

# VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE (3) MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2019

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2019 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2018 RM'000 (Audited)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2019 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2018 RM'000 (Audited)
Revenue	2,644	7,128	2,644	7,128
Cost of Sales	(969)	(2,893)	(969)	(2,893)
<b>Gross Profit</b>	<b>1,675</b>	<b>4,235</b>	<b>1,675</b>	<b>4,235</b>
Other Operating Income	323	302	323	302
Human Resource Related Expenses	(987)	(953)	(987)	(953)
Administrative Expenses	(476)	(589)	(476)	(589)
Selling and Distribution Expenses	(169)	(1,131)	(169)	(1,131)
Research and Development	(362)	(341)	(362)	(341)
Other Operating Expenses	(441)	(1,046)	(441)	(1,046)
<b>(Loss)/Profit From Operations</b>	<b>(437)</b>	<b>477</b>	<b>(437)</b>	<b>477</b>
Finance Cost	(10)	(58)	(10)	(58)
<b>(Loss)/Profit Before Taxation</b>	<b>(447)</b>	<b>419</b>	<b>(447)</b>	<b>419</b>
Taxation	-	-	-	-
<b>(Loss)/Profit After Taxation For The Period</b>	<b>(447)</b>	<b>419</b>	<b>(447)</b>	<b>419</b>
<b>Other Comprehensive Income</b>				
Forex loss	-	-	-	-
<b>Total Comprehensive (Loss)/ Income For The Period</b>	<b>(447)</b>	<b>419</b>	<b>(447)</b>	<b>419</b>
<b>Attributable to:</b>				
Equity holders of the parent	(447)	419	(447)	419
Minority Interest	-	-	-	-
<b>Net (Loss)/Profit Comprehensive Income For The Period</b>	<b>(447)</b>	<b>419</b>	<b>(447)</b>	<b>419</b>
<b>(Loss)/Profit Per Share</b>				
<b>(i) Basic (sen)</b>	<b>(0.26)</b>	<b>0.26</b>	<b>(0.26)</b>	<b>0.26</b>
<b>(ii) Fully diluted (sen)</b>	<b>(0.26)</b>	<b>0.26</b>	<b>(0.26)</b>	<b>0.26</b>

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

# VisDynamics Holdings Berhad

(Company No: 677095-M)  
Incorporated in Malaysia

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2019

	Unaudited As At 31 JANUARY 2019 RM'000	Audited As At 31 OCTOBER 2018 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5,261	5,371
Development expenditure	721	782
Goodwill on consolidation	1,576	1,576
Intangible Assets	33	34
<b>Total Non-Current Assets</b>	<b>7,591</b>	<b>7,763</b>
<b>CURRENT ASSETS</b>		
Inventories	15,842	15,181
Trade receivables	12,655	19,399
Other receivables, deposits and prepayments	392	282
Fixed deposit	6,540	7,568
Cash and bank balances	5,255	3,447
<b>Total Current Assets</b>	<b>40,684</b>	<b>45,877</b>
<b>TOTAL ASSETS</b>	<b>48,275</b>	<b>53,640</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Ordinary share capital	19,756	18,918
Share Premium	-	799
Warrants Reserve	3,371	3,371
Discount on Shares	(3,371)	(3,371)
ESOS Compensation Reserve	491	506
Retained profits	20,039	20,486
<b>Equity attributable to equity holders of the parent</b>	<b>40,286</b>	<b>40,709</b>
Minority interests	-	-
<b>TOTAL EQUITY</b>	<b>40,286</b>	<b>40,709</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	188	206
Deferred Tax Liability	612	612
<b>Total Non-Current Liabilities</b>	<b>800</b>	<b>818</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	820	345
Taxation payables	718	939
Other payables and accruals	5,573	8,764
Borrowings	78	2,065
<b>Total Current Liabilities</b>	<b>7,189</b>	<b>12,113</b>
<b>TOTAL LIABILITIES</b>	<b>7,989</b>	<b>12,931</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48,275</b>	<b>53,640</b>
Net assets value per share (RM)	0.24	0.24

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

## VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2019

(The figures have not been audited)

