysia	100%	100%	Design, development and production of printed circuit board assemblies for microprocessor applications
ViTrox International Sdn. Bhd.	Malaysia	100%	100%	Investment holding
ViTrox Academy Sdn. Bhd.	Malaysia	100%	0%	Provision of quality, professional and affordable education and training and undertaking of innovative research and development
ViTrox Agritech Sdn. Bhd. ⁽¹⁾⁽²⁾	Malaysia	70%	0%	Dormant
ViTrox Technologies (Suzhou) Co., Ltd. ⁽¹⁾	China	*100%	*100%	As sales and support office
ViTrox Technologies GmbH ⁽¹⁾⁽²⁾	Germany	*100%	*100%	As sales and support office

* Interest held through ViTrox International Sdn. Bhd.

⁽¹⁾ Not audited by Crowe Malaysia PLT

⁽²⁾ Not required to be audited and consolidated using unaudited financial statements

Notes to the Financial Statements

for the financial year ended 31 December 2020

9. Investment in associate

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost				
- Ordinary shares	6,624	4,900	6,624	4,900
- Redeemable convertible preference shares	3,000	0	3,000	0
	9,624	4,900	9,624	4,900
Share of post-acquisition changes in net assets	(2,040)	(837)	0	0
	<u>7,584</u>	<u>4,063</u>	<u>9,624</u>	<u>4,900</u>

The details of the associate and its subsidiary are as follows:-

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2020	2019	
Penang Automation Cluster Sdn. Bhd. ("PAC")	Malaysia	40%	35%	Investment holding, manufacture of high precision metal fabrication components, modules, systems and providing technology, engineering and metrology shared services

Subsidiary of PAC

PAC Meditech Sdn. Bhd.	Malaysia	*70%	0%	Manufacturing of face mask and medical related products
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* Being effective interest held by PAC

The summarised financial information of the associate is as follows:-

	2020	2019
	RM'000	RM'000
Non-current assets	40,396	41,070
Current assets	8,605	1,990
Current liabilities	(30,852)	(31,461)
Non-current liabilities	(915)	0
Net assets	17,234	11,599
Non-controlling interests	(277)	0
Net assets attributable to owners of the associate	16,957	11,599
Revenue	5,115	344
Loss (representing comprehensive income)	<u>(3,286)</u>	<u>(2,097)</u>

Notes to the Financial Statements

for the financial year ended 31 December 2020

9. Investment in associate (cont'd)

The reconciliation of the above summarised financial information to the carrying amount of the investment in associate is as follows:-

	Group	
	2020	2019
	RM'000	RM'000
Net assets attributable to owners of the associate	16,957	11,599
Preference share capital	(6,000)	0
	10,957	11,599
Effective ownership interest	40%	35%
Share of net assets	4,383	4,060
Preference shares held by the Company	3,000	0
Goodwill	201	3
Carrying amount	7,584	4,063

In January 2021, the Group and the Company subscribed for additional 15,000,000 redeemable convertible preference shares at RM1 per share in the associate.

10. Deferred tax assets and deferred tax liabilities

Group

	2020	2019
	RM'000	RM'000
Balance at 1 January	(2,484)	(1,092)
Deferred tax expense relating to origination and reversal of temporary differences recognised in:-		
- Profit or loss	(197)	(515)
- Other comprehensive income	0	(820)
Deferred tax liabilities under provided in prior year	302	(57)
Balance at 31 December	(2,379)	(2,484)
Disclosed as:-		
- Deferred tax assets	8	0
- Deferred tax liabilities	(2,387)	(2,484)
	(2,379)	(2,484)
In respect of (taxable)/deductible temporary differences of:-		
- Property, plant and equipment	(646)	(855)
- Investment properties	(1,748)	(1,629)
- Inventories	3	0
- Financial instruments	12	0
	(2,379)	(2,484)

Notes to the Financial Statements

for the financial year ended 31 December 2020

11. Inventories

Group

	2020 RM'000	2019 RM'000
Raw materials	57,911	37,470
Work-in-progress	42,003	40,068
Finished goods	36,200	33,957
	136,114	111,495

12. Receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables:-				
- Subsidiary	0	0	5,552	20,829
- Unrelated parties	179,380	125,619	0	0
	179,380	125,619	5,552	20,829
- Loss allowance	(1,981)	(1,636)	0	0
	177,399	123,983	5,552	20,829
Other receivables	524	2,395	1	1
	177,923	126,378	5,553	20,830

Trade receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 December 2020, the Group did not have any major credit risk concentration relating to any individual customer or counterparty. As at 31 December 2019, there was 1 major customer that accounted for 10% or more of the Group's trade receivables and the total outstanding balance due from this major customer amounted to RM15,569,000. The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	45,565	26,358	5,552	20,829
China	59,267	38,966	0	0
Taiwan	27,511	14,872	0	0
Mexico	14,695	19,266	0	0
United States of America	13,520	10,578	0	0
Others	18,822	15,579	0	0
	179,380	125,619	5,552	20,829

Notes to the Financial Statements

for the financial year ended 31 December 2020

12. Receivables (cont'd)

Trade receivables (cont'd)

The credit terms of trade receivables range from 30 to 365 days. The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:-

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Not past due	136,544	86,617	5,552	20,829
1 to 30 days past due	22,045	12,784	0	0
31 to 60 days past due	4,232	11,852	0	0
61 to 90 days past due	8,585	5,223	0	0
More than 90 days past due	7,974	9,143	0	0
	179,380	125,619	5,552	20,829

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

Group

	Not past due	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 90 days past due	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020						
Gross carrying amount	136,544	22,045	4,232	8,585	7,974	179,380
Average credit loss rate	0.71%	0.92%	1.96%	2.77%	6.17%	1.10%
Loss allowance	965	203	83	238	492	1,981
2019						
Gross carrying amount	86,617	12,784	11,852	5,223	9,143	125,619
Average credit loss rate	0.79%	0.92%	1.80%	2.89%	5.14%	1.30%
Loss allowance	685	117	213	151	470	1,636

The average credit loss rates were based on the payment profile of revenue over a period of 36 (2019 : 36) months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Financial Statements for the financial year ended 31 December 2020

12. Receivables (cont'd)

Trade receivables (cont'd)

The changes in the loss allowance are as follows:-

	Group	
	2020	2019
	RM'000	RM'000
Balance at 1 January	1,636	1,466
Impairment losses	345	170
Balance at 31 December	1,981	1,636

13. Derivatives

Group

	2020	2019
	RM'000	RM'000
Forward exchange contracts - at fair value	785	439

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 31 December 2020, the Group had contracts with financial institutions due within 1 year to buy RM84,358,000 (2019 : RM31,384,000) and sell USD20,600,000 (2019 : USD7,513,000) 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).

14. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Highly liquid investments in money market funds	173,850	142,853	77,314	59,049
Term deposits	13,212	25,470	0	0
Cash and bank balances	71,056	23,261	5,616	366
	258,118	191,584	82,930	59,415

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The effective interest rates of term deposits as at 31 December 2020 ranged from 2.05% to 3.60% (2019 : 2.03% to 4.20%) per annum.

Notes to the Financial Statements

for the financial year ended 31 December 2020

15. Payables

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Trade payables:-				
- Associate	404	17	0	0
- Unrelated parties	70,853	37,192	0	0
	71,257	37,209	0	0
Other payables	60,071	31,042	5,962	3,128
	131,328	68,251	5,962	3,128

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

The credit terms of trade and other payables range from 14 to 120 days.

16. Loans and borrowings

Group

	2020	2019
	RM'000	RM'000
Term loans	40,635	48,724
Disclosed as:-		
- Current liabilities	7,122	7,343
- Non-current liabilities	33,513	41,381
	40,635	48,724

Term loans are secured against certain property, plant and equipment (Note 4) and right-of-use assets (Note 6). The effective interest rate as at 31 December 2020 was 1.65% (2019 : 3.30%) per annum.

Term loans are repayable over 8 to 10 years. The repayment analysis is as follows:-

	2020	2019
	RM'000	RM'000
Gross loan instalments:-		
- Within 1 year	7,693	8,725
- 1 to 5 years	29,598	32,508
- After 5 years	5,307	12,997
Total contractual undiscounted cash flows	42,598	54,230
Future finance charges	(1,963)	(5,506)
Present value of term loans	40,635	48,724

Notes to the Financial Statements

for the financial year ended 31 December 2020

16. Loans and borrowings (cont'd)

The fair values of term loans were 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 were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rate of term loans.

17. Lease liabilities

Group

	2020 RM'000	2019 RM'000
Gross lease liabilities:-		
- Within 1 year	112	111
- 1 to 5 years	119	231
Total contractual undiscounted cash flows	231	342
Future finance charges	(12)	(25)
Present value of lease liabilities	219	317
Disclosed as:-		
- Current liabilities	103	98
- Non-current liabilities	116	219
	219	317

The incremental borrowing rate applied to lease liabilities as at 31 December 2020 was 5.00% (2019 : 5.00%) per annum.

18. Contract liabilities

Group

	2020 RM'000	2019 RM'000
Balance at 1 January	5,224	8,352
Revenue recognised from opening contract liabilities	(5,188)	(8,352)
Excess of consideration over revenue recognised	6,873	5,224
Balance at 31 December	6,909	5,224

As disclosed in Note 2.18, the Group generally satisfies its performance obligations at a point in time upon delivery of goods or over time when services are performed. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

Notes to the Financial Statements

for the financial year ended 31 December 2020

19. Deferred income on government grants

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January	1,546	3,038	0	237
Amortisation	(745)	(1,492)	0	(237)
Balance at 31 December	801	1,546	0	0

The Group and the Company received grants from the local government for certain research and development projects. The grants covered 50% to 100% of the project costs subject to the limits approved by the local government.

20. Share capital

	No. of ordinary shares with no par value '000	RM'000
Issued and fully paid		
Balance at 1 January 2019	470,553	50,637
Issue of shares pursuant to ESOS	452	1,381
Balance at 31 December 2019	471,005	52,018
Issue of shares pursuant to ESOS	1,052	2,631
Balance at 31 December 2020	472,057	54,649

The shareholders of the Company, by a resolution passed at the Extraordinary General Meeting held on 27 February 2014, approved the Company's ESOS. The ESOS became effective on 4 March 2014.

The principal features of the ESOS are as follows:-

- At any point of time when the offer is made, the maximum number of shares to be issued under the ESOS shall not exceed 10% of the total issued and fully paid-up share capital of the Company during the duration of the ESOS.
- Any employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least 18 years of age and has been confirmed and completed at least 1 year of service within the Group on a full time basis.
- All non-executive directors who have been appointed to the Board for more than 1 year shall be eligible to participate in the ESOS in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad and subject to the Articles of Association of the Company.
- The ESOS shall be valid for a duration of 10 years from the effective date.
- The option price shall be determined based on the weighted average market price of shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10%.

Notes to the Financial Statements

for the financial year ended 31 December 2020

20. Share capital (cont'd)

- (vi) The options granted are exercisable on a time proportion basis over the duration of the ESOS. The employee's entitlement to the options is vested as soon as they become exercisable.
- (vii) The new shares to be allotted and issued upon exercise of any options granted under the scheme will, upon allotment and issuance, rank pari passu in all respects with the then existing shares and paid-up shares in the Company, save and except that the new shares so allotted and issued will not be entitled to any right, dividend, allotment and/or distribution declared, made or paid, the entitlement date of which precedes the date of exercise of the options.

The movements in the number of options during the financial year are as follows:-

	No. of options over ordinary shares ('000)	Weighted average exercise price RM	Weighted average share price RM	Range of exercise prices RM	Weighted average remaining contractual life
Outstanding at 1 January 2019	1,879	2.03			
Exercised	(452)	2.17	7.06		
Outstanding at 31 December 2019	<u>1,427</u>	1.99		0.81 - 2.79	4.2 years
Exercisable at 31 December 2019	<u>1,237</u>	1.07			
Outstanding at 1 January 2020	1,427	1.99			
Exercised	(1,052)	1.72	9.99		
Outstanding at 31 December 2020	<u>375</u>	2.74		1.01 - 2.79	3.2 years
Exercisable at 31 December 2020	<u>375</u>	2.74			

The fair values of share options granted since the effective date of the ESOS were measured using the Black Scholes Model with the following inputs:-

	Option 1	Option 2	Option 3
Grant date	15.5.2014	20.10.2014	16.5.2017
Fair value at grant date	<u>RM0.97</u>	<u>RM1.42</u>	<u>RM2.06</u>
Weighted average share price	RM1.81	RM2.24	RM6.20
Exercise price	RM1.63	RM2.02	RM5.58
Expected volatility	38.18%	42.90%	23.12%
Option life	9.8 years	9.4 years	6.7 years
Expected dividends	0.87%	0.65%	1.12%
Risk-free interest rate	<u>4.45%</u>	<u>4.15%</u>	<u>3.85%</u>

The expected volatility reflects the assumption that historical volatility is indicative of future trends but may not necessarily be the actual outcome. No other features of the share options granted were incorporated into the measurement of fair value.

Notes to the Financial Statements

for the financial year ended 31 December 2020

21. Non-controlling interests ("NCI")

Group

	Accumulated NCI		Loss allocated to NCI	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
ViTrox Agritech Sdn. Bhd.	(1)	0	(1)	0

The details of the subsidiary that has NCI are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest held by NCI		Principal activity
		2020	2019	
ViTrox Agritech Sdn. Bhd.	Malaysia	30%	0%	Dormant

The summarised financial information about the assets, liabilities, profit or loss and cash flows of the above subsidiary has not been disclosed as its NCI are not material to the Group.

