



VITrox

Annual Report 2015

感恩。关怀
Gratitude & Care



CORPORATE VISION, MISSION, OBJECTIVES, STRATEGIES, CORE VALUES AND PRINCIPAL ACTIVITIES

Corporate Vision

We are dedicated to be the world leading company in providing total machine vision solutions.

Corporate Objectives

We aim to achieve:

- Excellent & world class products and services
- Total customer satisfaction
- Continuous growth and profitability
- Long-term partnership with our customers, alliances and employees

Corporate Strategies

Innovation

Initiate new ideas and technological breakthroughs. We believe thinking “outside the box” leads to innovation.

Customer Focused

Make our customers our first priority. We offer our customers the best value products and services in a timely manner, without sacrificing quality.

Continuous Improvement

Continuously improve our products, services, and our organization as a whole.

Corporate Mission

ViTrox, innovating vision for automation, is committed to providing the most innovative, advanced and cost effective machine vision solution of excellent quality to our customers through integration of our technology, our people and our strategic alliances.



Principal Activities

ViTrox Corporation Berhad (“ViTrox”) is principally involved in investment holding and development of 3D and line scan vision inspection system. As at 31 December 2015, ViTrox has in operation three (3) wholly-owned direct subsidiaries and a wholly-owned indirect subsidiary. The principal activities of these subsidiaries are set out as follows:

Name	Date of Acquisition / Place of Incorporation	Effective Equity Interest	Principal Activities
ViTrox Technologies Sdn. Bhd.	15 June 2005 / Malaysia	100%	Development and production of automated vision inspection system and digital automated vision inspection equipment and modules.
ViTrox International Sdn. Bhd.	7 January 2006 / Malaysia	100%	Investment holding for setting up foreign subsidiaries and catering for future foreign investments.
ViE Technologies Sdn. Bhd.	24 February 2006 / Malaysia	100%	Design, development and manufacture of printed circuit board assemblies for microprocessor applications.
ViTrox Technologies (Suzhou) Co., Ltd (A wholly-owned subsidiary of ViTrox International Sdn. Bhd.)	19 January 2006 (date of establishment) / China	100%	As sales and support office.

CONTENTS

i	Corporate Vision, Mission, Objectives, Strategies, Core Values and Principal Activities
1	Contents
2	Financial Highlights
3	Corporate Information / Corporate Structure
4	Board of Directors
5-9	Profile of Directors
10-11	Chairman's Statement
12-19	Chief Executive Officer's Review of Operations
	Financial Performance
	Product Innovation
	Operation
	Research and Development
	Sales & Marketing
	Business Strategies
	Our People
	Corporate Conscience
	Gratitude
20-25	Highlights of 2015
26-33	Sponsor Ads
34-46	Corporate Governance Statement
47-49	Audit Committee Report
50-52	Statement on Internal Control
53	Statement of Directors' Responsibilities
54-55	Additional Compliance Information
56-100	Financial Statements
101	List of Properties
102-103	Statistics of Shareholdings
104-108	Share Buy-Back Statement
109-112	Notice of Annual General Meeting
113	Notice of Dividend Entitlement and Payment
115	Proxy Form



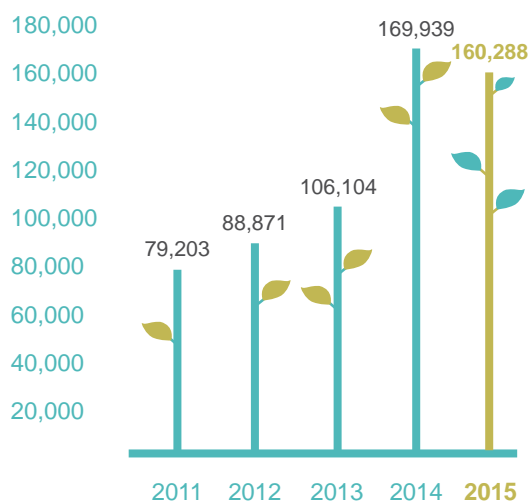
Gratitude & Care

Ants are one of the smallest creatures on this earth yet they have the biggest heart when it comes to caring. The picture on the cover shows a colony of ants trying really hard to save the life of another ant that is close to drowning. Ants have very strong bond among each other and it shows gratitude and care. The ants represent the people of ViTrox. The staffs and managements work hard together and contribute to the success of the company. ViTrox serves their customers, colleagues, suppliers and their communities with a caring heart by paying attention to their feelings and needs.

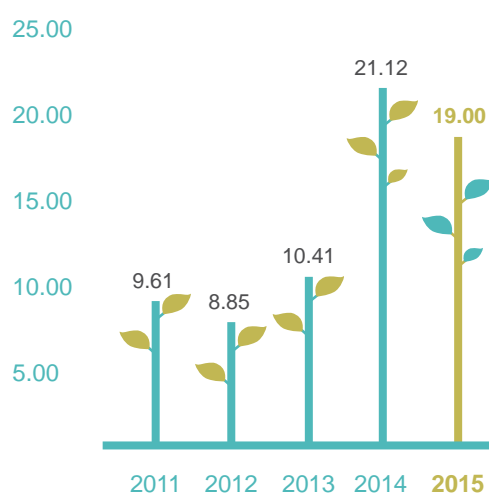
FINANCIAL HIGHLIGHTS

	2011	2012	2013	2014	2015
Revenue (RM'000)	79,203	88,871	106,104	169,939	160,288
Profit Before Tax (RM'000)	23,005	21,556	24,807	50,023	55,730
Profit After Tax (RM'000)	22,226	20,490	24,063	49,109	44,322
Basic Earnings Per Share (sen)	9.61	8.85	10.41	21.12	19.00
Total Equity (RM'000)	97,016	114,453	131,220	174,820	208,920
Return on Equity	23%	18%	18%	28%	21%

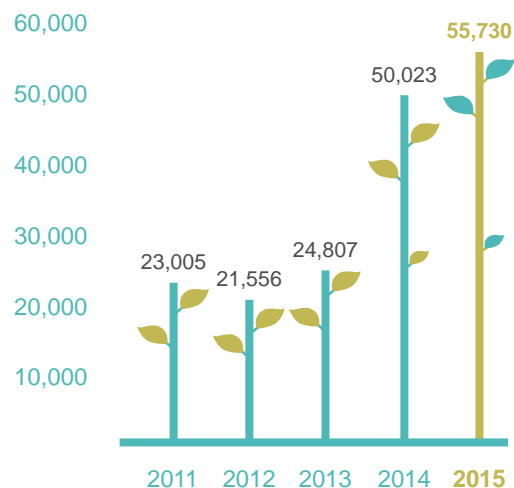
Revenue
(RM'000)



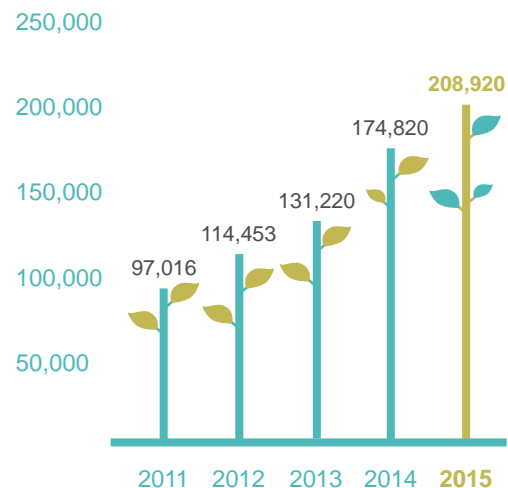
Basic Earnings Per Share
(Sen)



Profit Before Tax
(RM'000)



Total Equity
(RM'000)



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SERI DR. KIEW KWONG SEN
Chairman / Independent Non-Executive Director

CHU JENN WENG
Managing Director / President / CEO

SIAW KOK TONG
Executive Director / Senior Vice President

YEOH SHIH HOONG
Executive Director / Senior Vice President

CHUAH POAY NGEN
Independent Non-Executive Director

PROF. IR. DR. AHMAD FADZIL BIN MOHAMAD HANI
Non-Independent Non-Executive Director

CHANG MUN KEE
Independent Non-Executive Director

AUDIT COMMITTEE

Chuah Poay Ngee
Chairman
Dato' Seri Dr. Kiew Kwong Sen
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Chang Mun Kee

NOMINATING COMMITTEE

Chuah Poay Ngee
Chairman
Dato' Seri Dr. Kiew Kwong Sen
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Chang Mun Kee

REMUNERATION COMMITTEE

Chang Mun Kee
Chairman
Dato' Seri Dr. Kiew Kwong Sen
Chu Jenn Weng

ESOS COMMITTEE

Chang Mun Kee
Chairman
Dato' Seri Dr. Kiew Kwong Sen
Chu Jenn Weng
Siaw Kok Tong
Yeoh Shih Hoong

RISK MANAGEMENT COMMITTEE (established on 6 October 2015)

Yeoh Shih Hoong
Chairman
Chu Jenn Weng
Siaw Kok Tong
Lim Yee @ Lim Wei Yee

COMPANY SECRETARIES

How Wee Ling (MAICSA 7033850)
Ooi Ean Hoon (MAICSA 7057078)

REGISTERED OFFICE

57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Penang
Tel : 604 640 8933
Fax : 604 643 8911

HEAD OFFICE

ViTrox Innovation Centre
Plot 85A, Lintang Bayan Lepas 11,
Bayan Lepas Industrial Park, Phase IV
11900 Bayan Lepas, Penang
Tel : 604 646 6227
Fax : 604 646 6327
Website : www.vitrox.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 603 2084 9000
Fax : 603 2094 9940

AUDITORS

Crowe Horwath
Level 6, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

SOLICITORS

Zaid Ibrahim & Co

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Public Bank Berhad
OCBC Bank (Malaysia) Berhad
HSBC Bank Malaysia Berhad
Alliance Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : VITROX
Stock Code : 0097

CORPORATE STRUCTURE

ViTrox Corporation Berhad
("ViTrox") and Subsidiaries
as at 31 March 2016

ViTrox
ViTrox Corporation Berhad

100%
ViTrox Technologies Sdn Bhd
(A wholly-owned subsidiary of ViTrox)

100%
ViE Technologies Sdn Bhd
(A wholly-owned subsidiary of ViTrox)

100%
ViTrox International Sdn Bhd
("ViTrox International")
(A wholly-owned subsidiary of ViTrox)

100%
ViTrox Technologies (Suzhou) Co Ltd
(A wholly-owned subsidiary of
ViTrox International)

BOARD OF DIRECTORS



FROM LEFT TO RIGHT (STANDING)

Chang Mun Kee
Independent Non-Executive Director

**Prof. Ir. Dr. Ahmad Fadzil
Bin Mohamad Hani**
Non-Independent Non-Executive Director

Siaw Kok Tong
Executive Director / Senior Vice President

Yeoh Shih Hoong
Executive Director / Senior Vice President

FROM LEFT TO RIGHT (SITTING)

Chu Jenn Weng
Managing Director / President / CEO

Chuah Poay Ngee
Independent Non-Executive Director

Dato' Seri Dr. Kiew Kwong Sen
Chairman / Independent Non-Executive Director

PROFILE OF DIRECTORS



DATO' SERI DR. KIEW KWONG SEN

Ph.D. (Hon), DPPN, DGPN, DSPN

Chairman / Independent Non-Executive Director

“Dato’ Seri Dr. Kiew Kwong Sen [Malaysian / Age 68] is the Chairman and Independent Non-Executive Director of ViTrox. He was appointed to the Board of Directors of ViTrox on 8 July 2005. He is a member of the Audit Committee, ESOS Committee, Nominating Committee and Remuneration Committee of the Company.”

Dato' Seri Dr. Kiew Kwong Sen has a Bachelor of Science in Mechanical Engineering Degree from National Taiwan University and Master of Science in Industrial Engineering Degree from the University of California, Berkeley, USA. He was awarded Honorary Doctorate Degree by Toyohashi University of Technology in 2014.

Currently, he is the Chairman / Independent Non-Executive Director / member of the Nomination Committee of Unimech Group Berhad, Chairman and President of Mini-Circuits Technologies Malaysia, President of Gibraltar Semiconductor, San Jose, California, President of Blue Cell Technologies, Sacramento, California and Chairman of Mini-Circuits Taiwan Ltd and a Director of ACX Ceramic Taiwan. He was also

an independent Non-Executive Director of Pentamaster Corporation Berhad. He has worked in various technical and management positions in Multi-National Companies in Malaysia, Singapore and USA.

Dato' Seri Dr. Kiew has been serving as a member of Penang Competitiveness Committee since 2003. He was also the Vice Chairman of the Board of Invest Penang Berhad until March 2008. Currently, he is the Chairman of the Penang SME Management Council, Director of Penang Science Council and Penang Green Council.

PROFILE OF DIRECTORS

CHU JENN WENG

Managing Director / President / CEO

“Chu Jenn Weng [Malaysian / Age 46] is a promoter and substantial shareholder of ViTrox. He is the Managing Director / President / CEO of ViTrox Group and currently oversees the entire operations of the Group. He was appointed to the Board of Directors of ViTrox on 7 July 2005. He is the Chairman of the Executive Committee, a member of the ESOS Committee, Remuneration Committee and Risk Management Committee of the Company.”



Mr. Chu has more than 19 years experience in machine vision and related field. He started his first project in machine vision back in 1992 while he was still studying in Universiti Sains Malaysia (USM) majoring in Electrical and Electronics Engineering. Upon graduation from the University, he was employed as an instrumentation engineer in Hewlett-Packard Malaysia (HPM) (now known as Agilent Technologies Sdn Bhd), where he initiated and led the in-house 4-person machine vision team for more than 5 years. During his 5 1/2 year career in HPM, he was directly involved in the R&D of machine vision systems, system set-up and support, as well as setting objectives and development plan for the entire team.

Mr. Chu completed his part-time post graduation study in image processing from USM in 1998. While learning the fundamental and required techniques in this field, he traveled to countries like Singapore and United States of America (USA), to study and evaluate the need of those technologies and its potential for growth. He left HPM in 1998 to start-up his own business with his partner / co-founder,

Siaw Kok Tong in machine vision. Thereafter, the partnership was then converted into a private limited company in March 2000 and was officially named ViTrox Technologies Sdn Bhd (VTSB).

During the start-up phase of VTSB, Mr. Chu was involved in every aspect of the business, starting from sales and marketing, R&D of vision system, part purchasing, finance as well as service and support.

As the Managing Director / President / CEO of ViTrox Group, he oversees the entire operations of the business including company objectives, goals, and directions.

Mr. Chu received the certificate of merit from the Outstanding Young Malaysian (TOYM) Award under the Business, Economic and Entrepreneurial Accomplishment category in 2005. He was awarded the 2011 Ernst & Young Malaysian Technology Entrepreneur of the Year and also received the Outstanding Entrepreneur Award 2011 from the Asia Pacific Entrepreneur Award (APEA).

PROFILE OF DIRECTORS

SIAW KOK TONG

Executive Director / Senior Vice President

“Siaw Kok Tong [Malaysian / Age 45] is a promoter and substantial shareholder of ViTrox. He is the Executive Director / Senior Vice President of ViTrox Group and is primarily responsible for the operations of Machine Vision System (MVS) business unit for ViTrox Group. He was appointed to the Board of Directors of ViTrox on 7 July 2005. He is a member of the Executive Committee, ESOS Committee and Risk Management Committee of the Company.”



A co-founder of VTSB, Mr. Siaw graduated with a Bachelor Degree (First Class Honours) in Computer Science from USM in 1995. Mr. Siaw commenced his career with HP (Malaysia) as an instrumentation engineer in the Automation Department, where he was involved in the development of machine vision systems. During his 4 1/2 year tenure in HPM, he was promoted to Senior Engineer and subsequently left the company in 1999 upon completion of his scholarship bond.

In 2000, Mr. Siaw co-founded VTSB with Chu Jenn Weng, where during the early stages of the company start-up, he was involved in application development, installation, system support and servicing, as well as the general administration and management of VTSB. With the subsequent addition of new engineers, he went on to head the development of non-standard vision applications.

Mr. Siaw played a key role in the establishment of ViTrox Group's customer base in Malaysia, Thailand, Philippines, Singapore, Taiwan, Indonesia, Hong Kong, China, Korea, Japan, Australia, India, Europe and USA.

As an Executive Director / Senior Vice President of ViTrox Group, Mr. Siaw is responsible in promoting ViTrox Group's vision systems and vision handlers, both locally and abroad. He also manages the overall operations for Machine Vision System (MVS) business unit. He is part of the core management team involving in strategic decision making and planning.

PROFILE OF DIRECTORS



Yeoh Shih Hoong
Executive Director / Senior Vice President

“Yeoh Shih Hoong [Malaysian / Age 44] is a promoter, substantial shareholder and Executive Director / Senior Vice President of ViTrox. He was appointed to the Board of Directors of ViTrox on 7 July 2005. He is the Chairman of the Risk Management Committee. He is also a member of the Executive Committee and ESOS Committee of the Company.”

Mr. Yeoh graduated with a Bachelor Degree (First Class Honours) in Computer Science from USM in 1997. During his third year of tertiary study, he underwent industry training in HP (Malaysia) where he was assigned to work on machine vision projects.

Mr. Yeoh joined VTSB since its inception and has played a pivotal role in the product development of the company. He successfully co-developed many products for the company, such as Mark Lead Inspection System, IC Package Inspection System, Object Verification and Die Counting System and the 4-in-1 Integration Solution. Mr. Yeoh played a key role in the development of the sub-pixel technology and VSCL platform of VTSB. He is currently involved in the R&D of new machine vision products, supporting existing products as well as training new engineers on the machine vision technologies.

As the Executive Director / Senior Vice President of ViTrox, he is involved in management decision making and planning.



Prof. Ir. Dr. Ahmad Fadzil graduated in 1983 from the University of Essex, United Kingdom with a Bachelor Degree (First Class Honours) in Electronics Engineering. He completed his Master Degree in Telematics in 1984 and PhD in Image Processing in 1991 at the same university.

Prof. Ir. Dr. Ahmad Fadzil has been a lecturer in signal processing and researcher in image processing since 1984. Between 1988 and 1991, he was a Senior Research Officer in image processing and subsequently served as a Lecturer at University of Essex. He was the Dean of the School of Electrical and Electronics Engineering at Universiti Sains Malaysia from 1992 till 1996. In 1997, he became the Dean of the Engineering Faculty at Universiti Teknologi Petronas (UTP). He served as the Director of Academic Studies from 1999 till 2003. He then served as the Director of Postgraduate Studies till 2006. Between 2007 and 2009, he served as the General Manager, Frontier Research, PETRONAS Research Sdn Bhd. From 2011 to 2016, he served as the Deputy Vice-Chancellor (Academic) of UTP. He is currently the Deputy Vice-Chancellor (Research & Innovation) of UTP. He also leads the Centre for Intelligent Signal and Imaging Research (CISIR), a nationally recognised centre of excellence.

Prof. Ir. Dr. Ahmad Fadzil is a Fellow with the Academy of Sciences Malaysia and Fellow of the Institution of Engineers, Malaysia. He is a registered Professional Engineer with the Board of Engineers, Malaysia and a Senior Member of IEEE, USA. His research interests include image processing, image analysis and computer vision applications in biomedical engineering and vision inspection systems. He has published over 200 research articles, authored 3 books and holds 7 patents.



Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Non-Independent Non-Executive Director

“Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani [Malaysian / Age 56] is a Non-Independent Non-Executive Director of ViTrox. He was appointed to the Board of Directors of ViTrox on 8 July 2005. He is a member of the Audit Committee and Nominating Committee of the Company.”

PROFILE OF DIRECTORS



Chang Mun Kee
Independent Non-Executive Director

Mr. Chang obtained his Bachelor of Science in Mechanical Engineering from the University of Texas, Austin, USA in 1988 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology, USA in 1990. Prior to founding MOL Online Sdn Bhd in the 1995 and subsequently Jobstreet.com Sdn Bhd in 1997, he was with Kendall International, a US healthcare company for 5 years, starting as a process engineer in 1990 before being promoted to Manufacturing Manager in 1992 and Regional Director of Sales and Marketing for Malaysia in 1994. He left Kendall International in 1996 to establish Jobstreet.com Sdn Bhd which expanded regionally under his direction. He currently sits on the Board of Innity Corporation Berhad, Jobstreet Corporation Berhad and 104 Corporation in Taiwan.

He is an Executive Director of Jobstreet Corporation Berhad and the founder of the Jobstreet Group. He is also an alternate director of a Non-Independent Non-Executive Director of Innity Corporation Berhad and Independent Director of 104 Corporation in Taiwan and MOL Global Inc.

“Chang Mun Kee [Malaysian / Age 51], is an Independent Non-Executive Director of ViTrox. He was appointed to the Board of Directors of ViTrox on 25 June 2010. He is the Chairman of the ESOS Committee and Remuneration Committee of the Company. He is also a member of the Audit Committee and Nominating Committee of the Company.”

Ms. Chuah graduated in 1994 from the Deakin University, Australia with a Bachelor of Business (Accountancy) and qualified as Certified Practising Accountant of the Australian Society of Certified Practising Accountants in 1996.

Upon graduation, Ms. Chuah joined Matthew & Partners (formerly known as Russ Ooi & Associates) as Tax and Audit Assistant. She then joined Grand Circuits Industry Sdn Bhd, a subsidiary of Grand United Holdings Berhad as Accounts Executive in 1995 and was subsequently promoted to Group Accountant.

In 2001, she worked for Golden Fresh Sdn Bhd as Finance & Administration Manager and was later promoted to Senior Finance & Administration Manager. She left the company in 2006 and join Mini- Circuits Technologies (M) Sdn Bhd as Financial Controller until 2010. Currently she works for Dynacraft Industries (M) Sdn Bhd as Finance Manager.

Ms. Chuah is a Chartered Accountant of the Malaysian Institute of Accountants and also qualified as certified Corporate Secretary with the University Malaya Centre of Continuing Education in 1998.



Chuah Poay Ngee
Independent Non-Executive Director

“Chuah Poay Ngee [Malaysian / Age 46], is an Independent Non-Executive Director of ViTrox. She was appointed to the Board of Directors of ViTrox on 15 November 2006. She is the Chairman of the Audit Committee and Nominating Committee of the Company.”

Additional Information on Directors

Conflict of interest and family relationships with any Director and/or major shareholder: None of the Directors have any conflict of interest with the ViTrox Group. None of the Directors have family relationship with any other director and/or major shareholder of ViTrox.

Material contracts involving directors: There were no material contracts involving Directors during the financial year.

Convictions for offenses (within past 10 years, other than traffic offences, if any): None of the Directors have any convictions for offences other than traffic offences.

Securities held in the Company: The details are disclosed on page 103 of this Annual Report.

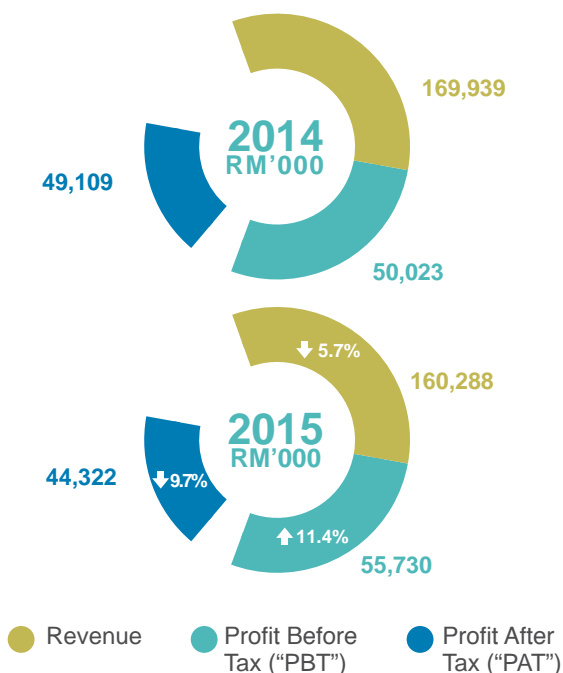
Directorship in other public company: Save for Dato' Seri Dr. Kiew Kwong Sen and Chang Mun Kee (as disclosed in their profile above), none of the Directors have any directorship in other public company in Malaysia.

CHAIRMAN'S STATEMENT



ViTrox Group recorded revenue of RM160.3 million in 2015 a decrease of 5.7% over the RM169.9 million in previous financial year.