	Share Capital	Share Premium	Warrant Reserve	ESOS Compensation Reserve	Discount on Shares	Translation Reserve	Retained Profits	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 31 October 2018 (Audited)</b>	<b>18,918</b>	<b>799</b>	<b>3,371</b>	<b>506</b>	<b>(3,371)</b>	-	<b>20,486</b>	<b>40,709</b>
Net Profit for the year	-	-	-	-	-	-	(447)	(447)
Transfer share premium to share capital*	799	(799)	-	-	-	-	-	-
Issuance of Warrants	-	-	-	-	-	-	-	-
Forfeited of ESOS	-	-	-	(7)	-	-	-	(7)
Exercise of ESOS	39	-	-	(8)	-	-	-	31
<b>As At 31 January 2019 (Unaudited)</b>	<b>19,756</b>	<b>-</b>	<b>3,371</b>	<b>491</b>	<b>(3,371)</b>	-	<b>20,039</b>	<b>40,286</b>
<b>As at 31 October 2017 (Audited)</b>	<b>13,044</b>	<b>6,417</b>	-	-	-	-	<b>12,317</b>	<b>31,778</b>
Net Profit for the year	-	-	-	-	-	-	419	419
Issuance of Bonus Issue	5,618	(5,618)	-	-	-	-	-	-
Issuance of Warrants	-	-	3,371	-	(3,371)	-	-	-
<b>As At 31 January 2018 (Audited)</b>	<b>18,662</b>	<b>799</b>	<b>3,371</b>	<b>-</b>	<b>(3,371)</b>	<b>-</b>	<b>12,736</b>	<b>32,197</b>

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

**Notes:**

\* Transfer the share premium to share capital pursuant to Section 618(2) of the Companies Act 2016.

# VisDynamics Holdings Berhad

(Company No: 677095-M)

*Incorporated in Malaysia*

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2019

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2019 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2018 (Audited)
	RM'000	RM'000
<b>NET PROFIT BEFORE TAXATION</b>	<b>(447)</b>	<b>419</b>
Adjustment for:-		
Depreciation of property, plant and equipment	137	135
Amortisation of development expenditure	94	135
Amortisation of Trademarks and Patents	1	2
Addition / (Reversal) of provision and accruals	(3,069)	(630)
Gain / (Loss) on foreign exchange - unrealised	398	804
Gain on Disposal of property, plant and equipment	-	(1)
ESOS Expenses	(7)	-
Interest income	(74)	(42)
Interest expenses	4	51
<b>Operating gain before working capital changes</b>	<b>(2,963)</b>	<b>873</b>
Increase in inventories	(662)	(4,455)
Increase in trade and other receivables	6,521	(2,124)
Increase in trade and other payables	(114)	2,889
<b>Cash generated for operations</b>	<b>2,782</b>	<b>(2,817)</b>
Interest paid	(4)	(51)
<b>NET CASH FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>2,778</b>	<b>(2,868)</b>
<b>CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES</b>		
(Payment)/ reversal of development expenditure	(31)	(7)
Interest received	74	42
Purchase of property, plant and equipment	(30)	(68)
Disposal of property, plant and equipment	-	1
<b>NET CASH (USED IN)/ FROM INVESTING ACTIVITIES</b>	<b>13</b>	<b>(32)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Drawdown of banker acceptance	-	2,478
Repayment of banker acceptance	(1,987)	(2,949)
Repayment of HP Creditor	(19)	(10)
Proceeds from exercise of ESOS	31	-
<b>NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES</b>	<b>(1,975)</b>	<b>(481)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>816</b>	<b>(3,381)</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>(36)</b>	<b>(191)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>11,015</b>	<b>10,227</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>11,795</b>	<b>6,655</b>

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

## **PART A – EXPLANATORY NOTE PURSUANT TO MFRS 134**

### **1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the Malaysia Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 October 2018. The accounting policies and methods of computation adopted by the Group in the interim unaudited financial statements are consistent with those adopted for the year ended 31 October 2018.

### **2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statement for the year ended 31 October 2018, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 November 2018.

### **3. Auditors’ Report**

The auditors’ report on the financial statements for the financial year ended 31 October 2018 was not subject to any qualification.

### **4. Seasonal or cyclicity of interim operations**

The Group’s operation is dependent on the cyclical trend of the semiconductors and electronics industries.

### **5. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence during the three (3) months financial period ended 31 January 2019.

### **6. Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the three (3) months financial period ended 31 January 2019.

## 7. Debt and Equity Securities

The Company undertook the exercises on 2 July 2018, 4,212,500 share options under the Employees’ Share Option Scheme (ESOS) were granted to eligible directors and employees of the Group at an exercise price of RM0.42.