22. Revenue

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:-				
- Sale of vision inspection solutions	431,316	310,530	0	0
- Service rendering for technical supports and training	39,063	29,062	19,671	20,829
	470,379	339,592	19,671	20,829
Other source of revenue:-				
- Dividend income	0	0	30,000	30,000
	470,379	339,592	49,671	50,829

Notes to the Financial Statements

for the financial year ended 31 December 2020

22. Revenue (cont'd)

Disaggregation of revenue from contracts with customers

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Geographical areas:-				
- Malaysia	115,802	90,283	19,671	20,829
- China	115,695	84,093	0	0
- Taiwan	113,731	34,970	0	0
- United States of America	47,917	35,252	0	0
- Mexico	28,931	53,866	0	0
- Others	48,303	41,128	0	0
	470,379	339,592	19,671	20,829
Timing of revenue recognition:-				
- At a point in time	431,316	310,530	0	0
- Over time	39,063	29,062	19,671	20,829
	470,379	339,592	19,671	20,829

23. Depreciation

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	6,848	7,621	0	2
Right-of-use assets	720	758	0	0
	7,568	8,379	0	2

Notes to the Financial Statements

for the financial year ended 31 December 2020

24. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors:-				
- Fees	182	191	182	191
- Other short-term employee benefits	939	796	346	316
- Defined contribution plans	267	203	112	92
	1,388	1,190	640	599
Other employees:-				
- Short-term employee benefits	71,309	44,204	18,613	10,849
- Defined contribution plans	7,631	5,341	1,968	1,124
- Share-based payments	72	275	28	106
	79,012	49,820	20,609	12,079
	80,400	51,010	21,249	12,678

The estimated money value of benefits received or receivable by directors otherwise than in cash from the Group and the Company amounted to NIL (2019 : RM24,000) and NIL (2019 : RM12,000) respectively.

25. Impairment losses on financial assets

Group

	2020	2019
	RM'000	RM'000
Trade receivables from contracts with customers	345	170

Notes to the Financial Statements

for the financial year ended 31 December 2020

26. Profit before tax

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:-				
Auditors' remuneration	122	118	40	40
Fee expense for financial instruments not measured at fair value through profit or loss	131	123	0	1
Interest expense for financial liabilities not measured at fair value through profit or loss	1,139	2,042	0	0
Interest expense for lease liabilities	13	17	0	0
Inventories written down	10,817	7,784	0	0
Lease expense relating to short-term leases	278	293	0	0
Property, plant and equipment written off	37	29	0	1
Research and development expenditure	47,840	34,223	20,243	13,376
Unrealised loss on foreign exchange	3,663	1,800	0	0
and crediting:-				
Amortisation of deferred income	745	1,492	0	237
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss	1,241	341	0	0
Gain on disposal of property, plant and equipment	759	1,244	0	0
Government grants under Wage Subsidy Programme	194	0	5	0
Interest income for financial assets measured at amortised cost	4,148	4,925	1,461	1,898
Realised gain on foreign exchange	342	219	1	0
Reversal of inventories written down	7,784	5,018	0	0

Notes to the Financial Statements

for the financial year ended 31 December 2020

27. Tax expense

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Tax based on results for the year:-				
- Current tax	4,805	3,074	11	6
- Deferred tax	197	515	0	0
	5,002	3,589	11	6
Tax (over)/under provided in prior year:-				
- Current tax	(11)	(1,839)	(6)	0
- Deferred tax	(302)	57	0	0
	4,689	1,807	5	6

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Applicable tax rate	24.00	24.00	24.00	24.00
Non-deductible expenses	1.95	3.71	0.41	0.67
Non-taxable income	(0.86)	(2.00)	(25.98)	(20.56)
Pioneer income exempted	(25.27)	(17.40)	0.00	0.00
Effect of differential tax rates	4.71	(3.90)	1.61	(4.09)
Average effective tax rate	4.53	4.41	0.04	0.02

Notes to the Financial Statements for the financial year ended 31 December 2020

28. Earnings per share

Group

The earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year as follows:-

	2020	2019
Profit for the financial year attributable to owners of the Company (RM'000)	105,621	79,651
Number of shares in issue as at 1 January ('000)	471,005	470,553
Effect of shares issued pursuant to ESOS ('000)	532	284
Weighted average number of shares for computing basic earnings per share ('000)	471,537	470,837
Number of shares under ESOS deemed to have been issued for no consideration ('000)	714	1,125
Weighted average number of shares for computing diluted earnings per share ('000)	472,251	471,962
Basic earnings per share (sen)	22.40	16.92
Diluted earnings per share (sen)	22.37	16.88

29. Dividends

Group and Company

	2020 RM'000	2019 RM'000
In respect of financial year ended 31 December 2018:-		
- Final tax exempt dividend of 4 sen per share	0	18,830
In respect of financial year ended 31 December 2019:-		
- Interim tax exempt dividend of 1.50 sen per share	0	7,065
- Final tax exempt dividend of 2.80 sen per share	13,191	0
In respect of financial year ended 31 December 2020:-		
- Interim tax exempt dividend of 1.75 sen per share	8,261	0
	21,452	25,895

The directors have proposed a final tax exempt dividend of 3.95 sen per share in respect of the financial year ended 31 December 2020, subject to the members' approval at the forthcoming Annual General Meeting.

Notes to the Financial Statements

for the financial year ended 31 December 2020

30. Notes to consolidated statement of cash flows

Group

Acquisition of right-of-use assets

	2020 RM'000	2019 RM'000
Cost of right-of-use assets acquired	0	70
Acquisition by means of leases	0	(68)
Net cash disbursed	<u>0</u>	<u>2</u>

Lease liabilities

	2020 RM'000	2019 RM'000
Balance at 1 January	317	335
Additions	0	68
Payments	(98)	(86)
Balance at 31 December (Note 17)	<u>219</u>	<u>317</u>

The total cash outflow for leases is as follows:-

	2020 RM'000	2019 RM'000
Operating activities		
Lease expense recognised in profit or loss (Note 26)	278	293
Investing activities		
Acquisition of right-of-use assets	0	2
Financing activities		
Interest portion of lease liabilities (Note 26)	13	17
Principal portion of lease liabilities	<u>98</u>	<u>86</u>
	<u>389</u>	<u>398</u>

Notes to the Financial Statements

for the financial year ended 31 December 2020

30. Notes to consolidated statement of cash flows (cont'd)

Term loans

	2020 RM'000	2019 RM'000
Balance at 1 January	48,724	56,234
Repayments	(7,361)	(6,988)
Currency translation differences	(646)	(484)
Other changes	(82)	(38)
Balance at 31 December (Note 16)	40,635	48,724