FINANCIAL PERFORMANCE



The decrease was a result of lower demand of Tray Inspection Handler. However, we also experienced positive acceptance of our products, especially Advanced 3D X-ray Inspection System enabling higher demands from a larger diversified customer base, which in turn will pave ways for future growth. Consequently, the PBT achieved RM55.7 million in 2015, an increase of 11.4% over RM50.0 million recorded in previous year as results of strengthen in USD and effective cost control in 2015. However, the PAT achieved RM44.3 million in 2015, a decrease of 9.7% over RM49.1 million recorded in previous year as pending approval for effective date of Pioneer Status. As such, basic earnings per share were 19.00 sen in 2015 against 21.12 sen in 2014.

DIVIDEND

A tax exempt interim dividend of 1.5 sen per ordinary share each amounting to RM3.5 million for financial year ended 31 December 2015 was paid to shareholders on 22 January 2016.

The Board of Directors has recommended a special tax exempt dividend of 3.0 sen per ordinary share each and a final tax exempt dividend of 0.5 sen per ordinary share each for the financial year ended 31 December 2015. If approved at the forthcoming Annual General Meeting, the total special and final tax exempt dividends are estimated to be a total distribution of RM8.2 million. In total, ViTrox is expected to declare a total dividend of 5.0 sen per share, with a total distribution of approximately RM11.7 million for the year.

CHAIRMAN'S STATEMENT

ACHIEVEMENTS IN 2015



Forbes Asia's 200 Best Under a Billion List 2015

ViTrox has again been named as the winner of the Forbes Asia's 200 Best Under a Billion List for the year of 2015. ViTrox first collected the special honor back in 2011, and the winners were judged by their strong earnings growth, revenue growth and return of equity in the past 12 months and over 3 years among the companies in Asia Region.



Golden Eagle Award 2015

ViTrox was delighted to receive Golden Eagle Award 2015 under the category of Eminent Eagle which was organised by Nanyang Siang Pau for the second year in a row.



Sin Chew Business Excellence Award 2015

ViTrox won the Sin Chew Business Excellence Awards 2015 under the category of Products and Services. The award is positioned as one of the most trusted and prestigious business awards program in Malaysia with emphasis on strategic management approaches.



Global Technology Award 2015

ViTrox was awarded a 2015 Global Technology Award in the category of Inspection – AXI for its V810 S2EXi Advanced 3D X-ray Inspection System (AXI). The award was presented to the company during a ceremony that took place in Munich, Germany during Productronica.



HR Asia 2015

ViTrox has won the best companies to work for in Asia 2015 by HR Asia, in a survey that covered over 7,000 Malaysian employees.

The HR Asia Award honors the leading companies to work for in Asia by giving the outstanding HR professionals due recognition for their effort in creating great workplace environments and pushing the boundaries beyond traditional workplace and employee engagement practices.



ASEAN SME Excellence Award – Innovation

ViTrox celebrates another breakthrough as the company has been named to ASEAN SME Excellence Award 2015 under the sub-category of 'Innovation'.

The ASEAN Business Awards Malaysia (ABAM) are presented by ASEAN Business Advisory Council to recognise the outstanding local enterprises and use it as a platform to spread knowledge about the ASEAN Economic Community (AEC) which all Malaysian businessmen should aspire to be a part of.

FUTURE OUTLOOK AND FOCUS

Since its inception, ViTrox continues to deliver profitable financial performance. In year 2014, ViTrox broke a new record by achieving annual sale turnover of RM170 million. Encouraged by this performance, ViTrox again broke another new record by achieving PBT of RM56 million in 2015. We envision further growth in the coming years. We look forward to develop new technologies and expand our product offerings as we have been doing in the past. In addition, we will focus on market expansion activities, customer relationship building and product innovation to establish growth not only in the new financial year and for many years to come.

Subject to the external market conditions and macroeconomic factors, we are confident that the 2016 will be a growth year considering the continuing strengthening of the global semiconductor industry.

We are poised to make further progress in new technology while gaining customer loyalty with our demonstrated performance in previous years especially Advanced 3D X-ray Inspection System.

In conclusion, I would like to express my gratitude to ViTrox team on the technical excellence, product innovations, project execution and teamwork. On behalf of ViTrox, I would like to extend my appreciation to our valued business partners, investors, government agencies and Board of Directors for the continued support and contributions.

Dato' Seri Dr. Kiew Kwong Sen

Ph.D (Hon), DPPN, DGP, DSPN

Chairman / Independent Non-Executive Director

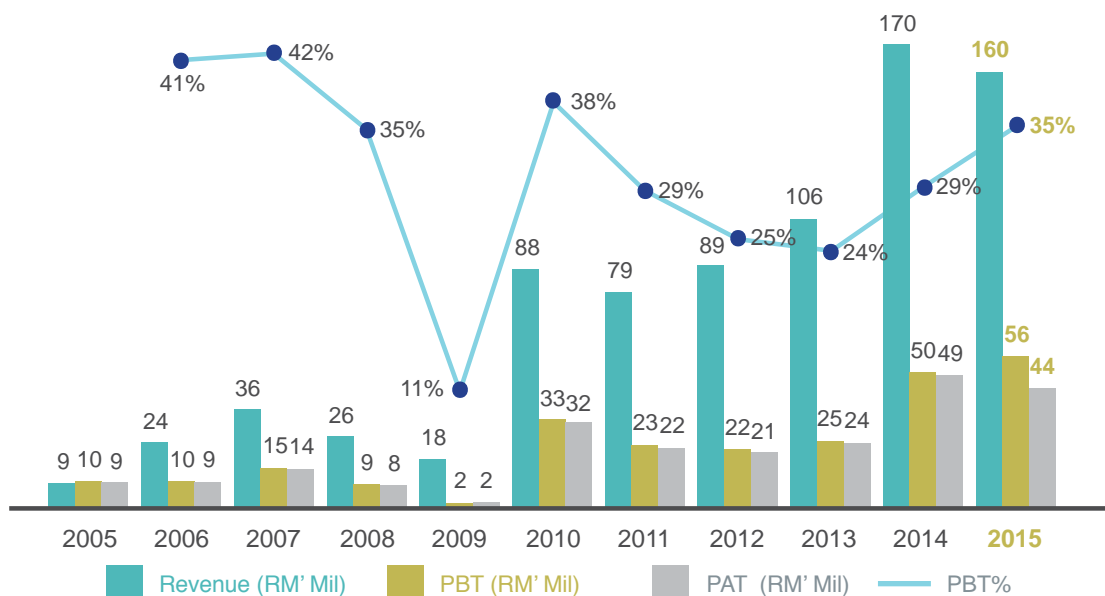


CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

Dear Shareholders,

FINANCIAL PERFORMANCE

Once again, it is my pleasure to announce ViTrox has maintained its enviable success record for the 15th consecutive year since its inception in 2000 by posting a double-digit jump of 11.4% in profit before tax for the year ending 2015. Our PBT stands at RM55.7 million and total revenue at RM160.3 million which represents a slight dip of 5.7%. Pending confirmation of the effective date of approval for new pioneer status from the relevant authorities, our net profit dropped 9.7% from RM49.1 million a year ago to RM44.3 million, given provision for taxation.



The cause for the slight dip in revenue was two-fold: a downturn in global demand for semiconductor back-end test, assembly and packaging equipment and falling sales of our MVST's tray inspection handler products. A SEMI article dated 15 December 2015 reported that the market for assembly and packaging equipment decreased by 16.4% to USD2.6 billion and for semiconductor test equipment by 7.4%, totaling USD3.3 billion in 2015. Our MVST's tray inspection handler products met with weaker demand from our key customers, especially from Taiwan, due to excess capacity and lower machine utilisation rate.

The drop in our semiconductor inspection equipment sales was fortunately offset by a strong showing in our board inspection business with new customers coming from Europe and the United States. The depreciation of the Ringgit against the USD also helped to raise our revenue despite a lower number of units delivered compared to a year ago as more than 85% of our sales were transacted in USD.

Despite the unfavourable market condition, our profit before tax margin improved from 29.4% to 34.8%. The gain in profit was due to internal cost control coupled with the forex gain from the depreciation of the Ringgit towards the second half of 2015.

Our financial position remains stable and healthy with cash and cash equivalent of RM64 million as of 31 December 2015 compared to RM61 million a year ago. Our long-term debt was at RM3.9 million as of 31 December 2015, compared to RM4.6 million a year ago. The borrowing was raised to finance the construction of the ViTrox Innovation Centre, Phase 2 expansion project which was completed in 2012.

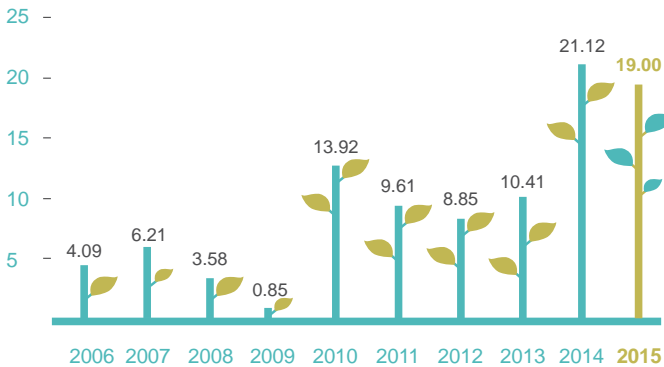
Our earnings per share (EPS) dropped slightly from 21.12 sen to 19.00 sen. As a result, our return on equity decreased from 28% to 21%.

ViTrox continued its phenomenal record of 15 consecutive years of profitability through sheer determination and hard work from all its high-spirited ViTroxians! These results affirmed ViTrox's ongoing focus on providing superior value to our customers with our latest generation of inspection equipment and our un-compromised service and support.

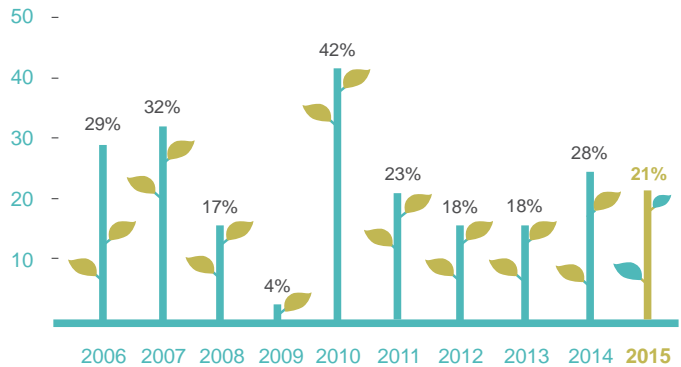


CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

Basic Earnings per Share
(Sen)



ROE
(%)



PRODUCT INNOVATION

Product innovation is the cornerstone for ViTrox to stay at the forefront of the 2D & 3D vision inspection technology in the semiconductor and electronics assembly sectors. Therefore, our business divisions are committed to launching at least 2 new or enhanced products into the market every 6 months. By doing so, we positioned ourselves well to offer our customers the latest inspection technologies or solutions to address their smart manufacturing needs for high quality, productivity, cost effectiveness and ease of use.

The future trend of advanced manufacturing integrates intelligent features such as machine-to-machine communication, self-diagnostic and self-learning capability, data analysis and automated alert trigger to increase the productivity and cost optimisation of the manufacturing lines. Through product innovation strategy, our new and future products will be equipped with these smart and intelligent features to make the manufacturing processes more efficient and less dependent on humans. Our R&D team listens attentively and works closely with our customers to derive promising product roadmaps that aim to fulfill their immediate manufacturing need as well as their future requirements for smart manufacturing.

New Products Released

Allow me to enlighten you on our new and enhanced products released in 2015:-

Machine Vision System (MVS)

(a) VR20L Post-Seal Vision Inspection Handler:

The enhanced version enables inspection on wider carrier tape width from 8-16mm to 24mm. Similar to VR20, the handler can be equipped with up to 4 vision inspection stations to check for defects on the marking, lead, package surface, tape sealing and carrier tape quality. Each vision inspection station is equipped with high resolution camera to detect defects on larger semiconductor IC packages.



(b) TH2000Q Tray to Tray Vision Handler:

The improved version, with quad-row pick-up heads, enables exceptional machine throughput (80K UPH) to be achieved when inspecting small-sized IC packages, enhancing the capabilities of the existing 2000-series machine platform. This inspection handler is suitable for customers that run on high volume, low mix production environment, maximizing production output.

(c) TR2000S Tray to Tape/Reel Vision Handler:

The enhanced dual-taper Tray to Tape / Reel Vision Handler is capable of achieving a higher machine throughput of at least 20K UPH, running in Tape and Reel output mode. The higher throughput handler enables our customers to realise better value for their investment and shorten its Return-on-Investment (ROI) duration.



CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

(d) TR1100 Tray to Tape/Reel Vision Handler:

The single-taper Tray to Tape/Reel Vision Handler is specially designed to handle exceptionally small-sized BGA/CSP packages with package outline dimension from 2x2mm and above. With enhanced alignment functions, this machine model is capable of reliably inspecting and handling small IC packages with very minimal risk of misplacement, when running in Tape/Reel output mode.

Automated Board Inspection (ABI)

For the year under review, ABI successfully launched the following innovative products in the market:-

(a) Mini AXI (V810i M):

The newly launched Mini inline Advanced 3D X-ray Inspection System (AXI) addresses the problems of the high throughput and fast growing automotive and consumer product industries. As the Printed Circuit Assembly for these markets evolves into more complexed design, the 3D AXI will be the only option to reliably unearth the defects that cannot be detected by the 2D/2.5D AXI. The Mini 3D AXI is able to handle a board size of 11" x 20.6" coupler with top and bottom clearance of 50mm and 80mm at competitive pricing and ROI. Besides, the smaller footprint enable faster inspection throughput which is highly critical for this high volume industry with in-line SMT configuration.

(b) The new V510i Optimus 3D AOI (2nd Generation):

The technological advancement of the 2nd generation 3D AOI has been extraordinary after our improvement.

- The inspection cycle times more than doubled with the 1024 Cores Graphics Processing Unit to reconstruct the 3D image in parallel, higher projection speed projectors and 64 bits system with more memory capacity.
- The concurrent lighting technology produced nearly undistorted color image from the monochrome camera which is proven to have a better dynamic range.
- Many new algorithms and valued features such as auto Coplanarity measurement, Foreign Material detectability, Solder Volume/Profile measurement, Component Damage detectability and Auto algorithm assignment were released in 2015.

(c) 3D Solder Paste Inspection (SPI) V310i system:

ViTrox's 3D Solder Paste Inspection can accurately detect solder paste defects before component placement in a fast and repeatable manner. The Programmable Spatial Light Modulation (PSLM) of V310i 3D SPI eliminates mechanical operation and moving parts which greatly improves the ease of use and reliability, at the same time reducing maintenance costs compared to other solder paste inspection technologies available in the market.

(d) Dual Lane Transverse 3D AOI with Quadrature side camera system

With this technology and capability, our 3D AOI is able to improve the inspection cycle time by 5 to 6 seconds which is essential for automotive customer with the typical SMT heartbeat of only 20 seconds.

The product innovation and NPI released have built up customer confidence in ViTrox's product innovation and technology progression. We are now expanding our market share rapidly through rivaling our competitors.

OPERATION

"Embracing Lean mindset and methodology to eliminate wastes in everything we do" remains as our number 1 operation priority. We work relentlessly to implement suitable lean tools such as kanban and 2-bin stock system in the manufacturing lines and at our supplier premises to cut down the time taken from PO received to product delivered to customers. Now we are able to ship our products to customer faster compared to a year ago. In the year under review, we successfully cut down order-to-ship lead time of inspection handlers from an average of 50 days to 43 days, representing a 15% lead time improvement. We will proliferate extensively lean concepts to all our core processes to further shorten the lead time. Doing so will not only help us to deliver our products to customers in a shorter time but also reduce our on-hand inventory.

For the year under review, we remained focused on our priorities in waste elimination in our operations, streamlining core processes, quality improvement and cost control. Some key accomplishments are:-

1. Enterprise Resource Planning (ERP) system was finally put in place to consolidate all operation information from sales orders, purchases, inventories, shipment and payments under one system. With the new system, which is currently under monitoring and fine-tuning, we will further improve the processing time and accuracy of material planning and management as well as providing real time operational and financial insight to the management team to make better business decisions in the fast moving business environment.
2. Successfully supporting R&D in their new product introduction (NPI) builds and subsequently launching the new systems to global customers in a timely manner.
3. Initiated dual-sourced supply strategy with critical components / parts to reduce interruption of supplies.
4. Further extend LEAN manufacturing to visual shop-floor management and monitoring system where the status of operation can be visualized through a glance.
5. Strategic Supplier Program was continued throughout the year. Scheduled communication and feedback sessions were conducted to keep strategic suppliers up-to-date with the business direction of ViTrox.
6. We held a ground breaking ceremony of the new ViTrox Campus 2.0 at the Batu Kawan Industrial Park on 27 October 2015. The 1st phase of the Campus 2.0 will be completed by the middle of 2017 with a total floor space of 450,000 sq ft, expanding from the current 120,000 sq ft. The facility will serve as our new headquarter encompassing all major functions of the company covering finance, people operation, MIS & data centre, business development, research and development, manufacturing, procurement, warehousing, ViTrox lab, training and learning centre and centre of excellence for machine vision and embedded system. It will also be the second home for more than 700 ViTroxians by 2018.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

OPERATION (cont'd)

Continuous improvement (Kaizen) is part of ViTroxians' DNA. We strive to find every opportunity for improvement in our daily operations and work together to make our organisation leaner and more productive everyday. We firmly believe that only through continuous improvement will we be able to challenge the best and be the best in the market we serve.

RESEARCH AND DEVELOPMENT

Research and development is our long term strategy to continuously maintain our leading position in the inspection market which we are serving worldwide. Therefore we are committed to invest 15% of our revenue into research and development activities every year. We believe this will enhance our technology differentiation and stay competitive in the market. In 2015, we invested RM23.4 million, representing 14.6% of our revenue, for research and development activities across all business divisions in ViTrox.

I am pleased to share with you some of our major research and development initiatives carried out in 2015 as shown below:-

✓ **Sensor Devices Vision Inspection:**

The vision system enables surface defect detection within lens area of sensor devices. It is further enhanced to inspect die position underneath the lens, as well as to detect the color of the die.

✓ **Hi-Speed 5S:**

The next generation multiple-unit concurrent 5-sided (5S) inspection function offers a speed improvement of 2~3x over the previous iteration. Our customers are able to achieve higher production output, despite introduced more stringent inspection, particularly for leadless IC packages.

✓ **2D Code Inspection:**

This optional inspection function enables our customers to achieve unit-level traceability, tracking and prevent lot-mixing. It can be integrated into all of our existing range of TH and TR-series inspection handlers.

✓ **Component Total Height Inspection:**

With the advancement of next generation mobile devices design, conformance on IC component package height is becoming more important and relevant. This inspection function helps to achieve this by measuring the actual IC component height for every inspected unit to ensure that it conforms to the tighter package tolerance.

✓ **AXI CT Scan:**

The CT Scan 3D is a rendering and analysis engine that allows joint defects volume classification. It makes human judgement on some challenging defects such as HIP, BGA void, Barrel filled on Through Hole component easier as the user can now judge defects based on the 3D formation of the joint from the CT scanned images. The new 3D Scan tools come with Auto grey level threshold and segmentation with the flexibility to adjust the texture of the 3D images.

✓ **New Camera:**

The new AXI camera is known as the world's fastest and finest resolution TDI camera with a 3x resolution and 2x speed performance over the 1st generation camera. The base pixel image of the camera can be configured allowing the user to optimize the inspection speed referencing to the joint size that is becoming smaller in the future. The launch of the new camera will definitely create bigger performance gaps over our competitors and continue to make V810i the market leader in the long run.

✓ **V-ONE:**

ViTrox's V-ONE is the new software-based product launched by ViTrox combining all the previous and future ViTrox software into one unified suite of solution to connect the inspection machines in SMT production lines in order to monitor their performance on a real-time basis. V-ONE allows users to manage factories smarter and optimize factory resources across geographical locations. In addition, the software is closed loop where it will log all the issues with traceability on the closure date, owner to the action item and resolution. V-ONE is well received by customers and our R&D team will continue to invest substantial resources to collaborate with world renowned OEMs and CMs to ensure that the product is able to fulfill their current and future requirements in smart manufacturing.

✓ **Robotics Vision Inspection for Solid State Drive (SSD):**

This automated vision inspection system is designed and built to address the increasing demand for high volume high quality SSD products in the market. Our system is capable of inspecting various cosmetic and mechanical defects of fully assembled SSD such as scratch, dent, stain, wrong label and housing assembly issues. The implementation of this fully automated inspection capability in the SSD assembly lines will not only help our customers stop from shipping bad quality SSD but also improve the production efficiency, thus reducing the overall manufacturing cost. The throughput of the system is 4 times faster than the current inspection process. The SSD market is growing at a CAGR of 46.5% from 2014-2019.

✓ **Robotics Vision Inspection for mechanical parts:**

This system was initiated to serve the stringent inspection needs of mechanical parts in the automotive industry, one of the world's most important economic sector by revenue. These mechanical parts are used in automobile engines, thus high precision and extreme quality needs must be ensured. By deploying this intelligent high speed robotic vision inspection for mechanical fabricated parts, the outgoing quality of these parts are now controlled, highly consistent and predictable as compared to manual human inspection.

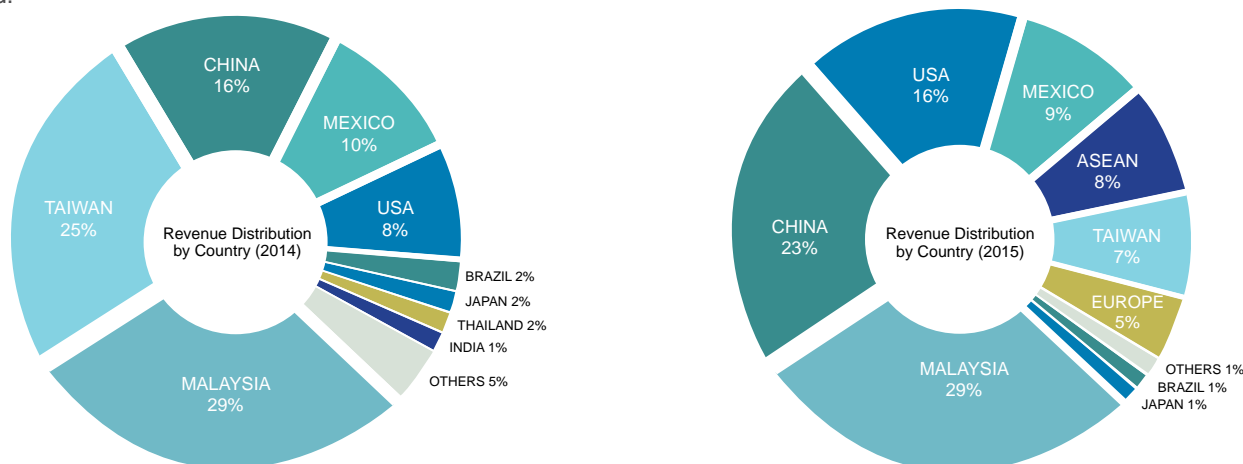
CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

SALES & MARKETING

For the year under review, 71% of our products were exported to overseas markets, namely China, the United States, Mexico, Brazil, European countries, Taiwan, Thailand, the Philippines, Vietnam, Singapore, Indonesia, India and Japan. Our business grew significantly in Europe where we see our revenue shot up from less than RM1 million to more than RM7 million. Our expansion of sales channel partners and the direct sales and support team in China also produced encouraging results with revenue contribution increasing from 16% to 23% in China.

In Taiwan, however, we experienced a significant drop in revenue contribution from 24% to 7% as a result of an unexpected sharp decline in demand for our tray inspection handlers in the region due to excess capacity in some key Outsourcing Assembly and Test (OSAT) customers. Nevertheless, we foresee a reverse trend in this sector in 2016 as demand for our tray inspection handlers has been increasing significantly with orders from Taiwan, China as well as other ASEAN countries since the beginning of 2016.

Our determination to widen our customer base is propelling our expansion globally, especially in emerging markets around the world.



In 2015, China ranked as our biggest export market, contributing 23% of our revenue, followed by the USA at 16% and Mexico at 9%.

