

ViTrox Corporation Berhad

Company's No. 649966-K
(Incorporated in Malaysia)

Quarterly report on results for the 2nd quarter ended 30.06.2005

CONDENSED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2005 RM('000)	30/06/2004 RM('000)	30/06/2005 RM('000)	30/06/2004 RM('000)
Revenue	1,482	N/A	1,707	N/A
Cost of sales	(581)	N/A	(581)	N/A
Gross profit	901	N/A	1,126	N/A
Other operating income	196	N/A	196	N/A
Distribution and selling expenses	(43)	N/A	(43)	N/A
Administrative expenses	(48)	N/A	(100)	N/A
Other operating expenses	-	N/A	-	N/A
Profit from operations	1,006	N/A	1,179	N/A
Finance cost	(4)	N/A	(4)	N/A
Income from other Investment	12	N/A	12	N/A
Profit before taxation	1,014	N/A	1,187	N/A
Taxation	-	N/A	(7)	N/A
Net Profit	1,014	N/A	1,180	N/A
Less : Pre-Acq Profit	-	N/A	-	N/A
Add : Negative Goodwill	4,945	N/A	4,945	N/A
Net Profit After Extra-ordinary Item	5,959	N/A	6,125	N/A
Earnings Per Share (Sen)				
(a) Basic	1.44	N/A	1.67 *	N/A
(b) Fully diluted	N/A	N/A	N/A	N/A

No comparative figures for the preceding year comparative quarter as this is the first set of interim financial statements presented.

The ViTrox Group, comprising ViTrox Corporation Berhad and ViTrox Technologies Sdn Bhd, existed from 15 June 2005 only. The consolidated result of the Group above comprises of the consolidation of the financial result of Vitrox Corporation Berhad for the financial year 1 Apr 05 to 30 Jun 05 and one month financial result of Vitrox Technologies Sdn Bhd from 1 Jun 2005 to 30 Jun 2005

* based on weighted average number of shares and net profit before extraordinary items

(The Condensed Income Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 December 2004)

hibited
il period of

ViTrox Corporation Berhad

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CONDENSED BALANCE SHEET

(The figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 30/6/2005 RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2004 RM('000)
PROPERTY, PLANT AND EQUIPMENT	5,609	-
CURRENT ASSETS		
<i>Inventories</i>	1,881	-
<i>Trade Receivables</i>	3,158	-
<i>Other Receivables and Prepaid Expenses</i>	636	-
<i>Amount due from shareholders</i>	-	-
<i>Deposits, cash and Bank Balances</i>	6,078	-
	11,753	-
CURRENT LIABILITIES		
<i>Trade payables</i>	346	-
<i>Borrowings</i>	231	-
<i>Other Payables and Accrued Expenses</i>	407	3
<i>Proposed Dividend</i>	1,500	-
<i>Tax payable</i>	8	-
	2,492	3
NET CURRENT ASSETS	9,261	(3)
	14,870	(3)
FINANCED BY:		
Share Capital	7,540	-
Share Premium	2	-
Reserves		
<i>Retained profit/(Accumulated loss)</i>	6,125	(3)
Shareholders' equity	13,667	(3)
NON-CURRENT LIABILITIES	1,203	-
	14,870	(3)
Net tangible assets per share [@] (sen)	18.13	NA

[@] Based on the number of ordinary shares of 75,400,000 shares as at 30 June 2005

[^] RM20

(The Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

ViTrox Corporation Berhad

Company's No. 649966-K
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Quarterly report on results for the 2nd quarter ended 30.06.2005

CONDENSED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Share Premium	Distributable - Retained Profit
	RM('000)	RM('000)	RM('000)
3 months quarter ended 30.06.2005			
Balance as at 1 Apr 2005	-	-	166
Issuance of Share	7,540	2	-
Net profit for the period	-	-	5,959
Balance as at 30 June 2005	<u>7,540</u>	<u>2</u>	<u>6,125</u>

No comparative figures for the preceding year comparative quarter as this is the first set of interim presented.

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

Total

RM('000)

166

7,542

5,959

13,667

financial statements

ViTrox Corporation Berhad

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#N/A

CONDENSED CASH FLOW STATEMENT

(The figures have not been audited)

	3 months ended 30.06.2005	3 months ended 30.06.2004
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,014	#N/A
Adjustments for:		
Depreciation of property, plant and equipment	40	N/A
Interest expense	4	N/A
Interest income	(12)	N/A
Operating profit before working capital changes	1,046	N/A
Changes in working capital:		
Decrease in inventories	187	N/A
Increase in receivables	(1,150)	N/A
Increase in other receivable	(71)	N/A
Decrease in payables	(82)	N/A
Decrease in other payables	(386)	N/A
Cash Generated From Operations	(456)	N/A
Interest paid	(4)	N/A
Taxes paid	-	N/A
Net cash from operating activities	(460)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed deposits interest received	12	N/A
Purchase of property, plant and equipment	(1,011)	N/A
Acquisition of Subsidiary Company net of Cash	6,677	N/A
Net cash used in investing activities	5,678	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan & Hire Purchase	(20)	N/A
Loan From PBB	880	N/A
Net cash used in financing activities	860	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,078	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD (as at 1 June 2005)	-	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,078	N/A

(Note A15)

No comparative figures for the preceding year comparative quarter as this is the first set of interim financial statements presented.

(The Condensed Cash Flow Statement should be read in conjunction with
the Annual Financial Report for the year ended 31 December 2004)

ViTrox Corporation Berhad

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Quarterly report on results for the 2nd quarter ended 30.06.2005

NOTES

A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial report has been prepared in compliance with FRS 134: "Interim Financial Reporting" (formerly known and Appendix 7A of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial report should be read in conjunction with the audited financial statements of the Company for December 2004.

The accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 December 2004.

A2 Auditors' report of preceding annual financial statements

The auditors' report on the preceding year's annual audited financial statements was not subject to any qualification.

A3 Seasonal or cyclical factors

The Company's operations were not subject to any seasonal or cyclical changes.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Company since the preparation of the financial statements.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which may have a material effect on the current financial quarter.

A6 Debt and equity securities

Saved for the Initial Public Offering ("IPO") as disclosed in Note A10, there were no issuance, cancellation, redemption or repayment of debt and equity securities for the current financial quarter.

A7 Dividend paid

There were no dividends paid by the Company during the current financial quarter.

A8 Segment information

No segmental reporting has been prepared as the Company is only engaged in the provision of machine vision products and the Company operates principally in Malaysia.

A9 Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements. Any changes will have effect in the current financial quarter under review.

A10 Material events subsequent to the end of the quarter

Save as disclosed below, there were no material events subsequent to the current financial quarter ended 30 June 2005 of this report which is likely to substantially affect the results of the operations of the Company.

Initial Public Offering

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up shares of the Company, the Company undertook an IPO which was approved by the Securities Commission on 8 March 2005.

The IPO involved the following :-

- (i) Public issue of 17,600,000 new ordinary shares of RM0.10 each comprising:
- (a) 3,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public at an issue price of RM0.10 per share payable in full on application;
 - (b) 12,700,000 new ordinary shares of RM0.10 each by way of private placement at an issue price of RM0.60 per share payable in full on application; and
 - (c) 1,900,000 new ordinary shares of RM0.10 each available for application by the eligible directors and officers of the Corporation Berhad and its subsidiary at an issue price of RM0.60 per share payable in full on application.
- (ii) Bonus issue of 62,000,000 new ordinary shares of RM0.10 each in the company to be capitalised from the share premium arising from the public issue on the basis of two (2) new ordinary shares of 10 sen each for every three (3) old shares held after the public issue but prior to the listing.

A11 Changes in the composition of the Company

There were no changes in the composition of the Company for the current financial quarter.

A12 Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

A13 Capital commitments

	30.06.2005 RM('000)
Approved and contracted for:	
Construction of New Factory Building	8,771

A14 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

A15 Cash and cash equivalents

	30.06.2005 RM('000)
Cash and bank balances	6,078

B EXPLANATORY NOTES PURSUANT TO APPENDIX 7A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS OF THE MESDAQ MARKET

B1 Review of performance

For the quarterly financial period 1Apr 2005 to 30 June 2005 whereby the ViTrox Group existed from 15 June 2005, the Group generated revenue of RM1.48 million and a profit of RM1 million before taxation and extraordinary item. The revenue was primarily due to the contribution of two of its existing major products, being Lead Vision System and Mark Vision System. The Group's further market penetration into the overseas market.

B2 Variation of results against preceding quarter

There are no comparative Group figures as this is the Group's first announcement of quarterly results.

B3 Prospects

For the financial year ending 31 December 2005, the Group expects continuous increase in its revenue which is expected to be driven by estimated strong demand for the Group's standard vision products for both the leaded and leadless packages. This is mainly driven by the increasing sales on small IC packages in sub-contracted house for semiconductors in the region of Taiwan and Malaysia. In addition, the Group has also started to sell some of its new and improved products.

B4 Profit forecast and profit guarantee

As at the date of this report, there are no profit guarantee and the profit forecast is detailed in the prospectus dated 15 June 2005.

B5 Taxation

Current quarter (

RM ('000)

Taxation

-

ViTrox Corporation Berhad is an MSC status company and granted the pioneer status from Ministry of International (MITI) for 5 year from 25 January 2005 to 24 January 2010 which provide for tax exemptions on its income products. Its subsidiary Vitrox Technologies Sdn Bhd also enjoyed the pioneer status for a period of five years from

B6 Sales of unquoted investments and/or properties

There were no disposal of investments and/or properties during the quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review.

B8 Status of corporate proposals

Refer to Note A10

B9 Borrowings and debt securities

30.06.2005

RM ('000)

Short term borrowings:

Secured

232

Unsecured

-

Long term borrowings:

Secured

1,203

Unsecured

-

1,435

B10 Off balance sheet financial instruments

There were no instruments with material off balance sheet risks issued as at the date of this report.

B11 Material litigations

There were no material litigations pending at the date of this announcement.

B12 Dividends

There were no dividends paid by the Company during the current financial quarter.

B13 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of issue during the period excluded extraordinary item

	Current Month	Current Year To Date
Net Profit for the financial period (RM'000)	1,014	1,180
Weighted average number of ordinary shares in issue after bonus issued ('000)	70,517	70,517
Basic earnings per share (sen)	1.44	1.67

By Order of the Board

Chu Jenn Weng
Managing Director

Penang

Date: 8 September 2005

shown as MASB 26)

the year ended 31

consistent with those

last annual audited

effect in the current

purchase, resale and

products and services,

financial statements that

2005 up to the date

share capital of the

price of RM0.60 per

per share payable in

employees of ViTrox

re premium account
ordinary shares of 10

UNITIES BERHAD FOR

in 2005, the Group
value of the Group is
on System and the

pected to be driven
The demand will be
ons including China,

16 August 2005.

Current Year to Date

RM('000)

7

Trade and Industry
derived from certain
September 1, 2000

f ordinary shares in

ate