31. Related party disclosures

Transactions with related parties during the financial year are as follows:-

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Key management personnel compensation:-				
- Short-term employee benefits	1,121	1,011	528	519
- Defined contribution plans	267	203	112	92
	1,388	1,214	640	611
Dividends declared from subsidiaries	0	0	30,000	30,000
Granting of employees' share options to subsidiaries	0	0	44	169
Purchase of goods from associate and its subsidiary	1,069	15	0	0
Receiving of services from associate	13	2	0	0
Receiving of services from subsidiary	0	0	3	0
Rendering of services to associate	3	0	0	0
Rendering of services to subsidiary	0	0	19,671	20,829
Subscription for shares in associate	3,974	1,750	3,974	1,750
Subscription for shares in subsidiary	0	0	500	500

Notes to the Financial Statements

for the financial year ended 31 December 2020

32. Segment reporting

Group

Operating segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the design, development and production of vision inspection system and printed circuit board assemblies for microprocessor applications.

Geographical information

In presenting information about geographical areas, segment revenue is based on the geographical location of customers, whereas segment assets are based on the geographical location of assets.

	External revenue		Non-current assets	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	115,802	90,283	170,957	174,309
China	115,695	84,093	291	274
Taiwan	113,731	34,970	0	0
United States of America	47,917	35,252	0	0
Mexico	28,931	53,866	0	0
Others	48,303	41,128	0	0
	470,379	339,592	171,248	174,583

Major customers

The major groups of customers that contributed 10% or more of the Group's total revenue are as follows:-

	External revenue	
	2020	2019
	RM'000	RM'000
Group I*	63,805	67,154
Group II*	28,817	41,194

* The identity of the major group has not been disclosed as permitted by MFRS 8 Operating Segments.

Notes to the Financial Statements

for the financial year ended 31 December 2020

33. Contractual commitments

Group

	2020 RM'000	2019 RM'000
Acquisition of property, plant and equipment	10,667	13,157

34. Financial guarantee contracts

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to a subsidiary up to a total limit of RM64,907,000 (2019 : RM106,791,000). The total utilisation of these credit facilities as at 31 December 2020 amounted to RM49,732,000 (2019 : RM52,282,000). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiary.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.14. After considering that the probability of the subsidiary defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

35. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit risk

The Group's exposure to credit risk arises mainly from receivables, derivative contracts and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to a subsidiary. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 34.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 12. As the Group only deals with reputable financial institutions, the credit risk associated with derivative contracts and deposits placed with them is low.

Notes to the Financial Statements

for the financial year ended 31 December 2020

35. Financial risk management (cont'd)

Liquidity risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currency within the Group is Ringgit Malaysia ("RM"), whereas the major foreign currency transacted is US Dollar ("USD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:-

	Group	
	Denominated in USD	
	2020	2019
	RM'000	RM'000
Receivables	125,574	87,914
Cash and cash equivalents	37,777	31,967
Payables	(40,211)	(19,553)
Loans and borrowings	(40,635)	(48,724)
	82,505	51,604

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:-

- (i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Notes to the Financial Statements

for the financial year ended 31 December 2020

35. Financial risk management (cont'd)

Currency risk (cont'd)

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	Increase/ (Decrease) in profit	Increase/ (Decrease) in profit
	2020	2019
	RM'000	RM'000
Appreciation of USD against RM by 3% (2019 : 1%)	2,387	239
Depreciation of USD against RM by 3% (2019 : 1%)	(2,387)	(239)

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	Group	
	2020	2019
	RM'000	RM'000
Fixed rate instruments		
Financial assets	13,212	25,470
Financial liabilities	219	317
Floating rate instruments		
Financial liabilities	40,635	48,724

Notes to the Financial Statements

for the financial year ended 31 December 2020

35. Financial risk management (cont'd)

Interest rate risk (cont'd)

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	Increase/ (Decrease) in profit	Increase/ (Decrease) in profit
	2020	2019
	RM'000	RM'000
Increase in interest rates by 40 basis points (2019 : 10 basis points)	(159)	(48)
Decrease in interest rates by 40 basis points (2019 : 10 basis points)	159	48

36. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:-

	Group	
	2020	2019
	RM'000	RM'000
Loans and borrowings	40,635	48,724
Lease liabilities	219	317
Total interest-bearing debts	40,854	49,041
Total equity	569,007	482,388
Total capital	609,861	531,429
Debt-to-equity ratio	7%	10%

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

List of Properties

No.	Name of Registered Owner / Postal Address / Title Identification	Approx Age of Building / Tenure / Date of Expiry of Lease	Description / Existing Use	Land Area / Build Up Area Sq Metre	Net Book Value as at 31 December 2020 RM	Year of Valuation / Acquisition
1.	ViTrox Technologies Sdn. Bhd. HSD 21704, Lot No. PT 5286, Mukim 12, Daerah Barat Daya, Pulau Pinang	14 years / 60 years lease expiring on December 26, 2066	ViTrox Innovation Centre	12,153 / 13,122	40,000,000	December 31, 2020 (Date of Valuation)
	<u>Bearing Postal Address</u> No. 85A, Lintang Bayan Lepas 11, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Penang					
2.	ViTrox Technologies Sdn. Bhd. HSD 47985, Lot No. PT 5920, Mukim 13, Seberang Perai Selatan, Pulau Pinang	3 years / 60 years lease expiring on October 25, 2075	ViTrox Campus 2.0	89,999 / 41,613	118,253,867	December 9, 2014 (Date of Acquisition)
	<u>Bearing Postal Address</u> No. 746, Persiaran Cassia Selatan 3, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Penang					
3.	ViTrox Technologies Sdn. Bhd. Lot 1241, Mukim 12, Daerah Barat Daya, Pulau Pinang	16 years / 99 years lease upon Sale & Purchase Agreement signed	Shplot for investment purposes	- / 96	300,000	December 31, 2020 (Date of Valuation)
	<u>Bearing Postal Address</u> Level No. 04, Unit No. 20, Kristal Point II, Lebuh Bukit Kecil 6, 11900 Bayan Lepas, Penang					
4.	ViTrox Technologies Sdn. Bhd. Lot 1241, Mukim 12, Daerah Barat Daya, Pulau Pinang	16 years / 99 years lease upon Sale & Purchase Agreement signed	Shplot for investment purposes	- / 96	300,000	December 31, 2020 (Date of Valuation)
	<u>Bearing Postal Address</u> Level No. 04, Unit No. 21, Kristal Point II, Lebuh Bukit Kecil 6, 11900 Bayan Lepas, Penang					