Through more sales channel partners and a greater internal sales force, we made our presence felt in the new markets in China, the United States, Europe and Southeast Asia. The strategy worked well as there was a substantial increase in revenue contribution from these countries.

Machine Vision System (MVS)

Coming from a record year in FY2014, FY2015 was challenging for the MVS-T. Contrary to earlier industry forecasts of an optimistic outlook in FY2015 (which was subsequently revised down), the overall machine delivery volume contracted for the year. This is in part attributed to excess capacity and a lower machine utilisation rate at some of our key customers, especially in Taiwan. Despite this, we experience exceptional growth and positive in-roads into various new customers in Southeast Asia. We continue to invest resources in expanding our customer base to further diversify and stabilise our annual revenue growth. Additionally, we are increasing our product offerings via NPIs to create compelling value differentiation for our customers. Our goal remains to be amongst the top-tier tray-based vision handler solutions provider within the next two to three years in Asia Pacific.

Automated Board Inspection (ABI)

With the economic slowdown in many parts of the world and particularly the major one in China in the 2nd half of the year, 2015 was indeed a challenging year for ABI. With strong determination, relentless effort and team work, we managed to increase our sales revenue from Europe, thereby diversifying our regional revenue portfolio among the three regions of the Americas, China and the rest of the world. Most of our ABI revenue had come from the Americas and China in 2014.

Our strategy of expanding our market through sales channel partners and an internal sales force brought great success as we secured 18 new customer accounts from around the world. The major account from Germany was the milestone culminating our foray into Europe.

The aforesaid 18 new customer accounts contributed 20% of our ABI revenue in 2015. At the same time, we rivaled our competitors in their stronghold in wrestling key accounts from them with our Dual Approve Vendor List strategy. This won us 30 AOI orders from China and 5 AXI orders from Europe with new revenue sources totaling RM13.5 million in 2015.

Working closely with sales channel partners globally and the establishment of ViTrox China are our longer term strategy to reach out to more new customers and underlining our focus to work more closely with top OEM (original equipment manufacturers) brands around the world.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

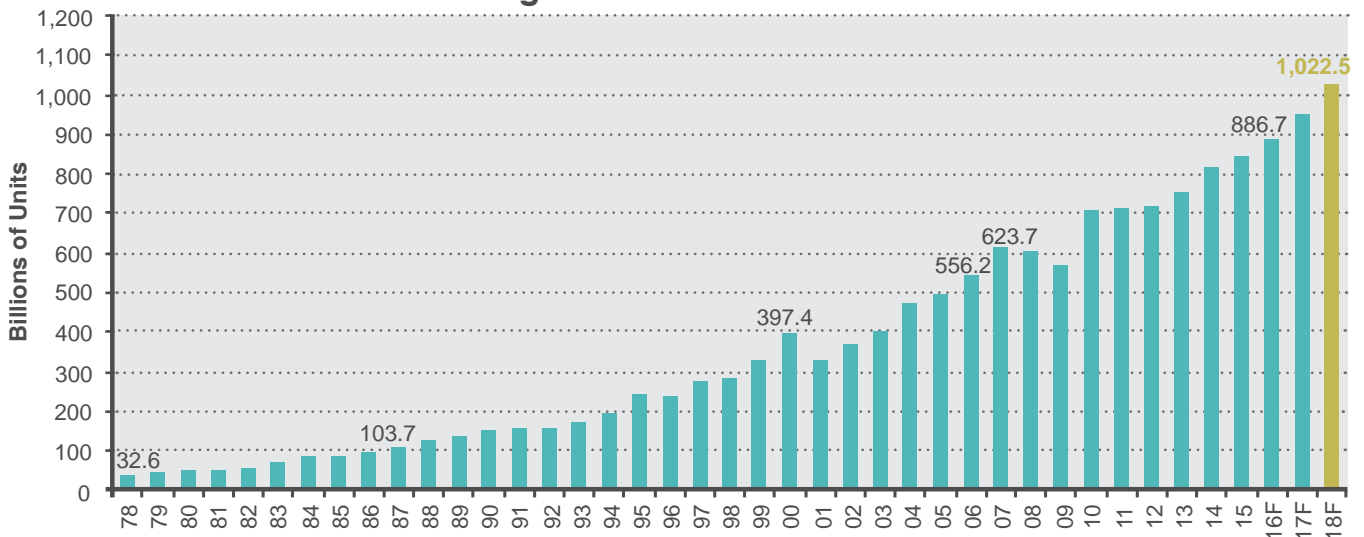
BUSINESS STRATEGIES

Our core business strategies remain unchanged, which is to focus on research and development, market expansion and diversification as well as business process optimisation.

At the macro level, the semiconductor and electronics assembly market will likely continue to be volatile and full of uncertainties in 2016. Depending on the market research firms, global semiconductor capital spending will either grow or decline in single digit in 2016. While IC Insight forecasts a low-digit growth in 2016 for global semiconductor capital spending, Gartner expects spending to drop by 4.7% in 2016 to \$59.4 billion. Nevertheless, the good news is that spending should rebound after 2016, according to reports published by IC Insight and Gartner on 22 February 2016 and 11 January 2016 respectively.

Based on the McClean Report 2016 Edition from IC Insight, semiconductor unit shipments will exceed one trillion devices in 2018 as shown in the chart below. Semiconductors showing the strongest unit growth are essential building block components in smart-phones, new automotive electronics systems, and within systems that are helping to build the Internet of Things.

Tracking Semiconductor Unit Growth



Source: IC Insights

At ViTrox, despite the anticipated moderate grow or decline in the semiconductor capital equipment spending in 2016, we firmly believe that the demand for automation and machine vision inspection systems in the semiconductor and electronics assembly manufacturing sectors will grow further due to the miniaturization of electronics products and rapid changes in the consumer electronics and gadgets. Furthermore, in the near future, everything will be connected, everything will be mobile and everything will be measured, driving the need for better infrastructure; efficient data management and analysis and ubiquitous access to cloud services.

With its 15 years of unwavering focus on machine vision inspection technology for the semiconductor and electronics industries, ViTrox is well-positioned as a competitive and leading vision inspection solution provider of advanced 2D & 3D optical and X-ray inspection equipment for the semiconductor back-end manufacturing as well as electronics assemblies manufacturing companies around the world.

With a broader product offering, wider global market presence coupled with strong collaboration between major OSAT and EMS companies, strategic channel partners and internal sales and support teams, we believe our core business will grow in tandem with the development of the semiconductor and electronic manufacturing industries in 2016.

The 2015 growth of ABI was mainly due to new account penetration and market share expansion. As we march into 2016, many of the formal strategies to expand the business such as adding new Sales Channel Partners to address the market/region that we are weak in, launching NPI to capture the white space, expanding product portfolio, creating new technology differentiation, participating in important trade shows, strengthening branding awareness and developing new business and commercial strategy for small and medium sized customers will continue to be our priorities.

The key ABI growth initiative in 2016 will be to support or to enable our customers in the “Industrial Internet of Things” (IIoT) transformation, also known as “No Touch” line. ViTrox’s effort to support customer IIoT initiative with V-ONE platform and other software released has built a strong confidence and rapport with these key accounts. There are many collaboration activities undergoing with these customers where our newly launched 3-Dimensional SPI has enabled us to be the one-stop inspection solution for electronics manufacturing services (EMS), contract manufacturers (CM) and original equipment manufacturers (OEM) around the world. Coupled with the world leading 3D AOI system, we will empower customers to be one step closer to the “No Touch” line initiative as false calls on AOI system can be eliminated or minimized to a very low level. We will be promoting this turnkey solution to the global market aggressively in 2016 in order to support and enable our customers’ transformation into the new era of smart manufacturing.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

BUSINESS STRATEGIES (cont'd)

We remain focused in what we do best, i.e. maintaining a high level of investment (~15% of revenue) in research and development in high growth areas namely 2D/3D AOI, SPI and AXI, color vision inspection system and tray based 3D inspection technologies as well as exploring new market potential in Europe and ASEAN countries while continuing to strengthen our collaboration with existing and new strategic sales channel partners in China, the United States, Mexico, Europe, Taiwan and ASEAN countries. At the same time, we will also persistently pursue the Lean methodology and process streamlining to reduce delivery lead time and cost of doing business.

While our team continues to focus on long-term strategies to improve our businesses organically, we are also on the lookout for potential merger and acquisition that will accelerate ViTrox to become the regional champion in machine vision and embedded system solutions in the next two to three years.

Through the platform of CoE for Machine Vision, we connect and collaborate with capable SMEs to explore machine vision solutions for adjacent market segments such as automated inspection for machining parts, inspection and measurement device for healthcare, security, etc. We also provide machine vision related training to SMEs who are interested to be part of the eco-system or to apply the machine vision technology in their manufacturing lines for quality and productivity improvement. In 2015, we conducted 131 training sessions on machine vision and successfully trained more than 600 SMEs from many states in Malaysia.

OUR PEOPLE

ViTroxians! The backbone of ViTrox, the People Factory! Contributing tirelessly and selflessly to the success story of ViTrox to make the company the best in class inspection solution provider in the world. After all, we are one big family of happy and dedicated professionals.

In 2015, 40 new faces were recruited into the team, representing a 12.8% increase in the work force compared to a year ago. Currently, the entire ViTrox work force consists of more than 350 personnel of which about 70% are from engineering backgrounds.

ViTroxians are our greatest asset and the company is committed to continuously invest in their training and development to upgrade their skills and competency so that we can continue to innovate and create state-of-the-art vision inspection and embedded system solutions to serve the stringent needs of our customers globally.

Through the CoE for Machine Vision, we invested RM 617,000 in 141 training sessions comprising of 11,000 hours of learning and development (equivalent to 31 hours on average per employee) in various technical and soft skill development programs in 2015.

What sets us apart from our competitors is our skillful and committed ViTroxians who strive to provide the most innovative, advanced and cost-effective products and services for our customers. We believe that this has given us a competitive advantage and has helped us to stay ahead of our competitors.

Apart from technical and soft skill training, we also conduct emotional and intellectual programmes such as Stress-Free Lifestyles through Mindfulness to improve our skill to work with our minds, our emotions and interaction with other people to achieve overall wellbeing in our life.

CORPORATE CONSCIENCE

More than striving to be a profitable business, ViTrox is also determined to make a positive social impact in the community we operate in. We believe in making the world a better place, not just for ourselves but also for our future generations. Our corporate conscience programme reaches out to different areas, including community development, education and environmental protection.

For the year under review, we carried out various social initiatives. Our contribution was not limited to monetary funds only as we also lent our time and effort to help bring about changes in the lives of others.

Community

Under the community development programme, ViTrox together with Dale Carnegie Training Malaysia co-organized a large scale free public happiness talk titled 'Happy & Vibrant Penang' at the Subterranean Penang International Conference & Exhibition Centre (SPICE) on 20 September 2015. The event aimed at spreading happiness and to inspire Penangites to find bliss amidst their fast-paced lifestyles today. We successfully invited a world renowned motivational coach, Mr. John Hei from Taiwan and a well-known mindfulness trainer, Dr. Yeoh from Malaysia to be the speakers at the event. Through generosity from all the sponsors and great love from the 300-plus volunteers from ViTrox, Dale Carnegie Training, HD Training House, Malaysia Mindfulness Society and friends, the event was successfully carried out with overwhelming response from more than 6000 participants on that afternoon.

Charity

On April 25, 2015, an earthquake of magnitude 7.8 struck central Nepal, killing over 8000 people and injuring thousands more. Knowing that many surviving Nepalese people needed assistance, we organized a donation drive and successfully raised RM60,000 from the benevolent employees of our company to support the cause.

Additionally, out of loving kindness and care, we separately raised RM50,000 and RM60,000 respectively for the 2014 Kelantan flood relief and to pay for the medical expenses of one of our employee's family member.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

CORPORATE CONSCIENCE (cont'd)

Education

On the education front, ViTrox often partners with local institutions of higher learning to share knowledge and insights with students. We organise workshops and career fairs at these institutions to expose students to different careers in the industry and help them gauge their options.

Apart from that, we regularly host industry learning visits to the ViTrox campus for students from primary, secondary and tertiary schools, aimed at inspiring them on how science and technology have made a great impact on our world today.

ViTrox also contributed RM50,000 to the Penang Science Cafe for the establishment of Science Cafe at Wisma Yeap Chow Ee, Georgetown. Our contribution reflects our belief in the positive effects of science and engineering, especially amongst our young children.

Striving to be an organisation that cares for its community, ViTrox will continue the corporate conscience programmes in the focus areas to make a more positive social impact.

GRATITUDE

The year 2015 was a challenging year for the company as the global semiconductor capital equipment market declined 3% amidst economy slowdowns across many countries, particularly in China and Taiwan. Nevertheless, the unwavering ViTrox warrior spirit of 'can do' coupled with strong I.A.C.T.G values has helped to break barriers and overcome obstacles as we stand today as a stronger, better and happier organisation.

On behalf of the management team, my utmost gratitude goes to the Board, our customers, shareholders, business associates and relevant government authorities who have helped us in many ways in 2015. I look forward to your continuous support in the coming years.

I would like to express my sincere and highest gratitude to my entire team who is passionate, confident and dedicated in building a Malaysian global technology company. I feel fortunate that we are able to work as ONE family, not just as a team, regardless of race, religion and backgrounds to build our business from our humble beginnings. It is your effort and relentless tenacity that inspire me to work harder for our organisation.

I am confident that we will have many more years of success and I look forward to continue working with all of you for the betterment of our organisation and the community we operate in.

Chu Jenn Weng
Managing Director / President / CEO



HIGHLIGHTS OF 2015

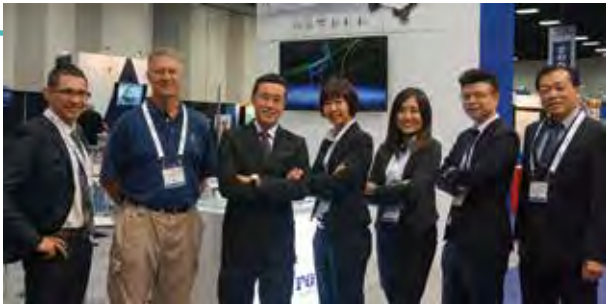
JANUARY



ViTrox Participated at Nepcon Japan 2015

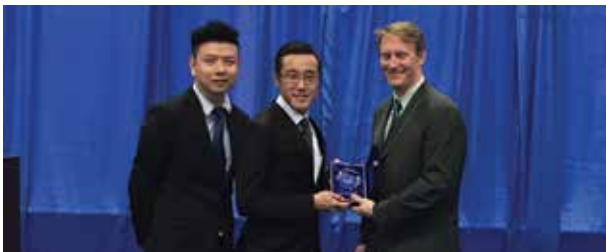
ViTrox had participated at Nepcon Japan 2015 held at Tokyo, Japan. ViTrox's booth was visited by major Tier-1 and Tier-2 visitors. The visitors were impressed with ViTrox's V810 S2 Advanced 3D X-ray Inspection System and V510 Advanced 3D Optical Inspection System.

FEBRUARY



Great success achieved by ViTrox at IPC APEX EXPO 2015

ViTrox had participated at IPC APEX EXPO 2015, San Diego, US, from 24th to 26th February 2015. ViTrox was also taking this golden opportunity to officially launch its extended version of Advanced 3D X-ray Inspection System (AXI) - V810 S2EX.



ViTrox Technologies Wins Two NPI Awards for AOI and AXI

ViTrox proudly announced that it has been awarded two 2015 NPI Awards in the categories of Test & Inspection – AOI and AXI for its V810 S2 EX Advanced 3D X-ray Inspection System and V510 Advanced 3D Optical Inspection System. The addition of the two awards bring ViTrox to a total of 10 industry awards for its AXI and AOI capabilities.

MARCH



ViTrox's Participation at Semicon China 2015

ViTrox participated at Semicon China 2015 from 24th to 26th March in Shanghai, China. This year, ViTrox exhibited its TR2000 Tray to Tape & Reel Vision Handler which is enhanced with new features such as 3DPDP, 3DPSP, Advanced PVI and etc.



ViTrox's User Group Meeting at San Jose, US.

ViTrox had organized its very first User Group Meeting (UGM) in 2015 at Evotest Inc, San Jose, California, US on March 3rd. Through this opportunity, ViTrox's team briefed to participants about the new features and latest technologies advancement of ViTrox's AOI and AXI systems. Positive comments were received from participants whereby they were impressed with the latest technology & features of ViTrox's solutions.

HIGHLIGHTS OF 2015

APRIL



ViTrox's Participation at Nepcon China 2015

ViTrox exhibited at Nepcon China 2015 from 21st to 23rd April. There was over 500 leading companies from 22 countries and regions and 21,000 industry leaders & trade professionals participated. ViTrox officially launched its extended version of Advanced 3D X-ray Inspection System (AXI) - V810 S2 EX in this show.



ViTrox Received Overwhelming Responses in Semicon Southeast Asia 2015

ViTrox participated in Semicon Southeast Asia from 22nd to 24th April 2015 at SPICE, Penang Malaysia. ViTrox grabbed this golden opportunity to exhibit its innovation to the local as well as the overseas visitors. The products exhibited were V510 Advanced 3D Optical Inspection System (AOI), TR2000 Vision Handler, VR20 Post Seal Handler and Remote I/O Motion Controller Cards. With the overwhelming responses received, ViTrox will be participating the show again in 2016.



ViTrox's User Group Meeting at Shenzhen and Suzhou, China.

ViTrox collaborated with Linkways, Sales Channel Partner of ViTrox to organise the first User Group Meeting (UGM) at Shenzhen and Suzhou in China on 8th & 10th April 2015 respectively. Both UGMs had received great responses from customers, more than 60 customers had participated in this event. The event focused on ViTrox's AOI and AXI new technology introduction, as well as offline demonstration with real case studies.

MAY



5P Strategy Smart Move Taken by ViTrox in HITS

ViTrox had conducted the first High Impact Training for Sales (HITS) to Strategic Channel Partners (SCP) which was held at ViTrox Innovation Center, Penang from 27th to 29th May 2015.

This was the first time ViTrox invited its worldwide SCPs to join this remarkable training. ViTrox puts emphasis on a knowledgeable sharing for the 2015 and 2016 sales strategy as well as new release features for Advanced 3D Optical Inspection (AOI) and Advanced 3D X-ray Inspection (AXI).

HIGHLIGHTS OF 2015

JUNE



Launching of Embedded Intelligent Vision Systems

ViTrox is launching a series of Connected Intelligent Vision Systems and equipments. This new series of products are to support and enable implementation of Smart Manufacturing (or Industry 4.0) in the semiconductor packaging and electronics assembly industries around the world.

Through real-time data sharing and adaptive learning between smart machines, inspection result and trend can be automatically shared with machines at up stream or down stream processes where these machine parameters can be fine-tuned to achieve optimum output with less or no defect. ViTrox centralized cloud database serves multiple intelligent vision systems across different production lines in real time. The system protocol also allows remote log-in, trouble shooting, self-maintenance, training and software upgrade for every connected intelligent vision system.

Visit by HD CEO Club

A corporate visitation by SMM + HD House comprised by 58 participants from Singapore and 51 participants from HD Training House. The sharing was organised in ViTrox's New Auditorium, started with thank you speech by Principal of HD Training House (organiser) following by plant tour, refreshment and sharing by ViTrox's President & CEO, Chu Jenn Weng. The event was ended by giving away souvenirs and group photo shooting.

JULY



ViTrox was Named as Malaysia's 50 Fastest-growing Companies in 2015

ViTrox was listed by Focus Malaysia in "The Focus List 50 Fastest-growing Companies" and ranked as 7th based on revenue performance (market capitalisation of RM500 million and above) and profit consistency in the past three-year record.

The New Appointed Strategic Channel Partner (SCP) in Mexico

ViTrox announces the appointment of SMTto Engineering to represent ViTrox in Mexico, effective from July 2nd, 2015 onwards. SMTto is authorized to represent ViTrox for its Advanced Optical Inspection (AOI) and Advanced 3D X-ray Inspection (AXI) systems in Mexico.

SMTto is led by a group of elites who have more than 15 years of strong sales and technical experiences in AOI and AXI industry. On top of the extensive coverage throughout Mexico, SMTto also provides 24/7 phone support to customers.

AUGUST



ViTrox's New Experience in Participating First Malaysian Telemedicine Conference at Sunway Medical Centre

This event was hosted by Monash University Malaysia, Ministry of Health and CREST in collaboration with Sunway Medical Centre. The theme of this event is "Policy, Innovation and Research".

ViTrox team had demonstrated their latest innovations, namely What's My Heart Rate (mobile app), iRelief (mobile app) and AME (Baby Measurement System).

HIGHLIGHTS OF 2015

AUGUST (cont'd)



ViTrox Held A Successful UGM for Users in Brazil

ViTrox successfully launched another User Group Meeting (UGM) in Brazil with the collaboration of its Strategic Channel Partner, Automatic Test Experts (ATESS). The main objective of this event was to share the latest features of ViTrox's Advanced 3D X-ray Inspection System (AXI) and Advanced 3D Optical Inspection System (AOI).

OCTOBER



ViTrox Campus 2.0 Ground Breaking Ceremony

ViTrox Campus 2.0 is well under way and phase 1 is expected to be completed by 2nd half of 2017. Ground breaking ceremony was taking place on 27th October 2015. It was a significant ceremony and joined by 300 ViTroxians to mark another new beginning of ViTrox.

SEPTEMBER



920 Public Happiness Talk - Happy and Vibrant Penang

The Public Happiness Talk, "Happy & Vibrant Penang" was successfully held at SPICE Arena, Penang, on 20th September 2015. The event was organized by ViTrox Corporation Berhad & Dale Carnegie Training Excel Malaysia, co-organized by Malaysia Mindfulness Association (MMA) and HD Training House and supported by many other units. The President of Malaysia Mindfulness Association (MMA), Dr Yeoh Kar Kheng was invited as a special guest speaker, to share on the topic of "正念EQ-快乐的泉源", and the founder of Chinese Dale Carnegie Training, Mr John Hei, 黑幼龙老师 was invited as the main speaker, he shared on the topic of "乐在工作, 活出人生". YAB Lim Guan Eng was present on the day as the guest of honor. The amount of participants was estimated to be around 6000 plus!

NOVEMBER



Awarded Forbes Asia's 200 Best Under a Billion List 2015

ViTrox has again been named as the winner of the Forbes Asia's 200 Best Under a Billion List for the year of 2015. ViTrox first collected the special honor back in 2011, and the winners were judged by their strong earnings growth, revenue growth and return of equity in the past 12 months and over 3 years among the companies in Asia Region.

HIGHLIGHTS OF 2015

NOVEMBER (cont'd)



ViTrox has won ASEAN SME Excellence Award-Innovation

ViTrox celebrates another breakthrough as the company has been named to ASEAN SME Excellence Award 2015 under the sub-category of 'Innovation'.

The ASEAN Business Awards Malaysia (ABAM) are presented by ASEAN Business Advisory Council to recognize the outstanding local enterprises and use it as a platform to spread knowledge about the ASEAN Economic Community (AEC) which all Malaysian businessmen should aspire to be a part of.



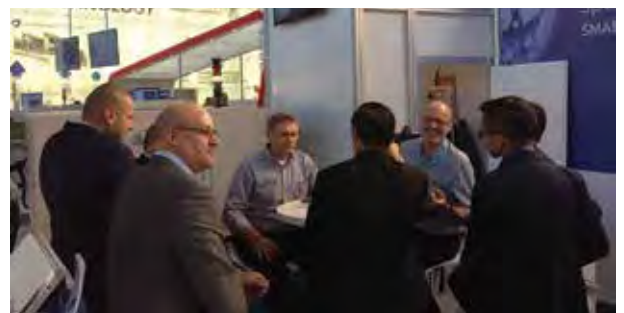
ViTrox has again won the Global Technology Award 2015

ViTrox was again awarded a 2015 Global Technology Award in the category of Inspection – AXI for its V810 S2EX In-line Advanced 3D X-ray Inspection System (AXI). This award was judged by a distinguished panel of industry experts.



ViTrox appointed as the winner of Sin Chew Business Excellence Award 2015

ViTrox won the Sin Chew Business Excellence Award 2015 under the category of Products and Services. The award is positioned as one of the most trusted and prestigious business awards program in Malaysia with emphasis on strategic management approaches.



ViTrox's Participation at Productronica Germany 2015

ViTrox had participated in Productronica Germany 2015 from 10th to 13th Nov 2015, held at the Messe Munchen in Munich, Germany. There are 38,000 visitors took part in this World's Leading Trade Fair for Electronics Development and Production from nearly 80 countries.

NOVEMBER (cont'd)



ViTrox was named as one of the best companies to work for in Asia

ViTrox has won the best companies to work for in Asia 2015 by HR Asia, in a survey that covered over 7,000 Malaysian employees.

The HR Asia Award honors the leading companies to work for in Asia by giving the outstanding HR professionals due recognition for their effort in creating great workplace environments and pushing the boundaries beyond traditional workplace and employee engagement practices.



Second Time Winner of Golden Eagle Award

ViTrox was delighted to receive Golden Eagle Award 2015 under the category of Eminent Eagle which was organised by Nanyang Siang Pau for the second year in a row.

GOKOSHA

Distributing Precision Products and Solutions



GOKOSHA is a Japanese trading company. Our mission is to contribute manufacturing in Malaysia by supplying precision products with speedy response and reasonable price. Of course, we will provide not only merchandise but also solutions so that you settle problems, thus we prove worth of our existence. Our mottoes are "sincere", "faith" and "honesty". We relentlessly pursue to be recognized as the general trading firm with consolidated expertise to maintain your trust in us. Not only below mention products, we also able to bring in any Japanese's brand to suit your need.



Primary Products

THK
The Mark of Linear Motion



THK is the first company in the world to develop a method of linear motion with rolling contact. They are always pioneer of LM guide and ball screw and enjoy big market share. THK is the most reliable manufacture in terms of quality, capacity and wider product offering.



TRUSCO NAKAYAMA is specialized in all kind of professional tools for manufacturing industry with its PRO TOOLS. In Japan they called it "ORANGE BOOK".

DAISHIN



DAISHIN is one of the biggest parts feeder makers in Japan. They have been evolving itself uniquely in its own way through many years R&D activities. Their piezoelectric stack para feeder system meets electronic components miniaturization and high speed conveying.

Tungaloy
Member IMC Group



TUNGALOY is the first company who developed cemented carbide tools in Japan. Throughout history of more than 70 years, Tungaloy has been leading cutting tools industry. They offer indexable inserts, steel products, PCB drills and wear resistant tools.

Mitutoyo



Needless to say, **Mitutoyo** is mega company specializing in measuring instruments with high metrological technology. They are leading the world in the development of larger, more complex, more sensitive measuring instruments such as optical comparators, CMM and so on.

NACHI

NACHI-FUJIKOSHI has more than 80 years history and is well known as drill, endmill, broach manufacturer. They offer wide range of drills and endmills with innovative technology.

MAKINO



MAKINO develops high speed and high precision machining centers. Their machines show high productivity and secure quality in limited cycle time. Also MAKINO wins recognition in various industries such as IT related, automotive and aerospace due to its high potential machine tools.

Okazaki
OKAZAKI SEIKO CO., LTD

OKAZAKI is famous for its wide range of reamers and side milling cutters. Their strengths are quick delivery and competitive price.



Special thanks to **ViTrox** for years of rewarding partnership

GOKOSHA (M) SDN. BHD. (915589-M)
No. C-8-8 (Level 10) Menara Uncang Emas
85, Jalan Loke Yew 55200
Kuala Lumpur, Malaysia
TEL: (603) 9200 3214 FAX: (603) 9200 3215
E-Mail: malaysia@gokosha.co.jp
www.gokosha.co.jp/english/

GOKOSHA Co., Ltd.
3-33-10 Shinmeidai Hamura-ssi
Tokyo, Japan 205-9181
TEL: (81) 42 554 0224 FAX: (81) 42 554 9181
www.gokosha.co.jp

五光社



Proud to be Partnered with ViTrox



HAVE A TOUGH JOB? **WE CAN HELP.**

Your Reliable Partner of Moving , Crating , Material Handling , Palletizing.



STG Southernpak Enterprise Sdn. Bhd.

Office: No. 290, Blok H, Jalan Batu Maung, 11960 Bayan Lepas, Penang, Malaysia.
Tel: 604 - 6264 194/ 6266 802, **Fax:** 604 - 6263 654
Email: sales@stg-malaysia.com.my

We are serving Wooden Crating, Machinery Moving, Material Handling and Palletizing. STG provide turnkey solutions for machinery, a broad range of service for industrial equipment, customized packing and crating for different shipments and design your pallets. We would make sure each customer receives the equipment according to the special requirement agreed upon as well we an on-time delivery at a competitive price.

Special thanks to ViTrox for years of rewarding partnership!



Base



Alu Casting



Y Axis



Base Plate



Welding



Cast Iron

MMI MULTI MOULD INDUSTRIES SDN. BHD.



(Company No: 381942-V)
Plot 119, Hala Perusahaan Menglembu 11, Kawasan Perindustrian Menglembu, 31450 Menglembu, Ipoh, Perak, Malaysia.
Tel: 605-282 1640, 282 1642 Fax: 605-282 1646 Email: cs_loh@mmisb.com Website: www.mmisb.com

Vital Vision would like to extend our heartiest congratulation to ViTrox for completing 15 glorious years of success ! It has been a real honor working with your teams of brilliant and dedicated members throughout the years. We wish you all the success for many more years to come.



Vital Vision
www.vitalvisiontechnology.com



U-Metal Engineering Sdn. Bhd.



Proud to be partnered with ViTrox



Key Competencies

Sheet Metal Operations :

- Machine enclosure, control panel and electrical panels
- Turret punching, laser cutting and NC bending.
- Steel based structural construction.
- Steel carts, cabinets , trolleys & carriers.
- Industrial and work benches & workstations.

Machining Operations:

- Machine parts fabrication
- Jigs & Fixtures
- Provide a **ONE STOP** sheet metal & part fabrications solution

With Best Compliments

AFFINEX®



PIBA



PLANT & MILL

SUPPLIES PRIVATE LIMITED

Proud to be Partnered with ViTrox

Plant & Mill is a leading regional supplier of precision motion controls, mechanical drive components, precision heating, distributed control systems, precision force/torque measurement and cellular networking products in Singapore, Malaysia, Thailand, Philippines, Indonesia and China.

We support our customers with complete local and factory-backed applications and technical support for our entire range of products. Plant & Mill's primary customers includes equipment OEMs and Systems Integrators, Manufacturers and R&D/Educational organizations.

Plant & Mill supplies a wide range of industrial products ranging from components, sub-systems to fully automated systems. Below are our products :



MICROPEX Technology Sdn.Bhd.

“We are proud to be selected as **ViTrox's** High Precision Tooling Manufacturer.”

Towards a common Goal
为共同的目标而努力

感恩

24, Lintang Beringin 10, Diamond Valley Industrial Park, Permatang Damar Laut, 11960 Penang, Malaysia.

Tel:+604-6262307 /+604-6111802 Email: sales@micropex.com

Fax:+604-6262309 Web : www.micropex.com



Zhang Hung Engineering Sdn Bhd

Proud to be Partnered with ViTrox

We strive to build a strong and dedicated team to support and deliver service that exceed our customer's expectations.

Our customers are our partners to Success.

Zhang Hung Engineering Sdn Bhd
No 16, Ground Floor, Lorong Helang 3
Desa Permai Indah, Sungai Dua
11700 Gelugor, Pulau Pinang.
Tel: (604) 657 3293
Fax: (604) 655 3293
Email: Zhanghung_lee@yahoo.com



SE CONTROL SDN. BHD. (933364-M)

No. 15, Lorong Perindustrian Bukit Minyak 6,
Bukit Minyak Industrial Park, 14000 Bukit Mertajam, Penang.
Tel : 04-508 3858 Fax : 04-507 3858

*Proud to be Partnered
with ViTrox*

Manufacturing Service

We specialize in :-

- ⊕ Sub Assembly – electronic, mechanical, and or electro-mechanical
- ⊕ Alignment and fine tuning
- ⊕ Instrument and Electrical systems integration
- ⊕ Troubleshooting
- ⊕ Wiring from wire harnesses to full chassis wiring like cables, panel and chassis wiring
- ⊕ Electrical & Electronic components assembly like sensor, motor (servo and stepper), pneumatics parts, switches, L.E.D. and etc
- ⊕ PC Board Assembly of single and double sided thru-hole printed circuit boards.
- ⊕ Machine installation, servicing and maintenance
- ⊕ Rework on product that was assembled or wired incorrectly and make that “worthless” assembly usable again.

Proud to be Partnered with **ViTrox**

Authorized Dealer/ Partner as below for Consumer Product



Authorized Dealer/ Partner as below for Corporate/ Enterprise Product



BUKIT JAMBUL Outlet
3A-4-99, 100, Kompleks Bukit Jambul,
Jalan Rumbia, Bayan Lepas 11900 Penang
Tel: 604-644 3778 Fax: 604-649 0779

BUTTERWORTH OUTLET
No. 19, 19A, 19B, Jalan Prai Jaya 2,
Bandar Prai Jaya, 11360 Prai, Penang.
Tel: 604-398 3778 Fax: 604-398 3778

MAIN OFFICE & PERAK ROAD OUTLET
No. 134-A, Jalan Perak
12150 Georgetown Penang
Tel: 604-228 1779 Fax: 604-229 5779

ICT MALL Outlet
L3-36 & L3-37 ICT Komtar, Jalan Penang,
10000 Georgetown Penang
Tel: 604-264 3778 Fax: 604-264 5778

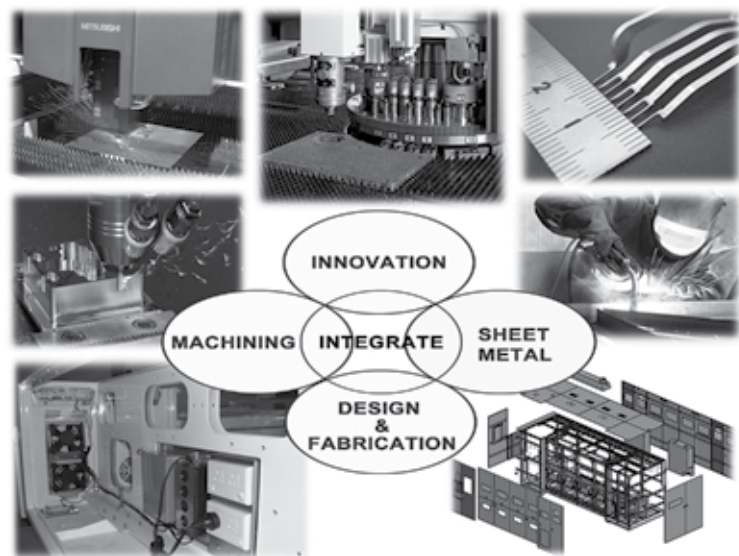
PETALING JAYA Site OUTLET
No 23-2, Jalan Cenang, 633,
Seksyen 8, PUJ 5,
Kota Damansara, 47810,
Petaling Jaya, Selangor.
Tel: 603-6142 2788



SWISSPAC
The Computer Store!

STAR CNC TECHNOLOGY (ASIA) SDN. BHD. (417612-K)

Proud to be Partnered with **ViTrox**



Your One-Stop Engineering & Manufacturing Solution Partner

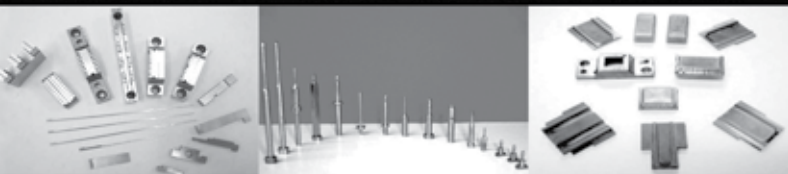


2518 & 2699,
Lorong Perusahaan Baru 2,
Prai Industrial Estate, 13600
Prai, Penang, MALAYSIA.

T:+604-399 2408
F:+604-399 2402
E:sales@starcnc.com.my
W:www.starcnc.com.my



Proud to be Partnered with **ViTrox**



Nature of business:
We specialize in:
Profile punches,
Carbide & Steels Punches,
Pin general machining,
Precision Components for
mold and die, Jig & fixture
and automation system.

PUNCH ENGINEERING (PG0144812-D)
NO 15, SOLOK KEKABU 1, PERMATANG DAMAR LAUT,
11950 BAYAN LEPAS, PENANG, MALAYSIA.
TEL NO : 604-6264292 FAX NO : 6046265292
E-MAIL ADDRESS : punch_eng@yahoo.com



our business Proud to be Partnered with **ViTrox**

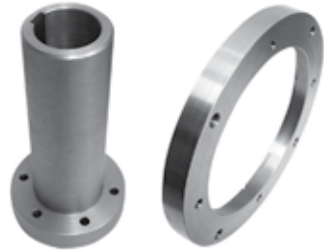
XYREON Technology Sdn. Bhd. (Co. No. 645708-U)
Authorized distributor and channel partner for:-



www.kiosk-multitouch.com | www.xyreon.com.my | sales@xyreon.com.my | 1800-88-6118

CS Advance Engineering Sdn Bhd

Proud to be Partnered with ViTrox



CS Advance Engineering started its operations in 2003 with an objective to be one of the top fabrication houses in Northern Region.

Our core business activities are **metal fabrication, plastic fabrication and machine parts.**

With right vision and good planning, we have grown from year to year thanks to the tremendous support given by our customers.

We had begun our mid term planning by moving to a bigger production facility. In line with it, we are always improving our production process by upgrading production facilities and lower costs.

We had acquired a much Improved **AWEA AV 1000 CNC Machining Center** to boost our production.

CS Advance Engineering Sdn. Bhd.

No.1 , Lorong Mak Mandin 5/3,
Kawasan Perindustrian Mak Mandin, Butterworth,
13400, Penang , Malaysia

Tel: 04-3248403 URL: www.csbrighten.tripod.com/csbright
Fax: 04-3328403 E-mail: csadvanceeng@yahoo.com

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CORPORATE GOVERNANCE STATEMENT

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 practised throughout the Group. Since obtaining listing approval, the Company has progressively implemented the principles and best practices as recommended by the Malaysian Code on Corporate Governance 2012 (“the Code”).

This Statement sets out the manner in which the Group has applied and the extent of compliance with the principles and recommendations as set out in the Code.

1. Establish clear roles and responsibilities

1.1 Clear functions of the Board and Management

The Board is responsible for oversight and overall management of the Company. The Board is delegating specific powers of the Board to relevant 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.

Key matters reserved for the Board’s approval include the annual business plan and budget, business continuity plan, dividend payout proposal, issuance of new securities, expenditure above a certain limit, disposal of significant fixed assets and the acquisition or disposal of companies within the Group.

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.

1.2 Clear roles and responsibilities

1.2.1 Reviewing and adopting the Company’s annual Corporate Hoshin Plan

The Board plays an active role in the development of the Company’s strategy. It has in place a strategy planning process, whereby the Management presents to the Board its recommended strategy annually, together with its proposed business plans for the ensuing year at a dedicated session, for the Board’s review and approval. At this session, the Board deliberates both the Management’s and its own perspectives, and challenges the Management’s views and assumptions, to ensure the best outcome. In conjunction with this, the Board also reviews and approves the annual budget for the ensuing year, and sets the Key Performance Indicators (“KPIs”) under the Corporate Hoshin Plan, ensuring that the targets correspond to the Company’s strategy and business plan, reflect competitive industry trends and internal capabilities as well as provide sufficient stretch for the Management.

A quarterly review of the 2015 Corporate Hoshin Plan was conducted by the Board, at which the targets set by the Board were compared against the actual performance year-to-date. The Board also discussed strategy implementation processes and requirements together with key transformational initiatives undertaken in the current quarter of the year to achieve the targets set out in the 2015 Corporate Hoshin Plan. In this exercise, the Board took cognisance of internal and external factors which had supported various achievements as well as challenges facing Management. The Board actively engaged with the Management in monitoring the progress of initiatives identified in the 2015 Corporate Hoshin Plan and, where required, in identifying alternative measures to be taken to ensure the successful realisation of the strategies.

CORPORATE GOVERNANCE STATEMENT

1. Establish clear roles and responsibilities (cont'd)

1.2 Clear roles and responsibilities (cont'd)

1.2.2 Overseeing the conduct of the Company's business

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. He is supported by the Management Committees. The Management's performance, under the leadership of the CEO, is assessed by the Board through a status report which is tabled to the Board and which includes a comprehensive summary of the Group's operating drivers and its financial performance during each reporting period. 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.

The Board reviewed the results of the 2015 employee satisfaction survey to assess the level of employee satisfaction. The survey, conducted by an internal resource, aimed to ensure continuous improvement in the operating environment by maintaining areas of strength and improving areas of opportunity for its internal stakeholders. Post employee satisfaction survey, intervention initiatives were taken to address those areas below benchmark norms.

1.2.3 Identifying principal risks and ensuring the implementation of appropriate system to manage them

The Board is fully aware of its responsibility to safeguard and enhance the value of shareholders in the Group. Since the listing of the Company, the Board has continuously placed emphasis on the need for maintaining a sound system of internal control.

In this regard, major internal control systems are documented and followed by the management of the Group. To enhance the effectiveness of risk management and internal control systems, the Board has established an internal audit function with the assistance of an external professional firm.

The internal auditors will be able to provide additional independent review on the state of risk management and internal control of the Group and has an independent reporting channel to Audit Committee ("AC"). The AC reviews, deliberates and decides on the next course of action and evaluates the effectiveness and efficiency of the risk management and internal control systems in the organisation.

The risk management and internal control systems are designed to manage and mitigate rather than eliminate the risk of failure in achieving the Company's corporate objective and safeguarding the Company's assets as well as investors interests.

The Statement on Internal Control set out on pages 50 to 52 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

1.2.4 Succession planning

The Company has on 27 February 2013 established its Nominating Committee ("NC"). The Board has entrusted the NC with the responsibility to review candidates for key management positions, to determine compensation packages for these appointments, and to formulate nomination, selection, compensation and succession policies for the Group. The Board is believed that the NC, in its current form, effectively and efficiently discharges its functions in respect of nomination and remuneration matters listed separately in its TOR for the purpose of clarity.

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"). An ESOS Committee was established by the Board on 15 May 2014 to oversee the administration as well as to ensure proper implementation of the ESOS in accordance with the By-Laws of the ESOS. The rationale of the Scheme is, *inter alia*, to motivate, retain and reward Eligible Person(s) who, upon exercising their options, would be given the opportunity to participate in the equity of the Company and thereby relate their contribution directly to the performance of the ViTrox Group.

CORPORATE GOVERNANCE STATEMENT

1. Establish clear roles and responsibilities (cont'd)

1.2 Clear roles and responsibilities (cont'd)

1.2.4 Succession planning (cont'd)

The members of the ESOS Committee are as follows:-

Chairman: Chang Mun Kee

Members : Dato' Seri Dr. Kiew Kwong Sen
Chu Jenn Weng
Siaw Kok Tong
Yeoh Shih Hoong

1.3 Formalised ethical standards through Code of Ethics

The Company's Codes of Ethics for Directors continue to govern the standards of ethics and good conduct expected of Directors. The Code of Ethics for Directors includes principles relating to their duties, conflict of interest and dealings in securities are available at the Company's website.

As a measure to govern the conduct of its employees, the Company has in place its Whistleblower Policy and Procedures ("WPP") and Employees Hand Book. The WPP seeks to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed. The Board has overall responsibility to oversee the implementation of the WPP and all whistle-blowing reports are to be addressed to the respective personnel as assigned pursuant to the Group's WPP. This mechanism will allow the stakeholders of ViTrox to report concerns about alleged unethical behaviour, actual or suspected fraud within the Group, or improper business conduct affecting the Group and about business improvement opportunities.

The WPP of ViTrox is available at its corporate website.

Apart from the above, all Employees included Directors are required to sign a Non-Disclosure of Information ("NDI") with Company. This NDI includes (without limitation) confidentiality of information such as business processes and methodologies, trade secrets, business plans and strategies, financial report and forecasts, employee salary, bonus, profit sharing and company share, client lists, matter list, client targets, presentation papers, uniquely developed products for client (current or potential), employee list, knowledge management systems and its content, internally created precedents and work products, all computer software and libraries developed for and by ViTrox Group whether by itself or by third parties, all web enabled systems and methods used to develop such system, all electronics circuit designs, the ViTrox Group's databases and access rights to third party databases, and presentations and concept papers developed or created from time to time, purchase order, invoices, quotations and work instruction.

1.4 Strategies promoting sustainability

The Board promotes good Corporate Governance in the application of sustainability practices throughout ViTrox Group, the benefits of which are believed to translate into better corporate performance. The extract of the Lean Problem Solving ("LPS") report and Kaizen project on sustainability activities, demonstrating ViTrox Group's commitment to the global environmental, social, governance and sustainability agenda, is detailed in the Corporate Social Responsibility Statement of this Annual Report.

1.5 Access to information and advice

The Board is supplied with financial and operational information, both in qualitative and quantitative forms, in a timely manner to assist the Board members to discharge their responsibilities. Where a potential conflict of interest may arise, the Director concerned will be required to declare his interest and abstains from all deliberations leading to decision making.

Agenda and documents relevant to the Board meetings are circulated at least 7 days in advance to the Directors for their review before the meetings to ensure the effectiveness of the Board meetings. Any additional information requested by the directors will be provided in timely manners.

All Directors will have full access to the information of the Company and are entitled to obtain full disclosure by the management and advice or services from the Company Secretary or independent professionals on matters that will be put forward to the Board for decision to ensure that they are being discussed and examined in an impartial manner that takes into account the long term interests of shareholders, employees, suppliers, customers and other stakeholders with which the Group conduct its business. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Chairman or the Board, depending on the quantum of the fees involved.

CORPORATE GOVERNANCE STATEMENT

1. Establish clear roles and responsibilities (cont'd)

1.6 Qualified and competent Company Secretaries

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries also ensure that deliberations at the Board and Board Committee meetings are well captured and minuted, and subsequently communicated to the relevant management for necessary action.

The Company Secretaries keep abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training.

1.7 Board Charter

The Board has made available its Board Charter on the corporate website. The document clearly sets out the roles and responsibilities of the Board and Board Committees and the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insights into the fiduciary and leadership functions of the Directors of ViTrox.

The Board reviews its charter regularly, to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives. The Board charter of ViTrox is available at its corporate website.

2. Strengthen composition

2.1 Nominating Committee

The Company strives to have a Board comprising members with suitable academic and professional qualifications, skills, expertise and wide exposure.

The Company has on 27 February 2013 established the NC and comprises exclusively of Non-Executive Directors with a majority of whom must be independent, as follows:-

Chairman : Chuah Poay Ngee

Member : Dato' Seri Dr. Kiew Kwong Sen
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Chang Mun Kee

The Committee is tasked to, amongst others:-

1. Assess the effectiveness of the Board as a whole and the contribution of each Director
2. Review the size, composition and the required mix of skills of the Board; and
3. Recommend the re-election of retiring Directors to the Board.

The NC ensures that all assessments and evaluations carried out are properly documented.

Details of the TOR for NC are available at its corporate website.

CORPORATE GOVERNANCE STATEMENT

2. Strengthen composition (cont'd)

2.2 Develop, maintain and review criteria for recruitment and annual assessment of Directors

2.2.1 Recruitment or appointment of Directors

The Code requires a formal and transparent procedure to be established for appointment of new Directors to the Board. The Code also endorses the establishment of a nominating committee, comprised exclusively of Non-Executive Directors, a majority of whom are Independent to propose new nominees to the Board and to assess directors on an on-going basis.

The NC is responsible for assessing the nominee(s) for directorship and Board Committee membership and thereupon submitting their recommendation to the Board for decision.

In accordance with the Company's Articles of Association ("Articles"), one-third or a number nearest to one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting ("AGM"). The Directors to retire each year are the Directors who have been longest in office since their appointment or re-election.

The Articles also provide that all Directors shall retire from their office and be eligible for re-election at least once in every three (3) years. A retiring Director is eligible for re-election. The election of each Director is voted on separately.

The Articles further provide that a managing director can be appointed for a fixed term which shall not exceed three (3) years.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next AGM and shall then be eligible for re-election.

The profiles of all directors, meeting attendance and the shareholdings in the Company have been furnished in this Annual Report.

2.2.2 Annual assessment

The Company has in place its procedures and criteria for appointment of new directors. All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the candidates. During the FYE 2015, no new director was appointed.