Statistics of Shareholdings

as at 31 March 2021

SHARE CAPITAL

Total number of issued shares : 472,116,400
Class of Shares : Ordinary Shares
Voting Rights : One voting right for one ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Holders	No. of Shares	%
1 – 99	43	1,164	0.00
100 – 1,000	1,670	761,153	0.16
1,001 – 10,000	895	3,464,255	0.74
10,001 – 100,000	423	14,449,803	3.06
100,001 – 23,605,819	232	194,007,333	41.09
23,605,820 and above	3	259,432,692	54.95
Total	3,266	472,116,400	100.00

THIRTY LARGEST SECURITIES HOLDERS

No.	Name	Shareholdings	%
1	Chu Jenn Weng	125,000,000	26.48
2	Siaw Kok Tong	90,046,228	19.07
3	Yeoh Shih Hoong	44,386,464	9.40
4	Tan Booi Charn	13,922,400	2.95
5	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: Exempt An For DBS Bank Ltd (SFS-PB)	9,250,000	1.96
6	Kumpulan Wang Persaraan (Diperbadankan)	8,401,200	1.78
7	Affin Hwang Nominees (Asing) Sdn Bhd Qualifier: DBS Vickers Secs (S) Pte Ltd For Voyager Assets Limited	6,945,298	1.47
8	Kiew Kwong Sen	6,529,700	1.38
9	Wong Ting Lik	4,493,088	0.95
10	Citigroup Nominees (Asing) Sdn Bhd Qualifier: CBNY For Norges Bank (FI 17)	4,210,449	0.89
11	HLB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Cheong Siew Chyuan	4,109,600	0.87
12	HSBC Nominees (Tempatan) Sdn Bhd Qualifier: Exempt An For Credit Suisse (HK BR-TST-TEMP)	4,000,000	0.85
13	Tan Hong Soon	4,000,000	0.85
14	Amanahraya Trustees Berhad Qualifier: Public Islamic Select Treasures Fund	3,682,200	0.78
15	Chua Siew Kim	3,509,498	0.74
16	Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt An For Citibank New York (Norges Bank 14)	3,197,051	0.68
17	Lim Yee @ Lim Wei Yee	2,948,300	0.62
18	Cartaban Nominees (Tempatan) Sdn Bhd Qualifier: PAMB For Prulink Equity Fund	2,580,100	0.55

Statistics of Shareholdings

as at 31 March 2021

THIRTY LARGEST SECURITIES HOLDERS (cont'd)

No.	Name	Shareholdings	%
19	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier: Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall-Cap Fund	2,536,900	0.54
20	Wee Kah Khim	2,536,000	0.54
21	HSBC Nominees (Asing) Sdn Bhd Qualifier: TNTC For Barings Asean Frontiers Fund	2,286,700	0.48
22	CGS-CIMB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Mak Tian Meng (MY3136)	2,080,600	0.44
23	Su Sow Boay	2,075,377	0.44
24	HSBC Nominees (Asing) Sdn Bhd Qualifier: JPMCB NA For Pacific Assets Trust PLC	1,993,100	0.42
25	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier: CIMB For Chu Jenn Weng (PB)	1,978,334	0.42
26	Amanahraya Trustees Berhad Qualifier: Public Islamic Treasures Growth Fund	1,855,900	0.39
27	Cartaban Nominees (Asing) Sdn Bhd Qualifier: Exempt An For State Street Bank & Trust Company (WEST CLT OD67)	1,807,000	0.38
28	Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt An For Citibank New York (Norges Bank 19)	1,758,100	0.37
29	Cheong Siew Chyuan	1,713,900	0.36
30	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	1,662,500	0.35

SUBSTANTIAL SHAREHOLDERS

Name	Direct Shareholding	%	Indirect Shareholding	%
Chu Jenn Weng	126,978,334	26.90	-	-
Siaw Kok Tong	90,123,028	19.09	-	-
Yeoh Shih Hoong	44,386,464	9.40	4,000,000 [^]	0.85

DIRECTORS' SHAREHOLDING

Name	Direct Shareholding	%	Indirect Shareholding	%
Chu Jenn Weng	126,978,334	26.90	-	-
Siaw Kok Tong	90,123,028	19.09	-	-
Yeoh Shih Hoong	44,386,464	9.40	4,000,000 [^]	0.85
Dato' Seri Dr. Kiew Kwong Sen	6,529,700	1.38	-	-
Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	1,559,300	0.33	-	-
Chuah Poay Ngee	390,000	0.08	-	-
Mary Yeo Chew Yen	37,000	0.01	-	-

[^] Registered in the name of HSBC Nominees (Tempatan) Sdn Bhd – Exempt an For Credit Suisse (HK BR-TST-TEMP), is the custodian bank of Credit Suisse Hong Kong Private Banking, of which Yeoh Shih Hoong 4,000,000 shares are currently safe-kept in.

Share Buy-Back Statement

1. Disclaimer Statement

This Share Buy-back Statement ("Statement") is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Statement prior its issuance, and hence, takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this Statement.

2. Rationale for the Share Buy-Back by ViTrox Corporation Berhad ("ViTrox" or "the Company") of its Own Ordinary Shares ("Shares") of up to 10% of its Total Number of Issued Shares at any Given Point in Time ("Proposed Share Buy-Back")

The Proposed Share Buy-Back, if exercised, would potentially benefit the Company and its shareholders as follows:-

- a. To allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of the Shares and hence, enhance investors' confidence;
- b. To allow the Company flexibility in achieving the desired capital structure, in terms of the debt and equity composition, and the size of equity; and
- c. The Purchased Shares may be held as treasury shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s).

As at 31 March 2021, the total number of issued shares of ViTrox was 472,116,400 Ordinary Shares and no treasury share was held by the Company.

Assuming the Employees' Share Option Scheme ("ESOS") of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares), which was approved by the shareholders of ViTrox at the Extraordinary General Meeting held on 27 February 2014, will be exercised in full, the maximum number of ViTrox Shares which may be purchased by the Company will be ten percent (10%) of the enlarged total number of issued shares of the Company, i.e. 51,475,774 ViTrox Shares. Please refer Section 7(a) of this Statement for further details.

3. Retained Profits

Based on the audited financial statements of ViTrox as at 31 December 2020, the retained profits of the Company stood at RM41,022,296. The maximum fund to be allocated by the Company for the purpose of Proposed Share Buy-Back shall not exceed the retained profits of the Company.

4. Funding for the Proposed Share Buy-Back

The Proposed Share Buy-Back will be funded from internally generated funds. The Company has adequate resources to undertake the Proposed Share Buy-Back as the Company has net cash and cash equivalent balance of approximately of RM82.9 million based on the audited financial statements of ViTrox as at 31 December 2020. The fund utilised by the Company for the Proposed Share Buy-Back will reduce the resources available to ViTrox for its operations by a corresponding amount for shares bought back.

Share Buy-Back Statement

5. Interests of Directors' and Major Shareholders' and Persons Connected with them

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Share Buy-Back, none of the Directors and Major Shareholders of ViTrox nor persons connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of treasury shares. Based on the Register of Directors and Register of Substantial Shareholders of ViTrox as at 31 March 2021 and assuming that ViTrox implements the Proposed Shares Buy-Back in full, the effects of the Proposed Share Buy-Back on the shareholdings of the Directors, Substantial Shareholders and Person Connected with them of ViTrox are as follows:-

	As at 31 March 2021 ^(a)				After full exercise of ESOS and Proposed Share Buy-Back ^(b)			
	Direct	Direct	Indirect	Indirect	Direct ^(c)	Direct	Indirect ^(c)	Indirect
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors and Substantial Shareholders								
Chu Jenn Weng ¹	126,978,334	26.90	-	-	126,978,334	27.41	-	-
Siaw Kok Tong	90,123,028	19.09	-	-	90,123,028	19.45	-	-
Yeoh Shih Hoong ²	44,386,464	9.40	4,000,000 ⁴	0.85	44,386,464	9.58	4,000,000 ⁴	0.86
Directors								
Dato' Seri Dr. Kiew Kwong Sen	6,529,700	1.38	-	-	6,529,700	1.41	-	-
Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	1,559,300	0.33	-	-	1,559,300	0.34	-	-
Chuah Poay Ngee	390,000	0.08	-	-	390,000	0.08	-	-
Mary Yeo Chew Yen ³	37,000	0.01	-	-	37,000	0.01	-	-
Person Connected with Director/Substantial Shareholder								
Su Pek Fuen ¹	1,228,198	0.26	-	-	1,228,198	0.27	-	-
Kam Su-Ning ²	362,096	0.08	-	-	362,096	0.08	-	-
Lo Chih Ming ³	19,000	Negligible	-	-	19,000	Negligible	-	-
HSBC Nominees (Tempatan) Sdn Bhd – Exempt an For Credit Suisse (HK BR-TSTTEMP) ⁴	4,000,000	0.85	-	-	4,000,000	0.86	-	-
Nicole Choo Yi Hui ⁵	100	Negligible	-	-	100	Negligible	-	-

Notes:-

^(a) Based on the total number of issued shares of 472,116,400 Ordinary Shares.

^(b) Based on the total number of issued shares of 463,281,966 Ordinary Shares after the full exercise of ESOS and Proposed Share Buy-Back is carried out in full and all the shares purchased are held as treasury shares.

^(c) The shareholdings do not include the number of new ViTrox Shares to be allotted to the Directors of the Company and person connected with them pursuant to the ESOS.

^{1,2,3} Being spouse to the Director/Substantial Shareholder.

⁴ HSBC Nominees (Tempatan) Sdn Bhd – Exempt an For Credit Suisse (HK BR-TST-TEMP), is the custodian bank of Credit Suisse Hong Kong Private Banking, of which Yeoh Shih Hoong 4,000,000 shares are currently safe-kept in.

⁵ Daughter of Chuah Poay Ngee

Share Buy-Back Statement

6. Potential Advantages and Disadvantages of the Proposed Share Buy-Back

6.1 Potential Advantages of the Proposed Share Buy-Back

The Potential Advantages of the Proposed Share Buy-Back are set out in Section 2 of this Statement.

6.2 Potential Disadvantages of the Proposed Share Buy-Back

- a. The Proposed Share Buy-Back, if implemented, will reduce the financial resources of the Group and may result in the Group foregoing interest income and/or better investment opportunities that may emerge in the future; and
- b. As the Proposed Share Buy-Back can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantage to the shareholders of the Company as well as the Group as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company.

7. Material Financial Effects of the Proposed Share Buy-Back

The material financial effects of the Proposed Share Buy-Back on the share capital, consolidated Net Tangible Assets ("NTA"), working capital, earnings, dividends and the substantial shareholders' shareholdings in ViTrox (assuming that the Company purchases up to a maximum of 51,475,774 ViTrox Shares representing approximately ten percent (10%) of the enlarged total number of issued shares with the full exercised of ESOS) are set out below:-

a. Share Capital

The effect of the Proposed Share Buy-Back on the share capital of the Company as at 31 March 2021 are illustrated as follows:-

	No. of Shares
Issued and fully paid-up share capital as at 31 March 2021	472,116,400
Shares to be issued pursuant to the ESOS (assuming full exercise of the ESOS of up to 10% of the issued and paid-up share capital and net of 4,570,300 shares already issued pursuant to the ESOS as at 31 March 2021)	42,641,340
Enlarged issued and paid-up share capital	514,757,740
Assumed the Shares purchased and cancelled	(51,475,774)
Resultant issued and paid-up capital	463,281,966

Notes:-

No treasury share was held.

If the Shares so purchased are retained as treasury shares, the total number of issued shares of the Company will not be reduced but the rights attaching to the treasury shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these Shares remain as treasury shares, the Companies Act 2016 prohibits the taking into account of such Shares in calculating the number of percentage of Shares for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

Share Buy-Back Statement

7. Material Financial Effects of the Proposed Share Buy-Back (cont'd)

b. Earnings

The effects of the Proposed Share Buy-Back on the earnings of the Group will depend on, inter alia, the purchase prices of the Shares, the number of Shares purchased, the effective funding cost to ViTrox to finance the purchase of Shares or any loss in interest income to the Group and the proposed treatment of the Purchased Shares.

Assuming the Purchased Shares are to be retained as treasury shares or cancelled subsequently, the number of Shares applied in the computation of the EPS will be reduced, and accordingly, all other things being equal, the Proposed Share Buy-Back will have a positive impact on the EPS of the Group.

In the event the Purchased Shares are resold subsequently, depending on the price at which the said Shares are resold, the Proposed Share Buy-Back may have a positive effect on the EPS of the Group if there is a gain on the disposal and vice versa.

c. NTA

The effect of the Proposed Share Buy-Back on the consolidated NTA of the Group would depend on the purchase prices of the Shares, the number of Shares purchased and the effective funding cost to the Group to finance the purchase of Shares or any loss in interest income to the Group.

The Proposed Share Buy-Back will reduce the consolidated NTA per Share of the Group if the purchase price exceeds the consolidated NTA per Share at the time of the purchase, and vice versa.

In the event the treasury shares are resold on Bursa Securities, the consolidated NTA per Share will increase if the Company realizes a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the consolidated NTA per Share will decrease by the cost of the treasury shares.

d. Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares, the number of Shares purchased and any associated costs incurred in making the purchase.