The NC will also be reviewing the composition of respective board committee of the Group to ensure its effectiveness in functioning.

The NC also establishes a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and reviewing the performance of the Board as a whole. The Board's effectiveness is assessed in the areas of composition, administration, accountability and responsibility, conduct and the performance of the Chairman and CEO. The criteria for assessment of each Director or Committee member shall include attendance record, intensity of participation at meetings, quality of interventions, special contributions to demonstrate a high level of professionalism and integrity in the decision-making process.

The performance of those Directors who are subject to re-appointment and re-election of Directors at the AGM will be assessed by the NC whereupon recommendations are submitted to the Board for decision on the tabling of the proposed re-appointment or re-election of the Director concerned for shareholders' approval at the next AGM.

On 25 February 2016, an assessment of the effectiveness of the Board, respective Board Committee and Independence ("the Assessment") were carried out in respect of the FYE 2015. Appraisal form 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.

CORPORATE GOVERNANCE STATEMENT

2. Strengthen composition (cont'd)

2.2 Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)

2.2.2 Annual assessment (cont'd)

Also, during the Assessment, the NC also recommended to the Board on those Directors who retire pursuant to Article 85 of the Articles, being eligible, to seek re-election during the AGM to be held on 24 June 2016.

Ms. Chuah Poay Ngee, being the sole female director and also the Chairman of both the AC and NC, has since her appointment contributed significantly and actively participated in the Board's deliberation and decision making. Having said so, the Board is presently of the view that there is no necessity to fix a specific gender diversity policy for the time being. Nevertheless, the Board will endeavor to tap talent from human capital market from time to time with the aim to have the right mix of female director in its Board in future.

2.3 Remuneration policies

It is the Company's policy to remunerate Directors adequately to attract and retain the Directors of the necessary calibre to manage its business. The Articles provides that the remuneration of Directors shall not include a commission or percentage of turnover.

The determination of the remuneration of each Independent, Non-Executive Director 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.

The Remuneration Committee ("RC") was established on 27 February 2013 and is responsible for recommending to the Board on the remuneration framework as well as the remuneration package of Executive Directors 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 Committee also ensures the level of remuneration for Non-Executive Directors and Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

The RC comprises of not fewer than 3 members, mainly of Non-Executive Directors as follows:-

- Chairman : Chang Mun Kee
- Member : Dato' Seri Dr. Kiew Kwong Sen
Chu Jenn Weng

The RC will meet at least once in a financial year to formulate and review the remunerating policies and remuneration of members of the Board, Board Committee and the CEO / Managing Director and recommend the same to the Board for approval.

The current remuneration policy of the Group is summarised as follows:-

- a) The Directors' salary for Executive Directors are set at a competitive level for similar roles within comparable markets, reflect the performance of the director, skills and experience as well as responsibility undertaken.
- b) Directors' Fees are based on a standard fixed fee and are subject to approval by its shareholders at the AGM.
- c) Meeting Allowance – All the Directors are entitled to a fixed amount of allowance paid in accordance with the number of meeting attended during the year.
- d) Benefits-in-kind – only Executive Directors of the Group are entitled to benefits-in-kind provided by the Group.
- e) The RC may obtain independent professional advice in formulating the remuneration package of its Directors.

CORPORATE GOVERNANCE STATEMENT

2. Strengthen composition (cont'd)

2.3 Remuneration policies (cont'd)

Details of the Directors' remunerations for FYE 2015 are as follows:-

Category	Fees RM	Salaries, Bonuses, Employees Provident Fund & Other Emoluments RM	Share-Based Payments RM	Allowances RM	Total RM
Executive	–	582,281	261,670	108,150	952,101
Non-Executive	144,000	46,828	540,757	13,200	744,785
Total	144,000	629,109	802,427	121,350	1,696,886

The remuneration bands of the Directors are as follows:-

Range	Number of Directors	
	Executive	Non-Executive
RM150,001 – RM200,000	–	3
RM200,001 – RM250,000	–	1
RM250,001 – RM300,000	1	–
RM300,001 – RM350,000	1	–
RM350,001 – RM400,000	1	–

Details of the remuneration of each Director are not disclosed as the Board is of the view that the transparency and accountability aspects of corporate governance on disclosure of Directors' remuneration are appropriately served by the above disclosures.

On 27 February 2014, the Company established its ESOS applicable throughout the 10-year from the effective date on 4 March 2014. The details of the ESOS entitlement of the respective Director and person connected to Director during FYE 2015 are as follows:-

Directors/ Persons Connected	Designation	Number of ESOS Options granted	
		Offer on 15 May 2014 Option Price/ share : RM1.63	Offer on 20 October 2014 Option Price/ share : RM2.02
Dato' Seri Dr. Kiew Kwong Sen	Chairman/ Independent Non-Executive Director	200,000	200,000
Chu Jenn Weng	Managing Director/ President/ CEO	0	180,000
Siaw Kok Tong	Executive Director/ Senior Vice President	0	144,000
Yeoh Shih Hoong	Executive Director/ Senior Vice President	0	144,000
Chuah Poay Ngee	Independent Non-Executive Director	150,000	150,000
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	Non-Independent Non-Executive Director	150,000	150,000
Chang Mun Kee	Independent Non-Executive Director	150,000	150,000
Su Pek Fuen *	Employee	21,000	21,000

Note:-

* Person connected with Chu Jenn Weng.

CORPORATE GOVERNANCE STATEMENT

3. Reinforce Independence

3.1 Annual assessment of Independence

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of ViTrox. They bring an external perspective, constructively challenge and assist the Company to develop corporate strategy, scrutinize the performance of Management in the meeting approved goals and objectives, and monitor the risk profile of the Company's business.

The Board has upon their annual assessment, concluded that each of the 3 Independent Non-Executive Directors continues to demonstrate conduct and behavior that are essential indicator of independence, and that each of them continues to fulfill the definition of independence as set out in the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("LR").

3.2 Tenure of Independent Directors

Notwithstanding the recommendation of the Code, the Board is presently of the view that there is no necessity to fix a maximum tenure limit for Directors 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. Similarly, the Board does not set a time-frame on how long an Independent Director should serve on the Board, mainly for the following reasons:-

- The ability of a Director to serve effectively as an Independent Director is very much dependent on his calibre, qualification, experience and personal qualities, particularly his integrity and objectivity, and has no real connection to his tenure as an Independent Director.
- NC would conduct an annual assessment of Independent Directors in respect of *inter alia* their skills, experience and contributions, and whether the Independent Directors are able to discharge their duties with unbiased judgement. Furthermore, the NC also would review the Directors Profile of Independent Directors and assess its family relationship, interest of shareholdings in the Company and related party transactions with the Group (if any).

The current complement of Independent Non-Executive Directors 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. The Independent Non-Executive Directors also bring along the breadth and depth of experience to ensure that the strategies proposed by management are independently and objectively deliberated and examined, taking into account the interests of all stakeholders.

3.3 Shareholders' approval for the re-appointment of Non-Executive Directors

Currently, all the Independent Directors of the Company served less than a tenure of 9 years in the Company except for:-

- a) Dato' Seri Dr. Kiew Kwong Sen who is the Independent Non-Executive Chairman of the Company and has served the Board for a cumulative term of more than ten (10) years. Dato' Seri Dr. Kiew has demonstrated throughout the terms of his office to be independent by exercising independent judgement when a matter is put before him for decision. In addition, he also has the necessary knowledge of the business and operations of the Group and has the experience to make informed decision and participate actively and contribute positively during deliberations or discussions at Board Meetings.
- b) Ms. Chuah Poay Ngee, an Independent Non-Executive Director of the Company has served on the Board for a cumulative term of more than nine (9) years. Her vast experience in the finance, accounting and taxation areas enabled her to provide the Board with a diverse set of experience, expertise and independent judgement and thereby, able to make informed decision and performed her duty diligently and in the best interest of the Company. She also participated actively and contribute positively during deliberations at Board Meetings.

The Board has assessed and with the recommendation of the NC, strongly recommend to the members of the Company to vote in favour of the resolution for Dato' Seri Dr. Kiew and Ms. Chuah to continue to serve as Independent Non-Executive Directors of the Company at the AGM to be held on 24 June 2016.

CORPORATE GOVERNANCE STATEMENT

3. Reinforce Independence (cont'd)

3.4 Separation of positions of the Chairman and CEO

The Company practises 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 Chairman is responsible for the Board's effectiveness and conduct. He also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. The Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.

The CEO, also an Executive Director is in charge of the day-to-day operations of the business, making strategic business decision and implementing Board policies.

3.5 Composition of the Board

The Board comprises 3 Executive Directors, 1 Non-Independent, Non-Executive Director and 3 Independent, Non-Executive Directors. The composition of the Board reflects fairly the investment of all shareholders in the Company and a good independent element on the Board. The composition of the Board complies with the LR which requires that independent non-executive directors make up at least 2 members or 1/3 of the membership of the Board, whichever is higher. Currently, the Board is led by Dato' Seri Dr. Kiew Kwong Sen, an Independent Non-Executive Chairman. The Board is confident that its current size and composition is sufficient and effective in discharging the Board's responsibilities and in meeting the Company's current needs and requirements.

The presence of the three (3) Independent Non-Executive Directors is essential in providing guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that high standards of conduct and integrity are maintained by the Group.

The Board has not nominated a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Board is of the opinion that given the strong independent element of the Board, any concern regarding the Group may be conveyed by shareholders or investors to any of the Independent Directors at the following address and such concerns will be reviewed and addressed by the Board accordingly:-

Dato' Seri Dr. Kiew Kwong Sen
Email: kelvinkiew@yahoo.com

4. Foster Commitment

4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings for FYE 2015, as set out in the table.

Director	No. of Meetings Held	No. of Meetings Attended
Dato' Seri Dr. Kiew Kwong Sen	4	4
Chu Jenn Weng	4	4
Siaw Kok Tong	4	4
Yeoh Shih Hoong	4	4
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	4	3
Chuah Poay Ngee	4	2
Chang Mun Kee	4	4

CORPORATE GOVERNANCE STATEMENT

4. Foster Commitment (cont'd)

4.1 Time Commitment (cont'd)

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of ViTrox and for notification to Companies Commission of Malaysia accordingly.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to them before the beginning of every year. It provides the scheduled dates for meetings of the Board and Board Committees, the AGM, major conferences hosted by the Company, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.

4.2 Continuing Education Programmes

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

All the Directors of the Company attended various seminars and training programmes during FYE 2015 as follows:-

Name of Director	Mode of Training	Course Title	No. of hour/day spent
Chu Jenn Weng	Briefing	Trends and Best Practices : International Standards in Corporate Social Responsibility	1.5 hours
	Workshop	Dale Carnegie Training	36 hours
	Briefing	The Heart of Coaching	1.5 hours
	Workshop	AXI Innovation Workshop	32 hours
Siaw Kok Tong	Workshop	Dale Carnegie Training	36 hours
	Workshop	MVS-T Manufacturing Team Workshop	7.5 hours
Yeoh Shih Hoong	Workshop	IoT and the Future of Predictive Analytics in Manufacturing	5.5 hours
	Briefing	Demo and Sharing on the Camera Test	1 hour
	Briefing	Optimizing The Board's Perspective on Organisational Strategy For Effective M&A Activities	3 hours
	Briefing	Hilbert - Huang Transform & Its Application	1.5 hours
	Briefing	Lens Selection	1.5 hours
	Briefing	Trends and Best Practices : International Standards in Corporate Social Responsibility	1.5 hours
	Briefing	How Google Works?	1.5 hours
	Briefing	UR Robot Demo	2 hours
	Workshop	Dale Carnegie Training	36 hours
	Briefing	Vision Technology for Smart Manufacturing	1 hour
	Workshop	Goods and Services Tax (GST)	8 hours
	Workshop	Occupational First Aid & CPR	8 hours
	Workshop	AXI Innovation Workshop	32 hours
Dato' Seri Dr. Kiew Kwong Sen	Workshop	Foreign investments Strategy	2 days
	Workshop	Management Perspective of ISO-14000 Certification	1 day

CORPORATE GOVERNANCE STATEMENT

4. Foster Commitment (cont'd)

4.2 Continuing Education Programmes (cont'd)

Name of Director	Mode of Training	Course Title	No. of hour/day spent
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	Workshop	Leadership Energy Summit Asia 2015	1 day
Chuah Poay Ngee	Workshop	Company Tax Computation and Deferred Taxation	2 days
	Workshop	Transformation through the QPP Milestone	2 days
	Workshop	The latest update on legal manual and work procedure	1 day
	Workshop	The latest update on Budget 2016 and economy reform	1 day
Chang Mun Kee	Workshop	The Key Teachings of Chinese Classics	1 day
	Workshop	Khazanah Megatrends Forum (The Yin and Yang of Inclusive Innovation)	1 day
	Workshop	University Malaysia Sabah, The CEO @ Faculty Programme	1 day

In the future, the Board will continue to identify training needs amongst the Directors and enroll the directors for training programmes, as and when required.

5. Uphold integrity in financial reporting

5.1 Compliance with applicable financial reporting standard

The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's financial performance, its position and future prospects, through the issuance of Annual Audited Financial Statements and quarterly financial reports, and corporate announcements on significant developments affecting the Company in accordance with the LR.

Details of the Directors' Responsibility in the preparation of the Group's financial statements are disclosed in page 53 of this Annual Report 2015.

The Board is assisted by the AC in overseeing the Group's financial reporting processes and the quality of its financial reporting. The AC reviews the Group's annual financial statements and the quarterly condensed financial statements focusing particularly on changes in accounting policies, Management's judgement in applying these accounting policies as well as assumptions and estimates applied in accounting for certain material transactions.

The following activities were carried out by the AC during the FYE 2015 on discharging of its duties and responsibilities, amongst others:-

- Considered and approved the internal audit plan for the Company and Group for the FYE 2015;
- Reviewed the internal audit reports for the Company and Group;
- Reviewed the external audit plan for the Company and Group with the External Auditors;
- Reviewed the external audit reports for the Company and Group with the External Auditors;
- Reviewed the quarterly results of the Group and recommended the same to the Board for approval;
- Reviewed the draft audited Financial Statements of the Company and Group for the FYE 2015 and recommended the same to the Board for approval; and
- Verified the allocation of the Employees' Share Option Scheme ("ESOS") to ensure that it is in accordance with criteria set out in the ESOS By-laws of the Company.
- Reviewed the scope, functions, competency and resources of the internal audit function.

CORPORATE GOVERNANCE STATEMENT

5. Uphold integrity in financial reporting (cont'd)

5.2 Assessment of suitability and independence of external auditors

The AC undertakes an annual assessment of the suitability and independence of the external auditors. The Board maintains a transparent relationship with external auditors. Members of the AC meet the external auditors at least twice a year without the presence of the executive Board members to discuss the results and concerns arising from their audit. Two discussion sessions between the AC and the external auditors were held on 25 February 2015 and 19 November 2015 respectively.

The AC had obtained written assurance from its external auditors, Messrs. Crowe Horwath, confirmed that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. After having satisfied with the performance of Messrs. Crowe Horwath and its audit independence, the AC recommended the re-appointment of Messrs. Crowe Horwath to the Board for approval by its shareholders at the forthcoming 12th AGM.

6. Recognise and manage risks

6.1 Risk management

The Board is fully aware of its responsibility to safeguard and enhance the value of shareholders in the Group. Since the listing of the Company, the Board has continuously placed emphasis on the need for maintaining a sound system of internal control.

The Company had also formed its Risk Management Committee (RMC) on 6 Oct 2015 to closely monitor the Group's risk profile. The RMC will review and recommend to the Board the type and level of business risks of ViTrox Group and the appropriate framework and policies for managing such risks.

The risk management and internal control systems are designed to manage and mitigate rather than eliminate the risk of failure in achieving the Company's corporate objective and safeguarding the Company's assets as well as investors interests.

In this regard, major internal control systems are documented and followed by the management of the Group.

6.2 Internal Audit Function

To enhance the effectiveness of risk management and internal control systems, the Board has outsourced the internal audit function to Finfield Corporate Services Sdn Bhd, an independent professional firm of consultants.

The internal auditors will be able to provide additional independent review on the state of risk management and internal control of the Group and has an independent reporting channel to AC. The AC reviews, deliberates and decides on the next course of action and evaluates the effectiveness and efficiency of the risk management and internal control systems in the organisation.

The Statement on Internal Control set out on pages 50 to 52 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

7. Ensure timely and high quality disclosure

7.1 Corporate Disclosure Policy

The Board is mindful on the importance of maintaining a proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The Company has in place a document which sets the policies and standard operating procedures for employees to facilitate and ensure compliance by ViTrox Group. It also serves as a guide to enhance awareness among employees of corporate disclosure requirements.

The Company has put in place an internal control policy on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information.

CORPORATE GOVERNANCE STATEMENT

7. Ensure timely and high quality disclosure (cont'd)

7.2 Leverage on information technology for effective dissemination of information

ViTrox's website incorporates an Investor Relations ("IR") section which provides all relevant information on the Group and is accessible by the public. This IR section enhances the IR function by including all announcements made by the Company, annual reports, board charter as well as the corporate governance structure of the Company.

The Company will enhance the disclosures on its website for broader and effective dissemination of information to its stakeholders from time to time.

8. Strengthen relationship between company and shareholders

8.1 Encourage shareholder participation at general meetings

The Company dispatches its notice of AGM to shareholders at least 21 days before the AGM, requirement under the Companies Act, 1965 and Main LR. The additional time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.

In addition to the above, time will be allocated during AGM for dialogue with shareholders to address issues concerning the Group.

The Board will consider adopting electronic voting to facilitate greater shareholder participation at general meetings, and to ensure accurate and efficient outcomes of the voting process.

8.2 Encourage poll voting

At the 11th AGM of the Company held on 19 June 2015, no substantive resolutions were put forth for shareholders' approval, other than resolutions pertaining to the adoption of Audit Financial Statements for the year ended 31 December 2014, payment of special and final dividend, re-election of retiring Directors, payment of Directors' fees, re-appointment of external auditors, retention of Independent Director to continue in office and share buy-backs. As such, the resolutions put forth for shareholders' approval at the 11th AGM were voted on by a show of hands.

8.3 Effective communication and proactive engagement

At the 11th AGM, the Independent Non-Executive Chairman and 2 Executive Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The proceedings of the 11th AGM included the CEO's presentation of the Company's operating and financial performance for 2014, the presentation of the business outlook 2015, and a Q&A session during which the Chairman of the Meeting invited shareholders to raise questions pertaining to the Company's accounts and other items for adoption at the meeting, before putting a resolution to vote. Also CEO and external auditors were in attendance to respond to the shareholders' queries.

COMPLIANCE STATEMENT

The Board is satisfied that in 2015, the Company complied with the principles and recommendations of the Code.

This Statement is made in accordance with the resolution of the Board dated 18 April 2016.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE

The Audit Committee ("Committee") was established by the Board of Directors of ViTrox Corporation Berhad ("the Company") on 8 July 2005 as a Committee of the Board.

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

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

Chang Mun Kee
Member
Independent, Non-Executive Director

The Committee is governed by the following terms of reference:-

1. Membership

The Committee shall be appointed by the Board from amongst its members and consists of not less than three members. All the Committee member must be Non-Executive Directors, with a majority of whom must be independent. The members of the Committee shall elect the Chairman from among their number, who shall be an Independent, Non-Executive Director. No Chief Executive Officer and alternate Director shall be appointed as a member of the Committee.

If the number of members is reduced below three, due to whatsoever reasons, the Board shall within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Meetings

Meetings shall be held not less than four times a year.

A quorum of two independent members shall constitute a valid meeting.

The Head of Finance and the Head of Internal Audit, if any, shall be invited to attend meetings, as the Committee deems necessary. At least twice a year, the Committee shall meet with the External Auditors without the presence of the Executive Directors.

The Company Secretary shall be the secretary of the Committee.

The External Auditors may request a meeting if they consider that one is necessary.

3. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have the resources required to perform its duties. The Committee has full and unrestricted access to all information and documents relevant to its activities as well as to the internal and external auditors and employees of the Group.

AUDIT COMMITTEE REPORT

4. Duties and Responsibilities

The duties and responsibilities of the Committee shall include:-

- a) to recommend the appointment of the External Auditors, their audit fee and any questions on their resignation or dismissal, to the Board;
- b) to discuss the nature and scope of the external audit with the External Auditors before the audit commences;
- c) to review the financial statements of the Company and the Group before submission to the Board, focusing particularly on:-
 - public announcements of results and dividend payment;
 - any changes in accounting policies and practices;
 - major judgemental areas;
 - significant adjustments resulting from the external audit;
 - the going-concern assumptions;
 - compliance with accounting standards; and
 - compliance with stock exchange and legal requirements.
- d) to discuss problems and reservations arising from the interim and final audits and any matters the external/internal auditors may wish to discuss (excluding the attendance of other directors and employees of ViTrox);
- e) to review the internal audit programme, consider the major findings of internal audit investigations and management's response and ensure co-ordination between the Internal and External Auditors;
- f) to review the adequacy of the scope, functions, competency and resources of the internal audit function and to ensure that it has the necessary authority to carry out its works;
- g) to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls;
- h) to review the appraisal or assessment of the performance of the staff of the internal audit function; to approve any appointment or termination of senior staff of the internal audit function;
- i) to keep under review the effectiveness of internal control system and in particular, review External Auditors' management letter and management's response;
- j) to review any related party transactions and conflict of interest situation that may arise within the Company or Group and to monitor any inter-company transaction or any transaction between the Company and any related parties outside the Group; and
- k) to carry out such other functions and consider any other topics, as may be agreed upon by the Board.

5. Reporting Procedures

The Committee is authorized to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

AUDIT COMMITTEE REPORT

6. Attendance at Meetings

The information on the attendance of each member at the Committee meetings held during the Financial Year 2015 is as follows:-

Member	No. of Meetings Held	Attendance
Chuah Poay Ngee	4	2
Dato' Seri Dr. Kiew Kwong Sen	4	4
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	4	3
Chang Mun Kee	4	4

7. Activities of the Audit Committee

The main activities carried out by the Committee during the Financial Year 2015 in discharge of its duties and responsibilities were as follows:-

- Considered and approved the internal audit plan for the Company and Group for the financial year ended 31 December 2015;
- Reviewed the internal audit reports for the Company and Group;
- Reviewed the external audit plan for the Company and Group with the External Auditors;
- Reviewed the external audit reports for the Company and Group with the External Auditors;
- Reviewed the quarterly results of the Group and recommended the same to the Board for approval;
- Reviewed the draft audited Financial Statements of the Company and Group for the financial year ended 31 December 2015 and recommended the same to the Board for approval; and
- Verified the allocation of the Employees' Share Option Scheme ("ESOS") to ensure that it is in accordance with criteria set out in the ESOS By-laws of the Company.
- Reviewed the scope, functions, competency and resources of the internal audit function.

8. Internal Audit Function

The Board has engaged an external professional firm to carry out the internal audit function of the Group. The Internal Auditors report directly to the Committee. The primary roles of the Internal Auditors are to assist the Committee on an ongoing basis to:-

- review the risk management framework;
- evaluate the state of compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Code on Corporate Governance and other statutory requirements;
- provide independent, systematic and objective evaluation on the state of internal control within the Group;
- review recurrent related party transaction; and
- perform such other functions as requested by the Committee.

During the Financial Year 2015, the Internal Auditors have assisted the Committee to undertake the following:-

- plan the conduct of internal audit for Financial Year 2015;
- review the risk management and the state of internal control of certain operating cycles within the Group; and
- presented the internal audit report to the Audit Committee.

The cost incurred for the internal audit function in the financial year 2015 was made up of a fee paid to the professional internal audit firm of RM7,704.

STATEMENT ON INTERNAL CONTROL

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

The Board of Directors (“the Board”) of ViTrox Corporation Berhad (“the Company”) has made the following statement on the internal control statement of the Group which has been prepared in accordance with the “Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers” issued by the Institute of Internal Auditors Malaysia.

Internal Control Objectives

The Board recognizes 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

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 Board includes:-

1. Organizational 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 or losses.

Internal Control Structure

The Board is committed to maintain a strong and robust control structure and environment for the proper conduct of the Group’s business operations. The Group’s control environment comprises of the following components:-

Risk Management Framework

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 new 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.