For the Purchased Shares which are kept as treasury shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

e. Substantial Shareholders

Shares bought back by the Company under the Proposed Share Buy-Back that are retained as treasury shares will result in a proportionate increase in the percentage shareholdings of the Substantial Shareholders in the Company. Please refer to Section 5 of this Statement for further details.

f. Dividends

Assuming the Proposed Share Buy-Back is implemented in full, dividends would be paid on the remaining total number of issued shares of ViTrox (excluding the Shares already purchased). The Proposed Share Buy-Back may have an impact on the Company's dividend policy for the financial year ending 31 December 2021 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

Any dividends to be declared by ViTrox in the future would depend on, inter-alia, the profitability and cashflow position of the Group.

Share Buy-Back Statement

8. Implications of the Proposed Share Buy-Back relating to the Rules on Take-overs, Merger and Compulsory Acquisitions (the Rules)

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Rules by any of the Company's shareholders and/or parties acting in concert with them, the Board of Directors ("Board") will ensure that such number of Shares purchased, retained as treasury shares, cancelled or distributed pursuant to the Proposed Share Buy-Back would not result in triggering any mandatory offer obligation on the part of its shareholders and/or parties acting in concert with them.

In this connection, the Board will be mindful of the Rules when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

9. Purchases, Resold, Transfer and Cancellation made by the Company of its Own Shares in the Preceding 12 Months

There was no treasury share held and the Company had not purchased, resold, transferred or cancelled any shares in the preceding 12 months.

10. Public Shareholding Spread

As at 31 March 2021, the Record of Depositors of ViTrox showed that 196,502,480 Shares representing approximately 41.6% of the total number of issued shares were held by the public shareholders. In this regard, the Board undertakes that the Proposed Share Buy-Back will be conducted to the extent that the public shareholding spread of ViTrox shall not fall below 25% of the issued and paid-up share capital of the Company (excluding treasury shares) at all times in accordance with the laws and regulations prevailing at the time of the purchase as stipulated in Paragraphs 8.02(1) and 12.14 of the Bursa Securities Main Market Listing Requirements ("LR").

11. Proposed Intention of the Directors to Deal with the Shares so Purchased

The Proposed Share Buy-Back, if exercised, the shares shall be dealt with in the following manner:-

- to cancel the shares so purchased; or
- to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- retain part of the shares so purchased as treasury shares and cancel the remainder.

12. Directors' Statement

The Board, having taken into consideration the rationale for the Proposed Share Buy-Back, is of the opinion that Proposed Share Buy-Back is in the best interest of the Company.

13. Directors' Recommendation

The Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM to give effect to the Proposed Share Buy-Back.

Share Buy-Back Statement

14. Historical Share Prices

The monthly highest and lowest market prices of ViTrox's Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:-

	High RM	Low RM
2020		
April	8.30	7.00
May	8.86	7.91
June	9.26	8.23
July	12.28	9.18
August	12.62	10.50
September	13.34	11.66
October	14.94	12.26
November	15.50	13.90
December	15.52	14.22
2021		
January	16.90	13.56
February	18.16	16.42
March	17.40	13.94

Last transacted market price as at 15 April 2021 (being the latest practical date prior to the printing of this Statement) was RM15.80.

(Source: Bloomberg)

15. Responsibility Statement

This Statement has been seen and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

16. Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of the Company at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang during normal office hours from Monday to Friday (except for public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:-

- (i) Constitution of ViTrox; and
- (ii) The audited consolidated financial statements of ViTrox for the past two (2) financial years ended 31 December 2019 and 2020 respectively.

17. Further Information

There is no other information concerning the Proposed Share Buy-Back as shareholders and other professional advisers would reasonably require and expect to find in the Statement for the purpose of making informed assessment as to the merits of approving the Proposed Share Buy-Back and the extent of the risks involved in doing so.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of the Company will be held **on a fully virtual basis** at the Broadcast Venue: Auditorium of ViTrox Campus 2.0, 746, Persiaran Cassia Selatan 3, Batu Kawan Industrial Park, 14110 Bandar Cassia, Penang on Thursday, 20 May 2021 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2020 together with the reports of the Directors and Auditors thereon. *(Please refer to Note A)*
2. To declare a Final Dividend of 3.95 sen per share exempt from Income Tax for the year ended 31 December 2020. (Resolution 1)
3. To approve the payment of Directors' Fee of up to RM158,400 for the period from 1 June 2021 until the next Annual General Meeting (AGM) of the Company. (Resolution 2)
4. To re-elect the following directors retiring under the respective provision of the Company's Constitution, and who being eligible, offered themselves for re-election:-
 - a) Dato' Seri Dr. Kiew Kwong Sen Paragraph 102 (Resolution 3)
 - b) Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani Paragraph 102 (Resolution 4)
5. To approve the benefits payable (excluding Directors' Fees) to the Non-Executive Directors up to an amount of RM133,000 from 1 June 2021 until the next AGM of the Company. (Resolution 5)
6. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 6)
7. AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions:-

ORDINARY RESOLUTIONS

- a) Continue in Office as an Independent Non-Executive Director(s)
 - (i) "That subject to the passing of Resolution 3, authority be and is hereby given to Dato' Seri Dr. Kiew Kwong Sen to continue to serve as Independent Non-Executive Chairman of the Company." (Resolution 7)
 - (ii) "That subject to the passing of Resolution 4, authority be and is hereby given to Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani to continue to serve as Independent Non-Executive Director of the Company." (Resolution 8)
 - (iii) "That authority be and is hereby given to Chuah Poay Ngee to continue to serve as Independent Non-Executive Director of the Company." (Resolution 9)
- b) Authority to Issue Shares (Resolution 10)

"That pursuant to Companies Act 2016 and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities."

Notice of Annual General Meeting

c) Renewal of Authority to Purchase its own Shares

(Resolution 11)

"That subject to the Companies Act 2016, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:-

- i) The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;
- ii) The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2020, the audited retained profits of the Company stood at RM41,022,296;
- iii) The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;
- iv) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-
 - to cancel the shares so purchased; or
 - to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
 - retain part of the shares so purchased as treasury shares and cancel the remainder.

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Companies Act 2016, provisions of the Company's Constitution, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

HOW WEE LING (MAICSA 7033850) / SSM PC No.: 202008000869

OOI EAN HOON (MAICSA 7057078) / SSM PC No.: 202008000734

Secretaries

Penang

Date : 20 April 2021

Notice of Annual General Meeting

NOTES:

- A. This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.
- B. As no shareholders should be physically present at the Broadcast Venue, we urge all shareholders to attend the general meeting(s) remotely using the Securities Services e-Portal ("e-Services") facilities which are available on <https://www.sshsb.net.my/login.aspx>.