STATEMENT ON INTERNAL CONTROL

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

Internal Control Structure (cont'd)

The Company has on 6 October 2015 established the Risk Management Committee (RMC) and comprise of:-

Yeoh Shih Hoong
Chairman
Executive Director / Senior Vice President

Chu Jenn Weng
Member
Executive Director / Managing Director / President / CEO

Siaw Kok Tong
Member
Executive Director / Senior Vice President

Lim Yee @ Lim Wei Yee
Member
COO / Senior Vice President

The RMC will meet at least twice in a financial year to review the risk management reports it receives from the Risk Management Working Group (RMWG) and assess risk at Group level.

Internal Audit Function

The Board has outsourced the internal audit function to Finfield Corporate Services Sdn Bhd, an independent professional firm of consultants.

Regular internal audits are carried out on an ongoing basis 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 Audit Committee. 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 Audit Committee prior to the execution of the assignment. Findings arising from the internal audit exercise were reported and discussed at the Audit Committee meeting.

During the year under review, the internal auditors have not reported any significant weaknesses in the system of internal controls of the Group.

Board of Directors

The Board meets at least quarterly, to review and evaluate the Group's operations and performance and to address key policy matters. The Managing Director leads the presentation of Board papers and provides comprehensive explanation over pertinent issues.

The prerequisite to decisions making in the meeting is through deliberation and discussion by the Board, together with recommendations and feedback from Management. In addition to quarterly financial results, corporate proposals, progress reports on business operations are also tabled at the Board's quarterly meetings.

Independence of the Audit Committee

The Audit Committee is comprised of FOUR (4) Non-Executive Directors who are highly experienced and whose knowledge, background and judgment are invaluable to the Group. The Audit Committee has unimpeded access to both the Internal and External Auditors.

The Audit Committee reviews the work of the Internal and External Auditors, their findings and recommendations to ensure that it obtains the necessary level of assurance with respect to the adequacy of the internal controls. Further details of the activities undertaken by the Audit Committee during the year are set out in the Audit Committee Report on pages 47 to 49.

Senior Management Meeting

Senior Management meetings are held on a monthly basis to formulate strategies on an on-going basis and to address issues arising from changes in both the external business environment and internal operating conditions.

STATEMENT ON INTERNAL CONTROL

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

Internal Control Structure (cont'd)

Hoshin Plan and Budget

Hoshin Plan and Budgets are prepared by the Company's business units and reviewed and approved by the Management and Board. The performance of each business unit is assessed with explanation on significant variances provided to Management and Board on periodic basis.

Document 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.

Human Resource Policy

The Group has in place, a comprehensive Human Resource Policy approved by the Management that set the tone of control consciousness and employee conduct. There is also in place, supporting procedures for the reporting and resolution of action contravening these policies.

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

The Group has also in place a Performance Management System, which is linked to and guided by Key Performance Indicators (KPI) and accountability.

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 ViTrox Corporation Berhad and its subsidiary companies.

Assurance from Management

The Board has also received reasonable assurance from the Chief Executive Officer ("CEO") and the Finance Manager 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.

This statement was made in accordance with a board of directors resolution dated 18 April 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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 consistently applied;
- That reasonable and prudent judgments 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, 1965.

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 18 April 2016.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

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

2. Share Buy-backs

During the financial year ended 31 December 2015, the Company did not carry any share buy-back transactions.

There has been no cancellation of the treasury shares by the Company during the financial year ended 31 December 2015.

3. Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued by the Company during the financial year, save and except for the options issued pursuant to the Employees' Share Option Scheme ("ESOS").

4. American Depository Receipt ("ADR") or the Global Depository Receipt ("GDR") Programme

During the financial year, the Company did not sponsor any of such programmes.

5. Imposition of Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory authorities during the financial year.

6. Non-Audit Fees

Non-audit fees amounting to RM14,000 were incurred for services rendered to the Company and its subsidiaries for the financial year by the Company's external auditors and a company affiliated to the external auditors.

7. Profit Forecast and Unaudited Results Deviation

There was no profit forecast issued by the Group during the financial year.

The audited consolidated results during the financial year of the Group did not deviate by more than 10% of the unaudited consolidated results of the Group as announced via the BURSALINK on www.bursamalaysia.com on 25 February 2016.

8. Profit Guarantee

There was no profit guarantee issued by the Group during the financial year.

9. Recurrent Related Party Transactions of a Revenue or Trading Nature

The Company does not have any recurrent related party transactions of revenue or trading nature during the financial year.

ADDITIONAL COMPLIANCE INFORMATION

10. 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 the financial year ended 31 December 2015, the total number of ESOS granted, exercised and outstanding are set out below:-

Category	Number of ESOS options as at 31 December 2015				
	Balance 1 January 2015	Granted	Exercised	Lapsed	Balance 31 December 2015
Directors	1,663,000	–	(440,400)	–	1,222,600
Employees	1,152,350	–	(247,300)	(7,000)	898,050
Total	2,815,350	–	(687,700)	(7,000)	2,120,650

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, 64.82% of the options under the scheme have been granted to Directors and senior management.

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 pursuant to the ESOS in respect of the financial year ended 31 December 2015:-

Name of Director	Number of ESOS options			
	Balance 1 January 2015	Granted	Exercised	Balance 31 December 2015
Dato' Seri Dr. Kiew Kwong Sen	340,000	–	(120,000)	220,000
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	300,000	–	(135,000)	165,000
Chuah Poay Ngee	255,000	–	(45,000)	210,000
Chang Mun Kee	300,000	–	–	300,000
Total	1,195,000	–	(300,000)	895,000

11. 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 2015 or entered into since the end of the previous financial year.

12. Corporate Social Responsibility ("CSR")

The Group subscribes to the belief that pursuit of business objectives needs to be balanced with social and environmental responsibilities for any business to remain sustainable. As such, the Group uses its best endeavour on ongoing basis to integrate CSR practices into its day to day business operations. These include devising staff welfare schemes to enhance the quality of life of its employees, demonstrating care for the community through monetary donations to schools and other charitable causes, encouraging its employees to donate blood, and adopting eco-friendly practices such as minimising the use of hazardous compound in its manufacturing process to protect the environment.

FINANCIAL REPORT

for the Financial Year ended 31 December 2015

CONTENTS

57-61	Directors' Report
62	Statement by Directors
62	Statutory Declaration
63-64	Independent Auditors' Report
65	Consolidated Statement of Financial Position
66	Consolidated Statement of Comprehensive Income
67	Consolidated Statement of Changes in Equity
68-69	Consolidated Statement of Cash Flows
70	Statement of Financial Position
71	Statement of Comprehensive Income
72	Statement of Changes in Equity
73	Statement of Cash Flows
74-99	Notes to the Financial Statements
100	Supplementary Information - Realised and Unrealised Profits or Losses

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 2015.

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 of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

Results

	The Group	The Company
	RM	RM
Profit for the financial year	44,321,803	29,188,999

Dividends

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

	RM
In respect of financial year ended 31 December 2014:-	
- Interim tax exempt dividend of 2 sen per share, paid in January 2015	4,654,704
- Final tax exempt dividend of 0.5 sen per share, paid in July 2015	1,165,697
- Special tax exempt dividend of 3.5 sen per share, paid in July 2015	8,159,881
In respect of financial year ended 31 December 2015:-	
- Interim tax exempt dividend of 1.5 sen per share, paid in January 2016	3,501,343
	<u>17,481,625</u>

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year apart from those disclosed in the financial statements.

Issue of Shares and Debentures

During the financial year, the Company issued 319,150 and 368,550 new ordinary shares of RM0.10 each at an issue price of RM1.63 and RM2.02 per share respectively pursuant to the Employees' Share Option Scheme ("ESOS").

There was no issue of debentures by the Company during the financial year.

Purchase of Own Shares

The shareholders of the Company, by a resolution passed at the Extraordinary General Meeting held on 21 November 2008, approved the Company's plan to purchase its own shares. The directors are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

There was no purchase of own shares by the Company during the financial year.

The mandate given by the shareholders at the Annual General Meeting held on 19 June 2015 will expire at the forthcoming Annual General Meeting at which a resolution will be tabled for shareholders to grant a fresh mandate for another year.

DIRECTORS' REPORT

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 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 exercise 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% or at the par value of the shares, whichever is higher.
- (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:-

Date of Offer	Exercise Price RM	Number of Options Over Ordinary Shares of RM0.10 Each				Balance at 31.12.2015
		Balance at 1.1.2015	Granted	Exercised	Forfeited	
15 May 2014	1.63	1,052,350	0	(319,150)	0	733,200
20 October 2014	2.02	1,763,000	0	(368,550)	(7,000)	1,387,450
		2,815,350	0	(687,700)	(7,000)	2,120,650

Bad and Doubtful Debts

Before the financial statements of the Group and the Company were made out, 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance 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 allowance made for doubtful debts inadequate to any substantial extent.

Current Assets

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain whether any current assets which would be unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

DIRECTORS' REPORT

Valuation Methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and 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 that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or the Company 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 substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due.

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 in the financial statements of the Group and the Company that would render any amount stated in the respective financial statements misleading.

Items of an Unusual Nature

The results of the operations of the Group and the Company for 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 of the Company

The directors who served since the date of the last report are:-

Dato' Seri Dr. Kiew Kwong Sen
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani
Chu Jenn Weng
Siaw Kok Tong
Yeoh Shih Hoong
Chuah Poay Ngee
Chang Mun Kee

DIRECTORS' REPORT

Directors of the Company (cont'd)

Particulars of the interests in shares in the Company of the directors in office at the end of the financial year, as shown in the Register of Directors' Shareholdings, are as follows:-

Name of Director	Number of Ordinary Shares of RM0.10 Each			Balance at 31.12.2015
	Balance at 1.1.2015	Allotted	Sold	
Dato' Seri Dr. Kiew Kwong Sen - Direct	3,810,000	120,000	(342,000)	3,588,000
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani - Direct	750,000	135,000	0	885,000
Chu Jenn Weng - Direct	67,960,317	54,000	(3,085,000)	64,929,317
Siaw Kok Tong - Direct	48,377,514	43,200	(2,271,000)	46,149,714
Yeoh Shih Hoong - Direct	25,908,732	43,200	(1,287,000)	24,664,932
Chuah Poay Ngee - Direct	60,000	45,000	(20,000)	85,000
Chang Mun Kee - Direct	150	0	0	150
- Indirect	6,367,149	0	0	6,367,149

Name of Director	Number of Options Over Ordinary Shares of RM0.10 Each			Balance at 31.12.2015
	Balance at 1.1.2015	Granted	Exercised	
Dato' Seri Dr. Kiew Kwong Sen	340,000	0	(120,000)	220,000
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	300,000	0	(135,000)	165,000
Chu Jenn Weng	180,000	0	(54,000)	126,000
Siaw Kok Tong	144,000	0	(43,200)	100,800
Yeoh Shih Hoong	144,000	0	(43,200)	100,800
Chuah Poay Ngee	255,000	0	(45,000)	210,000
Chang Mun Kee	300,000	0	0	300,000

By virtue of their interests in shares in the Company, Chu Jenn Weng and Siaw Kok Tong are also deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 6A of the Companies Act 1965.

DIRECTORS' REPORT

Directors' Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration disclosed in 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.

Auditors

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

**Signed In Accordance With A Resolution Of The Directors
Dated 5 April 2016**

Chu Jenn Weng

Siaw Kok Tong

STATEMENT BY DIRECTORS

We, Chu Jenn Weng and Siaw Kok Tong, being two of the directors of ViTrox Corporation Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 65 to 99 give a true and fair view of the financial position of the Group and the Company as at 31 December 2015 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 1965 in Malaysia.

In the opinion of the directors, the supplementary information set out on page 100 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**Signed In Accordance With A Resolution Of The Directors
Dated 5 April 2016**

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 65 to 99 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by Chu Jenn Weng at
Georgetown in the State of Penang on this 5 April 2016

Chu Jenn Weng

Before me

Mok Cheng Yoon, PJK
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the Members of VITROX CORPORATION BERHAD

Report on the Financial Statements

We have audited the financial statements of ViTrox Corporation Berhad, which comprise the statements of financial position as at 31 December 2015 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 a summary of significant accounting policies and other explanatory information, as set out on pages 65 to 99.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements 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 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2015 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 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (ii) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 7 to the financial statements.
- (iii) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (iv) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out on page 100 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT

to the Members of VITROX CORPORATION BERHAD (cont'd)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath

Firm No: AF 1018

Chartered Accountants

Eddy Chan Wai Hun

Approval No: 2182/10/17(J)

Chartered Accountant

Date: 5 April 2016

Penang

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	2015 RM	2014 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	35,820,025	35,021,195
Investment properties	5	600,000	600,000
Development expenditure	6	3,084,930	2,922,535
Investments in club memberships, at cost		91,250	91,250
Deferred tax assets	8	22,000	34,000
		39,618,205	38,668,980
CURRENT ASSETS			
Inventories	9	56,554,503	50,266,119
Trade and other receivables	10	75,924,541	69,881,711
Prepayments		19,372,144	7,970,080
Current tax assets		48,479	351,049
Cash and cash equivalents	11	63,984,684	60,629,231
		215,884,351	189,098,190
CURRENT LIABILITIES			
Trade and other payables	12	29,137,700	38,797,186
Dividend payable		3,501,343	4,654,704
Term loan - secured	13	1,724,617	1,406,988
Financial liabilities at fair value through profit or loss	14	157,804	1,015,756
Advance payments from customers		1,185,389	647,227
Current tax liabilities		3,965,000	0
		39,671,853	46,521,861
NET CURRENT ASSETS		176,212,498	142,576,329
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	1,378,461	290,485
Term loan - secured	13	2,178,879	3,172,354
Deferred income on government grants	15	3,353,280	2,962,571
		6,910,620	6,425,410
NET ASSETS		208,920,083	174,819,899
EQUITY			
Share capital	16	23,342,290	23,273,520
Share premium		8,331,734	6,302,902
Share option reserve		1,886,306	1,378,419
Currency translation reserve		62,288	62,475
Retained profits		175,297,465	143,802,583
TOTAL EQUITY		208,920,083	174,819,899

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Financial Year ended 31 December 2015

	Note	2015 RM	2014 RM
Revenue	17	160,287,693	169,938,525
Other income		17,953,177	9,997,163
Amortisation of development expenditure		(476,830)	(1,209,969)
Changes in work-in-progress and finished goods		9,309,925	5,723,318
Depreciation of property, plant and equipment		(3,811,692)	(3,009,373)
Directors' remuneration	18	(1,696,886)	(1,982,673)
Employee benefits expense	19	(32,298,776)	(31,662,554)
Raw materials consumed		(59,923,242)	(65,997,784)
Finance costs		(97,540)	(186,595)
Other expenses		(33,515,747)	(31,587,170)
Profit before tax	20	55,730,082	50,022,888
Tax expense	21	(11,408,279)	(914,352)
Profit for the financial year		44,321,803	49,108,536
Other comprehensive income:-			
<i>Item that may be reclassified subsequently to profit or loss:-</i>			
Currency translation differences for foreign operation		(187)	51,983
Other comprehensive income for the financial year		(187)	51,983
Total comprehensive income for the financial year		44,321,616	49,160,519
Earnings per share:-	22		
- Basic (sen)		19.00	21.12
- Diluted (sen)		18.93	21.11

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Financial Year ended 31 December 2015

	Non-distributable				Distributable			Total equity RM
	Share capital RM	Treasury shares RM	Share premium RM	Share option reserve RM	Currency translation reserve RM	Retained profits RM		
Balance at 1 January 2014	23,250,000	(933,495)	4,894,282	0	10,492	103,998,751	131,220,030	
Profit for the financial year	0	0	0	0	0	49,108,536	49,108,536	
Currency translation differences for foreign operation (representing other comprehensive income for the financial year)	0	0	0	0	51,983	0	51,983	
Total comprehensive income for the financial year	0	0	0	0	51,983	49,108,536	49,160,519	
Share-based payments	0	0	0	1,606,563	0	0	1,606,563	
Issue of shares pursuant to Employees' Share Option Scheme	23,520	0	588,000	(228,144)	0	0	383,376	
Reissue of treasury shares	0	933,495	820,620	0	0	0	1,754,115	
Dividends (Note 23)	0	0	0	0	0	(9,304,704)	(9,304,704)	
Total transactions with owners	23,520	933,495	1,408,620	1,378,419	0	(9,304,704)	(5,560,650)	
Balance at 31 December 2014	23,273,520	0	6,302,902	1,378,419	62,475	143,802,583	174,819,899	
Profit for the financial year	0	0	0	0	0	44,321,803	44,321,803	
Currency translation differences for foreign operation (representing other comprehensive income for the financial year)	0	0	0	0	(187)	0	(187)	
Total comprehensive income for the financial year	0	0	0	0	(187)	44,321,803	44,321,616	
Share-based payments	0	0	0	1,340,803	0	0	1,340,803	
Issue of shares pursuant to Employees' Share Option Scheme	68,770	0	2,028,832	(832,916)	0	0	1,264,686	
Dividends (Note 23)	0	0	0	0	0	(12,826,921)	(12,826,921)	
Total transactions with owners	68,770	0	2,028,832	507,887	0	(12,826,921)	(10,221,432)	
Balance at 31 December 2015	23,342,290	0	8,331,734	1,886,306	62,288	175,297,465	208,920,083	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Financial Year ended 31 December 2015

	Note	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		55,730,082	50,022,888
Adjustments for:-			
Allowance for slow moving inventories		2,066,359	1,701,445
Amortisation and depreciation		4,288,522	4,219,342
Amortisation of deferred income		(706,535)	(590,679)
Impairment loss on loans and receivables		0	485,995
Interest expense		97,540	186,595
Interest income		(1,040,798)	(913,929)
Loss on disposal of property, plant and equipment		2,176	1,046
Reversal of allowance for slow moving inventories		(1,701,445)	(2,419,141)
Reversal of impairment loss on loans and receivables		(400,385)	(140,765)
Share-based payments		1,340,803	1,606,563
Unrealised gain on foreign exchange		(8,568,645)	(4,815,650)
Unrealised loss on financial instruments at fair value through profit of loss		157,804	1,015,756
Operating profit before working capital changes		51,265,478	50,359,466
Changes in:-			
Inventories		(6,653,298)	(12,570,580)
Receivables and prepayments		(13,952,087)	(22,626,834)
Payables and advance payments		(9,589,995)	20,938,843
Financial instruments at fair value through profit or loss		(1,015,756)	(121,020)
Cash generated from operations		20,054,342	35,979,875
Tax paid		(6,269,710)	(1,638,658)
Tax refunded		228,977	79,854
Net cash from operating activities		14,013,609	34,421,071
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of development expenditure		(639,225)	(166,960)
Grants received		1,071,165	1,446,908
Interest received		1,045,930	947,409
Proceeds from disposal of property, plant and equipment		2,978	1,800
Purchase of property, plant and equipment		(4,686,174)	(6,093,243)
Net cash used in investing activities		(3,205,326)	(3,864,086)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Financial Year ended 31 December 2015 (cont'd)

	Note	2015 RM	2014 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(13,980,282)	(6,957,428)
Interest paid		(98,499)	(202,632)
Issue of shares		1,264,686	383,376
(Placement)/Withdrawal of term deposits pledged as security		(896)	102,137
Reissue of treasury shares		0	2,356,919
Repayment of term loan		(1,228,471)	(7,370,679)
Net cash used in financing activities		(14,043,462)	(11,688,307)
Currency translation differences		6,589,736	1,404,478
Net increase in cash and cash equivalents		3,354,557	20,273,156
Cash and cash equivalents brought forward		60,602,471	40,329,315
Cash and cash equivalents carried forward	11	63,957,028	60,602,471

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	2015 RM	2014 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,105,674	1,633,788
Development expenditure	6	2,811,955	2,232,559
Investments in subsidiaries	7	9,197,611	8,662,761
		13,115,240	12,529,108
CURRENT ASSETS			
Trade and other receivables	10	41,562,710	23,538,075
Prepayments		100,918	34,112
Current tax assets		4,581	8,688
Cash and cash equivalents	11	7,460,142	5,287,032
		49,128,351	28,867,907
CURRENT LIABILITIES			
Payables	12	6,809,919	3,920,057
Dividend payable		3,501,343	4,654,704
		10,311,262	8,574,761
NET CURRENT ASSETS		38,817,089	20,293,146
NON-CURRENT LIABILITIES			
Deferred income on government grants	15	1,578,014	1,435,506
NET ASSETS		50,354,315	31,386,748
EQUITY			
Share capital	16	23,342,290	23,273,520
Share premium		8,331,734	6,302,902
Share option reserve		1,886,306	1,378,419
Retained profits		16,793,985	431,907
TOTAL EQUITY		50,354,315	31,386,748

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

STATEMENT OF COMPREHENSIVE INCOME

for the Financial Year ended 31 December 2015

	Note	2015 RM	2014 RM
Revenue	17	47,088,438	21,263,500
Other income		1,429,300	2,255,004
Amortisation of development expenditure		(59,829)	0
Depreciation of property, plant and equipment		(538,021)	(557,420)
Directors' remuneration	18	(1,095,342)	(1,283,023)
Employee benefits expense	19	(14,782,325)	(9,813,358)
Other expenses		(2,831,729)	(3,024,742)
Profit before tax	20	29,210,492	8,839,961
Tax expense	21	(21,493)	(19,318)
Profit for the financial year		29,188,999	8,820,643
Other comprehensive income for the financial year		0	0
Total comprehensive income for the financial year		29,188,999	8,820,643

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

STATEMENT OF CHANGES IN EQUITY

for the Financial Year ended 31 December 2015

	Share capital RM	Treasury shares RM	Non-distributable		Distributable	Total equity RM
			Share premium RM	Share option reserve RM	Retained profits RM	
Balance at 1 January 2014	23,250,000	(933,495)	4,894,282	0	915,968	28,126,755
Profit (representing total comprehensive income) for the financial year	0	0	0	0	8,820,643	8,820,643
Share-based payments	0	0	0	1,606,563	0	1,606,563
Issue of shares pursuant to Employees' Share Option Scheme	23,520	0	588,000	(228,144)	0	383,376
Reissue of treasury shares	0	933,495	820,620	0	0	1,754,115
Dividends (Note 23)	0	0	0	0	(9,304,704)	(9,304,704)
Total transactions with owners	23,520	933,495	1,408,620	1,378,419	(9,304,704)	(5,560,650)
Balance at 31 December 2014	23,273,520	0	6,302,902	1,378,419	431,907	31,386,748
Profit (representing total comprehensive income) for the financial year	0	0	0	0	29,188,999	29,188,999
Share-based payments	0	0	0	1,340,803	0	1,340,803
Issue of shares pursuant to Employees' Share Option Scheme	68,770	0	2,028,832	(832,916)	0	1,264,686
Dividends (Note 23)	0	0	0	0	(12,826,921)	(12,826,921)
Total transactions with owners	68,770	0	2,028,832	507,887	(12,826,921)	(10,221,432)
Balance at 31 December 2015	23,342,290	0	8,331,734	1,886,306	16,793,985	50,354,315

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

STATEMENT OF CASH FLOWS

for the Financial Year ended 31 December 2015

	Note	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		29,210,492	8,839,961
Adjustments for:-			
Amortisation and depreciation		597,850	557,420
Amortisation of deferred income		(271,342)	(273,536)
Dividend income		(33,500,000)	(21,000,000)
Interest income		(179,056)	(204,666)
Share-based payments		805,953	985,815
Operating loss before working capital changes		(3,336,103)	(11,095,006)
Changes in:-			
Receivables and prepayments		(18,090,118)	(10,309,419)
Payables		2,889,862	1,894,724
Cash absorbed by operations		(18,536,359)	(19,509,701)
Tax paid		(28,000)	(28,000)
Tax refunded		10,614	4,392
Net cash used in operating activities		(18,553,745)	(19,533,309)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of development expenditure		(639,225)	0
Dividends received		33,500,000	21,000,000
Grants received		413,850	479,951
Interest received		177,733	204,522
Purchase of property, plant and equipment		(9,907)	(1,085,540)
Net cash from investing activities		33,442,451	20,598,933
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(13,980,282)	(6,957,428)
Issue of shares		1,264,686	383,376
Reissue of treasury shares		0	2,356,919
Net cash used in financing activities		(12,715,596)	(4,217,133)
Net increase/(decrease) in cash and cash equivalents		2,173,110	(3,151,509)
Cash and cash equivalents brought forward		5,287,032	8,438,541
Cash and cash equivalents carried forward	11	7,460,142	5,287,032

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

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

1. General Information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia. The Company is 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 7.

The registered office of the Company is located at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang and its principal place of business is located at Plot 85A, Lintang Bayan Lepas 11, Bayan Lepas Industrial Park Phase IV, 11900 Bayan Lepas, Penang.

The consolidated financial statements set out on pages 65 to 69 together with the notes thereto cover the Company and its subsidiaries ("the Group"). The separate financial statements of the Company set out on pages 70 to 73 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 5 April 2016.

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 1965 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 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRSs 2010 - 2012 Cycle</i> "	1 July 2014
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRSs 2011 - 2013 Cycle</i> "	1 July 2014

The adoption of the above MFRSs did not result in any significant changes in the accounting policies of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

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 9 <i>Financial Instruments</i> (IFRS 9 <i>Financial Instruments</i> as issued by IASB in July 2014)	1 January 2018
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
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 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRSs 2012 - 2014 Cycle</i> "	1 January 2016

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements except as follows:-

MFRS 9 *Financial Instruments*

MFRS 9 *Financial Instruments*, which replaces MFRS 139 *Financial Instruments: Recognition and Measurement*, sets out the requirements for recognising and measuring financial instruments. The major changes introduced by MFRS 9 (that are relevant to the Group and the Company) relate to the classification and measurement of financial assets. Under MFRS 9, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the business model within which they are held and their contractual cash flow characteristics. Management foresees that the adoption of these new classifications will not result in any significant changes in the existing measurement bases of financial assets of the Group and the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

2. Significant Accounting Policies (cont'd)

2.2 Basis of Consolidation (cont'd)

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.
- (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 2.8. 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 2.8.

Capital work-in-progress is not depreciated. Leasehold land is depreciated on a straight-line basis over the lease term of 60 years. 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, being a property held to earn rentals and/or for capital appreciation, 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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

2. Significant Accounting Policies (cont'd)

2.5 Research and Development Expenditure (cont'd)

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 2.8. 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.

2.6 Investments in Subsidiaries

As required by the Companies Act 1965, 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 2.8.

2.7 Investments in Club Memberships

Investments in club memberships are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.8.

2.8 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 inventories, deferred tax assets and investment properties stated at fair value, 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.

2.9 Inventories

Inventories of materials and goods 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.

2.10 Financial Assets

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

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. A financial asset is initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of a financial asset depends on its classification as follows:-

(i) Financial assets at fair value through profit or loss

All derivatives, except for those designated as hedges, are classified as held for trading under this category. After initial recognition, such financial assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

(ii) Held-to-maturity investments

The Group and the Company do not have any financial assets classified under this category.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

2. Significant Accounting Policies (cont'd)

2.10 Financial Assets (cont'd)

Recognition and Measurement (cont'd)

(iii) Loans and receivables

All receivables and cash and cash equivalents are classified under this category. After initial recognition, such financial assets are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired as well as through the amortisation process.

(iv) Available-for-sale financial assets

The Group and the Company do not have any financial assets classified under this category.

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred.

Impairment

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that a financial asset or group of financial assets classified under loans and receivables is impaired. If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount and the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the increased carrying amount does not exceed what the amortised cost would have been had no impairment loss been recognised at the reversal date. The reversal is recognised in profit or loss.

2.11 Financial Liabilities

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

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 less, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs. After initial recognition, all financial liabilities, except for financial liabilities at fair value through profit or loss and financial guarantee contracts, are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial liability is derecognised as well as through the amortisation process.

(i) Financial liabilities at fair value through profit or loss

All derivatives, except for financial guarantee contracts or those designated as hedges, are classified as held for trading under this category. After initial recognition, such financial liabilities are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

(ii) Financial guarantee contracts

After initial recognition at fair value, if any, financial guarantee contracts are measured at the higher of the amount initially recognised less appropriate amortisation and the estimate of any probable obligation.

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 2015

2. Significant Accounting Policies (cont'd)

2.12 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.

2.13 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 67A of the Companies Act 1965. The total amount of consideration paid, including directly attributable costs, is recognised directly in equity. When treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is adjusted to share premium.

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.

2.14 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:-

- (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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

2. Significant Accounting Policies (cont'd)

2.14 Fair Value Measurement (cont'd)

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 value of forward exchange contract is measured using present value technique by discounting the difference between contractual forward price and observable current market forward price using risk-free interest rate (i.e. Level 2).

2.15 Income Recognition

Income from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Income from the rendering of services is recognised when the services are performed.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised using the effective interest method.

2.16 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.

2.17 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 development expenditure, where appropriate, in the period in which the associated services are rendered by the employee.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

2. Significant Accounting Policies (cont'd)

2.17 Employee Benefits (cont'd)

Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). The Group's foreign subsidiary makes contributions to its country's statutory pension scheme. Contributions to defined contribution plans are recognised in profit or loss or included in development expenditure, 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.

2.18 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.

2.19 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.

2.20 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

3. Judgements and Estimation Uncertainty (cont'd)

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:-

Allowance for inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 9.

Impairment of loans and receivables

The Group and the Company make allowance for impairment based on an assessment of the recoverability of loans and receivables. Allowance is applied to loans and receivables when there is objective evidence that the balances may not be recoverable. Management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment. Where expectations are different from previous estimates, the difference will impact on the carrying amounts of loans and receivables as disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

4. Property, Plant and Equipment

The Group

	Long-term leasehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation and electrical installation RM	Capital work-in-progress RM	Total RM
Cost							
Balance at 1 January 2014	2,691,103	28,068,044	10,099,764	99,578	269,921	0	41,228,410
Additions	0	25,963	5,043,872	0	438,408	585,000	6,093,243
Disposals	0	0	(16,930)	0	0	0	(16,930)
Currency translation differences	0	0	2,003	0	0	0	2,003
Balance at 31 December 2014	2,691,103	28,094,007	15,128,709	99,578	708,329	585,000	47,306,726
Additions	0	0	2,915,193	0	29,610	1,741,371	4,686,174
Disposals	0	0	(697,921)	0	0	0	(697,921)
Reclassification	0	0	585,000	0	0	(585,000)	0
Currency translation differences	0	0	(64,161)	0	0	0	(64,161)
Balance at 31 December 2015	2,691,103	28,094,007	17,866,820	99,578	737,939	1,741,371	51,230,818
Accumulated Depreciation							
Balance at 1 January 2014	355,076	1,763,722	6,903,405	62,236	204,754	0	9,289,193
Depreciation	44,851	563,370	2,273,847	24,895	102,410	0	3,009,373
Disposals	0	0	(14,084)	0	0	0	(14,084)
Currency translation differences	0	0	1,049	0	0	0	1,049
Balance at 31 December 2014	399,927	2,327,092	9,164,217	87,131	307,164	0	12,285,531
Depreciation	44,852	563,846	3,054,343	12,447	136,204	0	3,811,692
Disposals	0	0	692,767	0	0	0	(692,767)
Currency translation differences	0	0	6,337	0	0	0	6,337
Balance at 31 December 2015	444,779	2,890,938	11,532,130	99,578	443,368	0	15,410,793
Carrying Amount							
Balance at 1 January 2014	2,336,027	26,304,322	3,196,359	37,342	65,167	0	31,939,217
Balance at 31 December 2014	2,291,176	25,766,915	5,964,492	12,447	401,165	585,000	35,021,195
Balance at 31 December 2015	2,246,324	25,203,069	6,334,690	0	294,571	1,741,371	35,820,025

The long-term leasehold land and 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 2015

4. Property, Plant and Equipment (cont'd)

The Company

	Furniture, fittings and equipment RM	Renovation RM	Total RM
<u>Cost</u>			
Balance at 1 January 2014	1,992,607	85,700	2,078,307
Additions	1,085,540	0	1,085,540
Balance at 31 December 2014	3,078,147	85,700	3,163,847
Additions	9,907	0	9,907
Balance at 31 December 2015	3,088,054	85,700	3,173,754
<u>Accumulated Depreciation</u>			
Balance at 1 January 2014	901,368	71,271	972,639
Depreciation	542,991	14,429	557,420
Balance at 31 December 2014	1,444,359	85,700	1,530,059
Depreciation	538,021	0	538,021
Balance at 31 December 2015	1,982,380	85,700	2,068,080
<u>Carrying Amount</u>			
Balance at 1 January 2014	1,091,239	14,429	1,105,668
Balance at 31 December 2014	1,633,788	0	1,633,788
Balance at 31 December 2015	1,105,674	0	1,105,674

5. Investment Properties

The Group

	Shoplots RM
<u>Fair Value</u>	
Balance at 1 January 2014	600,000
Movement during the year	0
Balance at 31 December 2014	600,000
Movement during the year	0
Balance at 31 December 2015	600,000

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 2015

6. Development Expenditure

	The Group RM	The Company RM
<u>Cost</u>		
Balance at 1 January 2014	6,726,700	2,232,559
Additions - internal development	166,960	0
Balance at 31 December 2014	6,893,660	2,232,559
Additions - internal development	639,225	639,225
Balance at 31 December 2015	7,532,885	2,871,784
<u>Accumulated Amortisation</u>		
Balance at 1 January 2014	2,761,156	0
Amortisation	1,209,969	0
Balance at 31 December 2014	3,971,125	0
Amortisation	476,830	59,829
Balance at 31 December 2015	4,447,955	59,829
<u>Carrying Amount</u>		
Balance at 1 January 2014	3,965,544	2,232,559
Balance at 31 December 2014	2,922,535	2,232,559
Balance at 31 December 2015	3,084,930	2,811,955

7. Investments In Subsidiaries

The Company

	2015 RM	2014 RM
Unquoted shares, at cost	8,542,012	8,542,012
Employees' share options granted to subsidiaries	1,155,598	620,748
Impairment loss	(499,999)	(499,999)
	9,197,611	8,662,761

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

7. Investments In Subsidiaries (cont'd)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business	Effective Ownership Interest		Principal Activity
		2015	2014	
ViTrox Technologies Sdn. Bhd.	Malaysia	100%	100%	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 manufacture of printed circuit board assemblies for microprocessor applications
ViTrox International Sdn. Bhd.	Malaysia	100%	100%	Investment holding
ViTrox Technologies (Suzhou) Co., Ltd.*	China	**100%	**100%	As sales and support office

* Not audited by Crowe Horwath

** Interest held through ViTrox International Sdn. Bhd.

8. Deferred Tax Assets/(Liabilities)

The Group

	2015 RM	2014 RM
Balance at 1 January	(256,485)	(763,000)
Deferred tax (expense)/income relating to origination and reversal of temporary differences	(888,461)	251,515
Deferred tax income relating to change in tax rate	19,000	0
Deferred tax liabilities (under)/over provided in prior year	(230,515)	255,000
Balance at 31 December	(1,356,461)	(256,485)
Disclosed as:-		
- Deferred tax assets	22,000	34,000
- Deferred tax liabilities	(1,378,461)	(290,485)
	(1,356,461)	(256,485)

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

8. Deferred Tax Assets/(Liabilities) (cont'd)

	2015 RM	2014 RM
In respect of deductible/(taxable) temporary differences of:-		
- Inventories	688,539	238,515
- Financial instruments	(1,501,000)	44,000
- Property, plant and equipment	(500,000)	(453,000)
- Investment properties	(9,000)	(9,000)
- Development expenditure	(35,000)	(77,000)
	(1,356,461)	(256,485)

9. Inventories

The Group

	2015 RM	2014 RM
Raw materials	28,052,227	31,073,768
Work-in-progress	11,924,781	2,472,223
Finished goods	16,577,495	16,720,128
	56,554,503	50,266,119

10. Trade and Other Receivables

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables:-				
- Subsidiary	0	0	14,367,164	427,800
- Unrelated parties	71,763,038	67,560,331	0	0
- Allowance for impairment	(77,451)	(477,836)	0	0
	71,685,587	67,082,495	14,367,164	427,800
Grants receivable	2,887,711	2,577,323	0	0
Other receivables:-				
- Subsidiaries	0	0	27,184,020	23,100,072
- Unrelated parties	1,452,210	322,860	11,526	10,203
- Allowance for impairment	(100,967)	(100,967)	0	0
	1,351,243	221,893	27,195,546	23,110,275
	75,924,541	69,881,711	41,562,710	23,538,075

The currency profile of trade and other receivables is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	11,139,845	11,718,568	41,562,710	23,538,075
US Dollar	61,982,966	57,470,005	0	0
Others	2,801,730	693,138	0	0
	75,924,541	69,881,711	41,562,710	23,538,075

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

10. Trade and Other Receivables (cont'd)

Trade Receivables

Trade receivables are unsecured and non-interest bearing. The amount owing by subsidiary is repayable on demand. The credit terms granted to unrelated parties range from 15 to 270 days.

The movements in allowance for impairment are as follows:-

	The Group	
	2015 RM	2014 RM
Balance at 1 January	477,836	140,765
Impairment loss recognised	0	485,995
Impairment loss reversed	(400,385)	(140,765)
Impairment loss written off	0	(8,159)
Balance at 31 December	<u>77,451</u>	<u>477,836</u>

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

The ageing analysis of trade receivables not impaired is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Not past due	50,340,717	35,218,324	14,367,164	427,800
Past due 1 to 30 days	5,700,885	10,713,910	0	0
Past due 31 to 120 days	6,119,029	10,268,204	0	0
Past due more than 120 days	9,524,956	10,882,057	0	0
	<u>71,685,587</u>	<u>67,082,495</u>	<u>14,367,164</u>	<u>427,800</u>

Trade receivables that are neither past due nor impaired mainly relate to creditworthy customers who have regular transactions and good payment records with the Group.

Management determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 December 2015, there was 1 (2014 : 2) major group of customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from this major group amounted to RM11,012,301 (2014 : RM20,804,455). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysia	15,478,304	18,565,957	14,367,164	427,800
China	9,445,075	16,577,383	0	0
Taiwan	10,647,217	10,570,084	0	0
United States of America	12,203,412	10,606,918	0	0
Others	23,911,579	10,762,153	0	0
	<u>71,685,587</u>	<u>67,082,495</u>	<u>14,367,164</u>	<u>427,800</u>

Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand. The amounts owing by unrelated parties mainly consist of refundable deposits which have no fixed repayment terms.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

11. Cash and Cash Equivalents

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Highly liquid investments	19,593,696	24,004,065	3,045,793	2,952,710
Term deposits with licensed banks (fixed rate)	12,657,741	14,445,845	2,275,456	1,758,844
Cash and bank balances	31,733,247	22,179,321	2,138,893	575,478
	63,984,684	60,629,231	7,460,142	5,287,032

A term deposit of the Group amounting to RM27,656 (2014 : RM26,760) has been pledged as security for credit facilities granted to the Group. Accordingly, this term deposit is not freely available for use.

The effective interest rates of term deposits as at 31 December 2015 ranged from 0.6% to 4.0% (2014 : 2.7% to 3.6%) per annum.

The currency profile of cash and cash equivalents is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	36,712,149	40,824,935	7,460,142	5,287,032
US Dollar	26,724,776	19,372,548	0	0
Others	547,759	431,748	0	0
	63,984,684	60,629,231	7,460,142	5,287,032

For the purpose of statement of cash flows, cash and cash equivalents are presented net of pledged deposit as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and cash equivalents	63,984,684	60,629,231	7,460,142	5,287,032
Term deposit pledged as security	(27,656)	(26,760)	0	0
	63,957,028	60,602,471	7,460,142	5,287,032

12. Trade and Other Payables

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables	8,448,252	11,278,112	0	0
Other payables	20,689,448	27,519,074	6,809,919	3,920,057
	29,137,700	38,797,186	6,809,919	3,920,057

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

12. Trade and Other Payables (cont'd)

The currency profile of trade and other payables is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	22,539,530	32,339,719	6,809,919	3,920,057
US Dollar	5,453,675	5,282,264	0	0
Others	1,144,495	1,175,203	0	0
	29,137,700	38,797,186	6,809,919	3,920,057

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

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 120 day terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amounts mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 120 days.

13. Term Loan - Secured

The Group

	2015 RM	2014 RM
Term loan (floating rate and denominated in US Dollar)	3,903,496	4,579,342
Disclosed as:-		
- Current liabilities	1,724,617	1,406,988
- Non-current liabilities	2,178,879	3,172,354
	3,903,496	4,579,342

Term loan is secured against the long-term leasehold land and buildings (Note 4). The effective interest rate as at 31 December 2015 was 2.4% (2014 : 2.3%) per annum.

Term loan is repayable over 10 years. The repayment analysis is as follows:-

	2015 RM	2014 RM
Gross loan instalments:-		
- Within 1 year	1,793,267	1,491,231
- Later than 1 year and not later than 2 years	1,752,986	1,459,056
- Later than 2 years and not later than 5 years	465,112	1,805,583
Total contractual undiscounted cash flows	4,011,365	4,755,870
Future finance charges	(107,869)	(176,528)
Present value of term loan:-		
- Within 1 year	1,724,617	1,406,988
- Later than 1 year and not later than 2 years	1,716,834	1,398,028
- Later than 2 years and not later than 5 years	462,045	1,774,326
	3,903,496	4,579,342

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

13. Term Loan - Secured (cont'd)

The fair value of term loan is 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 value measured is considered to be reasonably close to the carrying amount reported as the observable current market interest rates also approximate to the effective interest rate of term loan.

14. Financial Liabilities at Fair Value Through Profit or Loss

The Group

	2015 RM	2014 RM
Derivatives classified as held for trading, at fair value	157,804	1,015,756

Derivatives consist of forward exchange contracts which are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 31 December 2015, the Group had contracts with financial institutions due within 1 year to buy RM5,397,000 (2014 : RM14,243,000) and sell USD1,290,000 (2014 : USD4,354,000) 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).

15. Deferred Income on Government Grants

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance at 1 January	2,962,571	2,625,854	1,435,506	1,229,091
Grants related to property, plant and equipment	1,097,244	927,396	413,850	479,951
Amortisation	(706,535)	(590,679)	(271,342)	(273,536)
Balance at 31 December	3,353,280	2,962,571	1,578,014	1,435,506

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.

16. Share Capital

	2015		2014	
	No. of Shares	RM	No. of Shares	RM
Ordinary Shares of RM0.10 Each				
Authorised:-				
Balance at 1 January	500,000,000	50,000,000	250,000,000	25,000,000
Increased during the year	0	0	250,000,000	25,000,000
Balance at 31 December	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid-up:-				
Balance at 1 January	232,735,200	23,273,520	232,500,000	23,250,000
Issued during the year	687,700	68,770	235,200	23,520
Balance at 31 December	233,422,900	23,342,290	232,735,200	23,273,520

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

16. Share Capital (cont'd)

During the financial year, the Company issued 319,150 and 368,550 new ordinary shares of RM0.10 each at an issue price of RM1.63 and RM2.02 per share respectively pursuant to the Employees' Share Option Scheme ("ESOS").

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 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 exercise 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% or at the par value of the shares, whichever is higher.
- (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:-

	Number of Options Over Ordinary Shares of RM0.10 Each	Weighted Average Exercise Price RM	Weighted Average Share Price RM	Range of Exercise Prices RM	Weighted Average Remaining Contractual Life
Outstanding at 1 January 2014	0				
Granted	3,064,500	1.85			
Exercised	(235,200)	1.63	2.49		
Forfeited	(13,950)	1.63			
Outstanding at 31 December 2014	<u>2,815,350</u>	1.87		1.63 - 2.02	9.2 years
Exercisable at 31 December 2014	<u>681,750</u>	1.93			
Outstanding at 1 January 2015	2,815,350	1.87			
Exercised	(687,700)	1.84	3.22		
Forfeited	(7,000)	2.02			
Outstanding at 31 December 2015	<u>2,120,650</u>	1.89		1.63 - 2.02	8.2 years
Exercisable at 31 December 2015	<u>905,450</u>	1.93			

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

16. Share Capital (cont'd)

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

	Option 1	Option 2
Grant date	15.5.2014	20.10.2014
Fair value at grant date	RM0.97	RM1.42
Weighted average share price	RM1.81	RM2.24
Exercise price	RM1.63	RM2.02
Expected volatility	38.18%	42.90%
Option life	9.8 years	9.4 years
Expected dividends	0.87%	0.65%
Risk-free interest rate	4.45%	4.15%

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.

17. Revenue

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Income from sale of goods	160,287,693	169,938,525	279,000	263,500
Income from rendering of services	0	0	13,309,438	0
Gross dividends from subsidiaries	0	0	33,500,000	21,000,000
	160,287,693	169,938,525	47,088,438	21,263,500

18. Directors' Remuneration

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Fees	144,000	144,000	144,000	144,000
Other short-term employee benefits	596,825	719,222	239,514	278,957
Defined contribution plans	153,634	194,413	70,429	83,788
Share-based payments	802,427	925,038	641,399	776,278
	1,696,886	1,982,673	1,095,342	1,283,023

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

19. Employee Benefits Expense

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Short-term employee benefits	28,426,732	27,842,895	13,146,513	8,684,587
Defined contribution plans	3,333,668	3,138,134	1,471,258	919,234
Share-based payments	538,376	681,525	164,554	209,537
	32,298,776	31,662,554	14,782,325	9,813,358

20. Profit Before Tax

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM

Profit before tax is arrived at after charging:-

Allowance for slow moving inventories	2,066,359	1,701,445	0	0
Auditors' remuneration:-				
- Current year	63,500	53,500	18,000	15,000
- Prior year	10,000	14,000	3,000	3,000
Direct operating expenditure for investment properties generating rental income	4,141	2,462	0	0
Fee expense for financial instruments not at fair value through profit or loss	79,643	78,829	1,636	2,454
Impairment loss on loans and receivables	0	485,995	0	0
Interest expense for financial liabilities not at fair value through profit or loss	97,540	186,595	0	0
Loss on disposal of property, plant and equipment	2,176	1,046	0	0
Loss on financial instruments at fair value through profit or loss (classified as held for trading)	2,202,185	712,537	0	0
Realised loss on foreign exchange	0	152,088	19,442	7,523
Rental of equipment	0	52,510	0	0
Rental of premises	195,664	211,886	49,559	46,794
Research and development expenditure	36,339,599	23,355,926	17,021,478	12,272,368

and crediting:-

Amortisation of deferred income	706,535	590,679	271,342	273,536
Gain on foreign exchange:-				
- Realised	4,223,640	0	0	0
- Unrealised	8,568,645	4,815,650	0	0
Grants related to income	2,781,116	3,472,898	969,361	1,771,913
Interest income for financial assets not at fair value through profit or loss	1,040,798	913,929	179,056	204,666
Rental of investment properties	32,500	30,000	0	0
Reversal of allowance for slow moving inventories	1,701,445	2,419,141	0	0
Reversal of impairment loss on loans and receivables	400,385	140,765	0	0

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

21. Tax Expense

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Tax based on results for the year:-				
Malaysian income tax	10,182,627	1,383,956	21,493	19,318
Overseas income tax	143,984	20,352	0	0
Deferred tax	869,461	(251,515)	0	0
	11,196,072	1,152,793	21,493	19,318
Tax (over)/under provided in prior year:-				
Malaysian income tax	(18,308)	16,559	0	0
Deferred tax	230,515	(255,000)	0	0
	11,408,279	914,352	21,493	19,318

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:-

	The Group		The Company	
	2015 %	2014 %	2015 %	2014 %
Applicable tax rate	25.00	25.00	25.00	25.00
Non-deductible expenses	1.68	3.03	1.88	9.37
Non-taxable income	(1.03)	(1.56)	(29.78)	(65.28)
Pioneer income exempted	(5.71)	(31.47)	0.00	0.00
Effect of differential tax rates	0.15	7.30	2.97	31.13
Average effective tax rate	20.09	2.30	0.07	0.22

The Company may distribute its entire retained profits as tax exempt dividends under the single tier tax system.