Proxy

1. For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting the Record of Depositors as at 10 May 2021. Only a depositor whose name appears on the Record of Depositors as at 10 May 2021 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.
2. A member may appoint up to two (2) proxies in relation to the AGM, provided that he specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
5. The instrument appointing a proxy shall be deposited to SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to eservices@sshsb.com.my, not less than 48 hours before the time for holding the Meeting or any adjournments thereof i.e. by Tuesday, 18 May 2021 at 10.00 a.m.. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx>. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details.

Notice of Annual General Meeting

Explanatory Note On Special Business:

1. Resolutions 7, 8 and 9 – Continue in Office as Independent Non-Executive Director(s)

Dato' Seri Dr. Kiew Kwong Sen, Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani and Ms. Chuah Poay Ngee have served the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years.

The Board had assessed the performance and independence of the aforesaid Directors and recommended that the approval of the shareholders be sought for the aforesaid Directors to continue to serve as the Independent Non-Executive Directors of the Company, based on the following justification:-

- i) had fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities (Main LR);
- ii) had demonstrated throughout the terms of their office to be independent by exercising independent judgment when a matter is put before them for decision. Thus, they would be able to function as check and balance, provide broader view and brings an element of objectivity to the Board;
- iii) had participated actively and contributed positively during deliberations or discussions at Board Meetings.
- iv) had performed their duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

The proposed Resolutions 7, 8 and 9, if passed, enable Dato' Seri Dr. Kiew Kwong Sen, Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani and Ms. Chuah Poay Ngee to continue to act as Independent Non-Executive Director of the Company. Otherwise, they will be re-designated as a Non-Independent Non-Executive Director and relinquish their position as an Independent Non-Executive Director of the Company upon the conclusion of the 17th AGM.

2. Resolution 10 - the Authority to issue Shares

The proposed Resolution No. 10, if passed, will grant a renewed general mandate (Mandate 2021) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company.

The Mandate 2021 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 16th AGM. The Company did not issue any share pursuant to the mandate granted because there was no investment, acquisition or working capital that required fund raising activity.

3. Resolution 11 - Authority to Purchase its own Shares

The proposed Resolution No. 11, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

Notice of Dividend Entitlement And Payment

NOTICE IS HEREBY GIVEN that the Final Dividend of 3.95 sen per share exempt from Income Tax for the year ended 31 December 2020, if approved, will be paid on 16 July 2021 to depositors registered in the Records of Depositors on 30 June 2021:-

A Depositor shall qualify for entitlement to the Dividend in respect of:-

- a) securities transferred into the Depositor's Securities Account before 4.30 p.m. on 30 June 2021 in respect of transfers;
- b) securities deposited into the Depositor's Securities Account before 12.30 p.m. in respect of securities exempted from mandatory deposit; and
- c) securities bought on Bursa Malaysia Securities Berhad ("**Bursa Securities**") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,

HOW WEE LING (MAICSA 7033850) / SSM PC No.: 202008000869
OOI EAN HOON (MAICSA 7057078) / SSM PC No.: 202008000734
Secretaries

Penang

Date : 20 April 2021

No. of ordinary shares held		CDS Account No.	
Contact No.		Email Address	

*I/We, _____ (NRIC / Passport No. _____)
of _____

being a Member of VITROX CORPORATION BERHAD hereby appoint (Please tick (✓) whichever is applicable):-

☐ Chairman of the Meeting **OR** ☐ The following proxy(ies):-

Name	NRIC / Passport	Address	Proportions of *my/our holdings to be represented (%)
1)			
2)			
Total...			100.0%

In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on *my/our behalf.

as *my/our proxy(ies), to vote for *me/us on *my/our behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held on a fully virtual basis at the Broadcast Venue: Auditorium of ViTrox Campus 2.0, 746, Persiaran Cassia Selatan 3, Batu Kawan Industrial Park, 14110 Bandar Cassia, Penang on Thursday, 20 May 2021 at 10.00 a.m. and at any adjournment thereof as indicated below:-

* Strike out whichever is inapplicable

(Please indicate with an "X" in the spaces provided below on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Ordinary Resolutions		For	Against
1.	To declare a Final Dividend of 3.95 sen per share exempt from Income Tax for the year ended 31 December 2020.		
2.	To approve the payment of Directors' Fee of up to RM158,400 for the period from 1 June 2021 until the next Annual General Meeting (AGM) of the Company.		
3.	To re-elect the following directors retiring under the respective provision of the Company's Constitution, and who being eligible, offered themselves for re-election:- Dato' Seri Dr. Kiew Kwong Sen Paragraph 102		
4.	Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani Paragraph 102		
5.	To approve the benefits payable (excluding Directors' Fees) to the Non-Executive Directors up to an amount of RM133,000 from 1 June 2021 until the next AGM of the Company.		
6.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
	Special Business		
7.	To authorise Dato' Seri Dr. Kiew Kwong Sen to continue to serve as Independent Non-Executive Chairman of the Company.		
8.	To authorise Datuk Ir. Dr. Ahmad Fadzil Bin Mohamad Hani to continue to serve as Independent Non-Executive Director of the Company.		
9.	To authorise Chuah Poay Ngee to continue to serve as Independent Non-Executive Director of the Company.		
10.	To approve the resolution pursuant to Authority to Issue Shares.		
11.	To approve the resolution pursuant to Renewal of Authority to Purchase its own Shares.		

Signed this on _____ day of _____, 2021. Signature/Common Seal of Member: _____

Proxy

- For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting the Record of Depositors as at 10 May 2021. Only a depositor whose name appears on the Record of Depositors as at 10 May 2021 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.
- A member may appoint up to two (2) proxies in relation to the AGM, provided that he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- The instrument appointing a proxy shall be deposited to SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to eservices@sshb.com.my, not less than 48 hours before the time for holding the Meeting or any adjournments thereof i.e. by Tuesday, 18 May 2021 at 10.00 a.m.. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshb.net.my/login.aspx>. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details.

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Share Registrar

ViTrox Corporation Berhad

Company No. 200401011463 (649966-K)

Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan.

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ViTrox Corporation Berhad 200401011463 (649966-K)
746, Persiaran Cassia Selatan 3,
Batu Kawan Industrial Park,
14110 Bandar Cassia, Penang, Malaysia.
Tel : 604 545 9988
Fax : 604 545 9987

ViTrox Vision Lab
Ground Floor, Faculty of Computing and Informatics,
Multimedia University,
63100 Cyberjaya, Selangor.
Tel : 603 8312 5451

China Division
ViTrox Technologies (Suzhou) Co., Ltd.
Building C, Number 93,
Wei He Road, Wei Ting Town,
Suzhou Industrial Park,
Suzhou, Jiangsu Province, 215122 China.
Tel : 86 512 6251 9891
Fax : 86 512 6251 9892

ViTrox USA
Tel : 1 970 481 3663

Email : enquiry@vitrox.com

www.vitrox.com



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