22. Earnings Per Share

The Group

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

	2015	2014
Profit for the financial year (RM)	44,321,803	49,108,536
Number of shares in issue as at 1 January	232,735,200	231,242,800
Effect of shares issued pursuant to ESOS	476,513	117,847
Effect of shares reissued	0	1,122,569
Weighted average number of shares for computing basic earnings per share	233,211,713	232,483,216
Number of shares under ESOS deemed to have been issued for no consideration	911,697	147,675
Weighted average number of shares for computing diluted earnings per share	234,123,410	232,630,891
Basic earnings per share (sen)	19.00	21.12
Diluted earnings per share (sen)	18.93	21.11

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

23. Dividends

The Group and the Company

	2015 RM	2014 RM
In respect of financial year ended 31 December 2013:-		
- Final tax exempt dividend of 0.5 sen per share	0	1,162,500
- Special tax exempt dividend of 1.5 sen per share	0	3,487,500
In respect of financial year ended 31 December 2014:-		
- Interim tax exempt dividend of 2 sen per share	0	4,654,704
- Final tax exempt dividend of 0.5 sen per share	1,165,697	0
- Special tax exempt dividend of 3.5 sen per share	8,159,881	0
In respect of financial year ended 31 December 2015:-		
- Interim tax exempt dividend of 1.5 sen per share	3,501,343	0
	12,826,921	9,304,704

24. Related Party Disclosures

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Key management personnel compensation:-				
- Short-term employee benefits	740,825	863,222	383,514	422,957
- Defined contribution plans	153,634	194,413	70,429	83,788
- Share-based payments	802,427	925,038	641,399	776,278
	1,696,886	1,982,673	1,095,342	1,283,023
Dividends declared from subsidiaries	0	0	33,500,000	21,000,000
Granting of employees' share options to subsidiaries	0	0	534,850	620,748
Purchase of property, plant and equipment from subsidiary	0	0	0	588,000
Rendering of services to subsidiary	0	0	13,309,438	0
Sale of goods to subsidiary	0	0	279,000	263,500

25. Segment Reporting

The 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 development and production of vision inspection system and printed circuit board assemblies for microprocessor applications.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

25. Segment Reporting (cont'd)

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	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysia	46,312,011	49,269,584	37,747,344	36,158,059
China	28,037,800	27,123,055	1,848,861	2,476,921
Mexico	15,225,913	17,832,843	0	0
Taiwan	11,956,882	43,297,440	0	0
United States of America	25,745,744	14,212,640	0	0
Others	33,009,343	18,202,963	0	0
	160,287,693	169,938,525	39,596,205	38,634,980

Major Customers

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

	External Revenue	
	2015 RM	2014 RM
Group I*	25,560,612	14,657,477
Group II*	24,520,068	28,547,107
Group III*	17,837,942	22,960,333
Group IV*	0	22,757,995

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

26. Capital Commitment

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Contracted but not provided for:-				
- Property, plant and equipment	26,537,000	27,679,000	0	0
- Development expenditure	0	524,000	0	524,000

27. Contingent Liabilities - Unsecured

The 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 approximately RM121,312,000 (2014 : RM25,519,000). The total utilisation of these credit facilities as at 31 December 2015 amounted to approximately RM4,272,000 (2014 : RM5,516,000).

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 2.11. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

28. 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 financial assets 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 27.

As the Group only deals with reputable financial institutions, the credit risk associated with derivative financial assets and deposits placed with them is minimal. 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.

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 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.

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

	The Group	
	Increase/ (Decrease) in Profit 2015 RM	Increase/ (Decrease) in Profit 2014 RM
Appreciation of USD against RM by 10%	6,021,764	6,698,095
Depreciation of USD against RM by 10%	<u>(6,021,764)</u>	<u>(6,698,095)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2015

28. Financial Risk Management (cont'd)

Interest Rate Risk

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

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

	The Group	
	Increase/ (Decrease) in Profit	Increase/ (Decrease) in Profit
	2015	2014
	RM	RM
Increase in interest rates by 50 basis points	(14,638)	(22,554)
Decrease in interest rates by 50 basis points	14,638	22,554

29. 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 loans and borrowings 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 loans and borrowings divided by total equity as follows:-

	The Group	
	2015	2014
	RM	RM
Total loans and borrowings	3,903,496	4,579,342
Total equity	208,920,083	174,819,899
Total capital	212,823,579	179,399,241
Debt-to-equity ratio	2%	3%

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

SUPPLEMENTARY INFORMATION

- Realised and Unrealised Profits or Losses

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits of the Company and its subsidiaries:-				
- Realised	172,761,022	144,543,899	16,793,985	431,907
- Unrealised	7,183,192	4,364,650	0	0
	179,944,214	148,908,549	16,793,985	431,907
Consolidation adjustments and eliminations	(4,646,749)	(5,105,966)	0	0
Total retained profits as per statement of financial position	175,297,465	143,802,583	16,793,985	431,907

The above supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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 2015 RM	Year of Valuation / Acquisition
1.	<p>ViTrox Technologies Sdn. Bhd. HSD 21704, Lot No. PT 5286, Mukim12, Daerah Barat Daya, Pulau Pinang</p> <p><u>Bearing Postal Address</u> No. 85A, Lintang Bayan Lepas 11 Bayan Lepas Industrial Park Phase IV, 11900 Bayan Lepas, Penang</p>	9 years / 60 years lease expiring on December 26, 2066	ViTrox Innovation Centre	12,152 / 13,510	27,449,393	July 27, 2004 (Date of Acquisition)
2.	<p>ViTrox Technologies Sdn. Bhd. Lot 1241, Mukim 12, Daerah Barat Daya, Pulau Pinang</p> <p><u>Bearing Postal Address</u> Level No. 04, Unit No. 20, Kristal Point II, Lebuh Bukit Kecil 6, 11900 Bayan Lepas, Penang</p>	11 years / 99 years lease upon issuance of strata title	Shoplot for investment purposes	- / 96	300,000	December 31, 2015 (Date of Valuation)
3.	<p>ViTrox Technologies Sdn. Bhd. Lot 1241, Mukim 12, Daerah Barat Daya, Pulau Pinang</p> <p><u>Bearing Postal Address</u> Level No. 04, Unit No. 21, Kristal Point II, Lebuh Bukit Kecil 6, 11900 Bayan Lepas, Penang</p>	11 years / 99 years lease upon issuance of strata title	Shoplot for investment purposes	- / 96	300,000	December 31, 2015 (Date of Valuation)

STATISTICS OF SHAREHOLDINGS

as at 1 April 2016

Share Capital

Authorised Capital	: RM50,000,000.00
Issued and Paid-up Capital	: RM23,369,560.00
Class of Shares	: Ordinary Shares of RM0.10 each
Voting Rights	: One voting right for one ordinary share

Distribution of Shareholders

Size of Holdings	No. of Holders	No. of Shares	%
1 – 99	52	2,530	0.00
100 – 1,000	568	212,269	0.09
1,001 – 10,000	529	2,278,097	0.97
10,001 – 100,000	248	8,659,737	3.71
100,001 – 11,684,779	114	86,697,004	37.10
11,684,780 and above	3	135,845,963	58.13
Total	1,514	233,695,600	100.00

Thirty Largest Securities Holders

No.	Name	Shareholdings	%
1	Chu Jenn Weng	64,983,317	27.81
2	Siaw Kok Tong	46,154,514	19.75
3	Yeoh Shih Hoong	24,708,132	10.57
4	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt an for The Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	6,367,149	2.72
5	Teng Soo Fong	4,900,000	2.10
6	Kiew Kwong Sen	3,648,000	1.56
7	Tan Boo Charn	2,995,500	1.28
8	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,922,000	1.25
9	Kumpulan Wang Persaraan (Diperbadankan)	2,855,000	1.22
10	Malacca Equity Nominees (Tempatan) Sdn Bhd Qualifier: Exempt an for Phillip Capital Management Sdn Bhd (EPF)	2,769,800	1.19
11	Tan Hong Soon	2,610,000	1.12
12	Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt an for Citibank New York (Norges Bank 14)	2,476,600	1.06
13	Wixtali Sdn. Bhd.	2,464,004	1.05
14	Wong Ting Lik	2,035,394	0.87
15	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Cheong Siew Chyuan (470322)	2,000,000	0.86
16	Sim Ah Yoong	1,910,900	0.82
17	Malacca Equity Nominees (Tempatan) Sdn Bhd Qualifier: Exempt an for Phillip Capital Management Sdn Bhd	1,876,000	0.80
18	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (LGF)	1,842,500	0.79
19	Chua Siew Kim	1,754,749	0.75
20	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (LPF)	1,724,400	0.74

STATISTICS OF SHAREHOLDINGS

as at 1 April 2016

Thirty Largest Securities Holders (cont'd)

No.	Name	Shareholdings	%
21	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Exempt an for AIA Bhd.	1,623,400	0.69
22	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: ETIQA Takaful Berhad (Annuity PIF EQ)	1,565,000	0.67
23	Ang Nya @ Ang Ah Nya	1,500,000	0.64
24	Lim Yee @ Lim Wei Yee	1,332,900	0.57
25	Wee Kah Khim	1,160,300	0.50
26	Chua Siew Kim	1,122,000	0.48
27	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Tan Booi Charn (471694)	1,050,000	0.45
28	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier: Deutsche Trustees Malaysia Berhad for Eastspring Investmentsgrowth Fund	894,700	0.38
29	Ahmad Fadzil Bin Mohamad Hani	885,000	0.38
30	Cheng Ming Hann	866,499	0.37

Substantial Shareholders

Name	Direct Shareholding	%	Indirect Shareholding	%
Chu Jenn Weng	64,983,317	27.81	–	–
Siaw Kok Tong	46,192,914	19.77	–	–
Yeoh Shih Hoong	24,708,132	10.57	–	–

Directors' Shareholding

Name	Direct Shareholding	%	Indirect Shareholding	%
Chu Jenn Weng	64,983,317	27.81	–	–
Siaw Kok Tong	46,192,914	19.77	–	–
Yeoh Shih Hoong	24,708,132	10.57	–	–
Dato' Seri Dr. Kiew Kwong Sen	3,648,000	1.56	–	–
Prof. Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	885,000	0.38	–	–
Chuah Poay Ngee	65,000	0.03	–	–
Chang Mun Kee	150	–	6,367,149*	2.72

* Registered in the name of HSBC Nominees (Asing) Sdn Bhd - Exempt an for The Hongkong and Shanghai Banking Corporation Limited. HSBC Nominees (Asing) Sdn Bhd - Exempt an for The Hongkong and Shanghai Banking Corporation Limited is the trustee of a discretionary trust, for charity and estate planning purpose, where the beneficiaries of which are members of Mr Chang Mun Kee's family and himself.

SHARE BUY-BACK STATEMENT

1. Disclaimer Statement

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Share Buy-Back Statement prior its issuance, and hence, take 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 the Statement.

2. Rationale For the Share Buy-Back By ViTrox Corporation Berhad (“ViTrox” or “the Company”) Of its Own Ordinary Shares of RM0.10 Each (“Shares”) of up to 10% of its Existing Issued and Paid-Up Share Capital 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 1 April 2016, the issued and paid-up capital of ViTrox was RM23,369,560 comprising 233,695,600 Ordinary Shares of RM0.10 each and no treasury share was held by the Company.

Assuming the Employees’ Share Option Scheme (“ESOS”) of up to ten percent (10%) of the issued and paid-up share capital 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 issued and paid-up share capital of the Company, i.e. 25,586,956 ViTrox Shares. Please refer Section 7(a) of this Statement for further details.

3. Retained Profits and Share Premium

Based on the audited financial statements of ViTrox as at 31 December 2015, the retained profits and share premium of the Company stood at RM16,793,985 and RM8,331,734 respectively.

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 RM7.46 million based on the audited financial statements of ViTrox as at 31 December 2015. 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.

5. Interests of Directors’ and Substantial Shareholders’ and Persons Connected to 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 Substantial Shareholders of ViTrox nor persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of treasury shares.

SHARE BUY-BACK STATEMENT

5. Interests of Directors' and Substantial Shareholders' and Persons Connected to them (cont'd)

Based on the Register of Directors and Register of Substantial Shareholders of ViTrox as at 1 April 2016 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 to them of ViTrox are as follows:-

	As at 1 April 2016 ^(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	64,983,317	27.81	–	–	64,983,317	28.22	–	–
Siaw Kok Tong	46,192,914	19.77	–	–	46,192,914	20.06	–	–
Yeoh Shih Hoong	24,708,132	10.57	–	–	24,708,132	10.73	–	–
Directors								
Dato' Seri Dr. Kiew Kwong Sen	3,648,000	1.56	–	–	3,648,000	1.58	–	–
Prof Ir. Dr. Ahmad Fadzil Bin Mohamad Hani	885,000	0.38	–	–	885,000	0.38	–	–
Chuah Poay Ngee	65,000	0.03	–	–	65,000	0.03	–	–
Chang Mun Kee ²	150	Negligible	6,367,149	2.72	150	Negligible	6,367,149	2.76
Person Connected to Director/Substantial Shareholder								
Su Pek Fuen ¹	597,299	0.26	–	–	597,299	0.26	–	–
HSBC Nominees (Asing) Sdn Bhd - Exempt an for The Hongkong and Shanghai Banking Corporation Limited ²	6,367,149	2.72	–	–	6,367,149	2.76	–	–

Notes:-

- Based on the existing issued and paid-up share capital of 233,695,600 Ordinary Shares from the total issued and paid-up capital of 233,695,600 Ordinary Shares of RM0.10 each.
- Based on the issued and paid-up share capital of 230,282,604 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.
- The shareholdings do not include the number of new ViTrox Shares to be allotted to the Directors of the Company and person connected to them pursuant to the ESOS.

¹ Being spouse to the Director/Substantial Shareholder.

² HSBC Nominees (Asing) Sdn Bhd - Exempt an for The Hongkong and Shanghai Banking Corporation Limited is the trustee of a discretionary trust, for charity and estate planning purpose, where the beneficiaries are members of Mr Chang Mun Kee's family and himself.

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.

SHARE BUY-BACK STATEMENT

6. Potential Advantages and Disadvantages of the Proposed Share Buy-Back (cont'd)

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 and share premium accounts 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 25,586,956 ViTrox Shares representing approximately ten percent (10%) of the enlarged issued and paid up share capital 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 1 April 2016 are illustrated as follows:-

	No. of Shares
Issued and fully paid-up share capital as at 1 April 2016	233,695,600*
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 1,195,600 shares already issued pursuant to the ESOS as at 1 April 2016)	<u>22,173,960</u>
Enlarged issued and paid-up share capital	255,869,560
Assumed the Shares purchased and cancelled	<u>(25,586,956)</u>
Resultant issued and paid-up capital	<u>230,282,604</u>

Notes:-

* No treasury share was held.

If the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued and paid-up share capital of the Company. However, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise will be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of shares for any purposes including, without limiting the generality of Section 67A(3C) of the Companies Act, 1965, the provisions of any law or requirements of the Articles or the listing rules of a stock exchange on substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

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.

If 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.

SHARE BUY-BACK STATEMENT

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

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.

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 issued and paid-up share capital 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 2016 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.

8. Implication of the Proposed Share Buy-Back Relating to the Malaysian Code on Take-overs and Mergers, 2010 ("Code")

Pursuant to Paragraph 10.1 of Practice Note 9 of the Code, a mandatory offer obligation arises when:-

- (a) a person* obtains controls in a company as a result of a buy backs scheme by the company;
- (b) a person* (holding more than 33% but not more than 50% of the voting shares or voting rights of a company), as a result of a buy back scheme by the company, increases his holding of the voting shares or voting rights of the company by more than 2% in any six-month period;
- (c) a person* (holding more than 33% but not more than 50% of the voting shares or voting rights of a company), acquires more than 2% of the voting shares or voting rights of the company when he knows or reasonably ought to know that the company would carry out a buy back scheme.

"a person" includes persons acting in concert.

Pursuant to the Code, the affected Substantial Shareholder and/or the Group of Persons Acting in Concert may apply for a waiver from the obligation to make a mandatory offer from the Securities Commission under the Paragraph 24.1 of Practice Note 9 of the Code.

The Board is aware of the requirements of the Code and will be mindful of the requirement when making any purchase of ViTrox Shares pursuant to the Proposed Share Buy-Back.

9. Purchases made by the Company of its own shares in financial year ended 31 December 2015

The information on purchases made by the Company of its own shares during the financial year ended 31 December 2015 is as set out on page 54 of this annual report.

SHARE BUY-BACK STATEMENT

10. Public Shareholding Spread

As at 1 April 2016, the Record of Depositors of ViTrox showed that 86,248,639 Shares representing approximately 36.91% of the issued and paid-up share capital 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. Directors' Statement

The Board of Directors, 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.

12. 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.

13. 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 Twelfth Annual General Meeting of the Company will be held at the Auditorium of ViTrox Innovation Centre, 85A, Lintang Bayan Lepas 11, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Penang on Friday, 24 June 2016 at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2015 together with the reports of the Directors and Auditors thereon. (Please refer to Note A)
2. To declare the following Dividends for the year ended 31 December 2015:-
 - a) A Special Dividend of 3.0 sen per share exempt from Income Tax; (Resolution 1)
 - b) A Final Dividend of 0.5 sen per share exempt from Income Tax. (Resolution 2)
3. To approve the payment of Directors' Fee of up to RM144,000 for the financial year ending 31 December 2016. (Resolution 3)
4. To re-elect the following directors retiring under the Article 85 of the Articles of Association of the Company, and who being eligible, offered themselves for re-election:-
 - a) Siaw Kok Tong (Resolution 4)
 - b) Chuah Poay Ngee (Resolution 5)
5. To re-appoint Messrs. Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 6)
6. AS SPECIAL BUSINESSES

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

ORDINARY RESOLUTIONS

- a) Continue in Office as an Independent Non-Executive Director(s)
 - (i) "That authority be and is hereby given to Dato' Seri Dr. Kiew Kwong Sen who has served as an Independent Non-Executive Chairman of the Company for a cumulative term of more than nine years, to continue to serve as Independent Non-Executive Chairman of the Company in accordance with the Malaysian Code on Corporate Governance 2012." (Resolution 7)
 - (ii) "That subject to the passing of Resolution 5, authority be and is hereby given to Chuah Poay Ngee who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." (Resolution 8)
- b) Authority to Issue Shares (Resolution 9)

"That pursuant to Section 132D of the Companies Act, 1965 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 Annual General Meeting 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 issued share capital (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

6. AS SPECIAL BUSINESSES (cont'd)

ORDINARY RESOLUTIONS (cont'd)

c) Renewal of Authority to Purchase its own Shares

(Resolution 10)

"That subject to the Companies Act, 1965, provisions of the Company's Memorandum and Articles of Association ("M&A") 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 issued and paid-up 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 or share premium account of the Company. As at the latest financial year ended 31 December 2015, the audited retained profits and share premium account of the Company stood at RM16,793,985 and RM8,331,734 respectively;
- (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, 1965, provisions of the Company's M&A, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board
HOW WEE LING (MAICSA 7033850)
OOI EAN HOON (MAICSA 7057078)
Secretaries

Penang
Date : 28 April 2016

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

- A. *This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association do not require a formal approval of the shareholders and hence, is not put forward for voting.*

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 15 June 2016. Only a depositor whose name appears on the Record of Depositors as at 15 June 2016 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 shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings 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, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at the Registered Office, 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang, Malaysia at least 48 hours before the time for holding the Meeting or any adjournments thereof.*

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note on Special Business:

1. Resolution 7 - Continue in Office as the Independent Non-Executive Chairman

Dato' Seri Dr. Kiew Kwong Sen has served the Board as an Independent Non-Executive Chairman of the Company for a cumulative term of more than ten (10) years. After having assessed the independence of Dato' Seri Dr. Kiew and also the assessment by the Nominating Committee (NC), regards him to be independent based amongst others, he has remained objective and independent in exercising his judgment when a matter is put before him for decision, he also has the necessary knowledge of the business and operations of the Group and has the experience to make informed decision and participate actively and contribute positively during deliberations or discussions at Board Meetings. To that, the Board with the recommendation of the NC, recommend Dato' Seri Dr. Kiew to continue to serve as Independent Non-Executive Chairman of the Company.

The proposed Resolution 7, if passed, enable Dato' Seri Dr. Kiew to continue to act as Independent Non-Executive Chairman of the Company. Otherwise, he will be re-designated as a Non-Independent Non-Executive Chairman of the Company upon the conclusion of the 12th Annual General Meeting.

2. Resolution 8 - Continue in Office as an Independent Non-Executive Director

Ms. Chuah Poay Ngee has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. After having assessed the independence of Ms. Chuah and also the assessment by the NC, regards her to be independent based amongst others, she has remained objective and independent in exercising her judgment when a matter is put before her for decision, she also has the experience to make informed decision and participate actively and contribute positively during deliberations or discussions at Board Meetings. To that, the Board with the recommendation of the NC, recommend Ms. Chuah to continue to serve as Independent Non-Executive Director of the Company.

The proposed Resolution 8, if passed, enable Ms. Chuah to continue to act as Independent Non-Executive Director of the Company. Otherwise, she will be re-designated as a Non-Independent Non-Executive Director of the Company upon the conclusion of the 12th Annual General Meeting.

3. Resolution 9 - the Authority to issue Shares

The proposed Resolution No. 9, if passed, will grant a renewed general mandate (Mandate 2016) 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 issued share capital 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 Annual General Meeting of the Company.

The Mandate 2016 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 11th Annual General Meeting. 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.

4. Resolution 10 - Authority to Purchase its own Shares

The proposed Resolution No. 10, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the issued and paid-up share capital 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 Annual General Meeting.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that the following Dividends for the year ended 31 December 2015, if approved, will be paid on 25 July 2016 to depositors registered in the records of Depositors on 30 June 2016:-

- a) A Special Dividend of 3.0 sen per share exempt from Income Tax; and
- b) A Final Dividend of 0.5 sen per share exempt from Income Tax.

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

- a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 June 2016 in respect of ordinary transfers;
- b) shares bought on the 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)
OOI EAN HOON (MAICSA 7057078)
Secretaries

Penang
Date : 28 April 2016

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Proxy Form



No of ordinary shares held

I/We, _____
of _____ being a
Member of the above Company hereby appoint (Proxy 1) _____
_____ of _____
_____ and*/or failing him* (Proxy 2),
_____ of _____

and*/or failing him*, the Chairman of the Meeting, as my/our proxy(ies), to vote for me/us on my/our behalf at the TWELFTH ANNUAL GENERAL MEETING of the Company to be held at the Auditorium of ViTrox Innovation Centre, 85A, Lintang Bayan Lepas 11, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Penang on Friday, 24 June 2016 at 10.30 a.m. and at any adjournment thereof as indicated below:-

The proportions of my/our holdings to be represented by my/our proxy(ies) are as follows:-

Proxy 1 -	_____ %	In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on my/our behalf.
Proxy 2 -	_____ %	
	_____ 100%	

* Strike out whichever is inapplicable

I/We hereby indicate with an "X" in the spaces provided how I/we wish my/our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

Resolutions		For	Against
1.	To declare a Special Dividend of 3.0 sen per share exempt from Income Tax for the year ended 31 December 2015.		
2.	To declare a Final Dividend of 0.5 sen per share exempt from Income Tax for the year ended 31 December 2015.		
3.	To approve the payment of Directors' Fee of up to RM144,000 for the financial year ending 31 December 2016.		
	To re-elect the following directors retiring under the Article 85 of the Articles of Association of the Company, and who being eligible, offered themselves for re-election:-		
4.	Siaw Kok Tong		
5.	Chuah Poay Ngee		
6.	To re-appoint Messrs. Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
	<u>Special Business</u>		
	<u>Ordinary Resolutions</u>		
7.	To authorise Dato' Seri Dr. Kiew Kwong Sen to continue to serve as Independent Non-Executive Chairman of the Company.		
8.	To authorise Chuah Poay Ngee to continue to serve as Independent Non-Executive Director of the Company.		
9.	To approve the resolution pursuant to Section 132D of the Companies Act, 1965.		
10.	To approve the resolution pursuant to Renewal of Authority to Purchase its own Shares.		

Signature of Member:

Signed this day of....., 2016.

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 15 June 2016. Only a depositor whose name appears on the Record of Depositors as at 15 June 2016 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 shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings 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, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office, 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang, Malaysia at least 48 hours before the time for holding the Meeting or any adjournments thereof.

Fold along this line

STAMP

The Company Secretaries
ViTrox Corporation Berhad
(Company No. 649966-K)
57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Penang.

Fold along this line

ViTrox Corporation Berhad (649966-K)

No. 85-A, Lintang Bayan Lepas 11,
Bayan Lepas Industrial Park, Phase 4,
11900 Bayan Lepas, Penang, Malaysia.
Tel : 604 646 6227
Fax : 604 646 6327

ViTrox Vision Lab

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

China Division

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Suzhou Industrial Park,
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