During financial year ended 31 October 2018, 409,000 unit shares of the ESOS were exercised and on 01 November 2018, 74,500 unit shares were exercised.

## 8. Dividends Paid

There was no dividend paid during the three (3) months financial period ended 31 January 2019.

## 9. Subsequent Material Events

There were no material events since the end of the current quarter to the date of this announcement that have not been reflected in the interim financial statements.

## 10. Change in the Composition of the Group

There were no changes in the composition of the Group during the three (3) months financial period ended 31 January 2019.

## 11. Contingent Liabilities and Contingent Assets

	<u>31 January 2019</u>	<u>31 January 2018</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	7,900,000	7,900,000

## 12. Segmental Information

Sales Revenue by Geographical Market for the three (3) months financial period up to 31 January 2019:

	<b>31 January 2019 RM’000</b>	<b>31 January 2018 RM’000</b>
Malaysia	118	55
South East Asia	2,484	269
North Asia	42	6,797
USA	-	7
<b>Total</b>	<b>2,644</b>	<b>7,128</b>

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in business as a manufacturer of automated test equipment and operates from Malaysia only.

### 13. Capital Commitments

#### Property, plant and equipment

There was no capital commitment for the purchase of property, plant and equipment that was not provided for in the interim financial statements as at 31 January 2019.

### Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

### 14. Performance Review

#### Financial review for current quarter and financial year to date

	Individual Quarter (1 <sup>st</sup> Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Current Quarter 31 January 2019	Preceding Quarter 31 January 2018			Current year to- date 31 January 2019	Preceding year to- date 31 January 2018		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue</b>	2,644	7,128	(4,484)	(63)	2,644	7,128	(4,481)	(63)
<b>Operating Profit</b>	(437)	477	(914)	(192)	(437)	477	(914)	(192)
<b>Profit Before Interest and Tax</b>	(443)	470	(913)	(194)	(443)	470	(913)	(194)
<b>Profit Before Tax</b>	(447)	419	(866)	(207)	(447)	419	(866)	(207)
<b>Profit After Tax</b>	(447)	419	(866)	(207)	(447)	419	(866)	(207)
<b>Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent</b>	(447)	419	(866)	(207)	(447)	419	(866)	(207)

In the current quarter ended 31 January 2019, the Group generated revenue of RM2,643,787, a decrease of RM4,484,539 from the corresponding quarter ended 31 January 2018 of RM7,128,326.

The decrease in revenue was attributed by the decrease of sales of machines in the current quarter ended 31 January 2019 as compared to the previous corresponding quarter ended 31 January 2018.

On the back of this revenue, the Group posted a loss before taxation of RM446,517 in the current quarter as compared to profit before taxation of RM419,220 during previous corresponding quarter.

**Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter 31 January 2019	Immediate Preceding Quarter 31 October 2018	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>	2,644	13,571	(10,927)	(81)
<b>Operating Profit</b>	(437)	4,211	(4,648)	(110)
<b>Profit Before Interest and Tax</b>	(443)	4,203	(4,646)	(111)
<b>Profit Before Tax</b>	(447)	4,195	(4,642)	(111)
<b>Profit After Tax</b>	(447)	2,795	(3,242)	(116)
<b>Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent</b>	(447)	2,795	(3,242)	(116)

The Group posted a lower revenue in the current quarter of RM2,643,787 as compared to the preceding quarter ended 31 October 2018 of RM13,571,291, representing a decrease of RM10,927,504 due to the decrease of sales of machines.

As a result of lower revenue, the Group posted a loss before taxation of RM446,517 as compared to profit before taxation of RM4,195,092 in the preceding quarter ended 31 October 2018.

**15. Commentary on Material Change in Statement of Financial Position**

- Higher inventory as at 31 January 2019, RM15.8 million as compared to RM15.2 million as at 31 October 2018 due to potential sales of the company.
- Decrease in trade receivables from RM19.4 million as at 31 October 2018 to RM12.6 million as at 31 January 2019. There were subsequent receipts from customers amounted to RM5.3million after the financial period ended 31 January 2019. No impairment is needed as these amounts are recoverable from customers based on their financial standings and payment history.
- Trade payables decrease from RM344,720 as at 31 October 2018 to RM350,507 as at 31 January 2019, and Borrowings decrease from RM3 million on 31 October 2018 to RM 266,000 due to the repayment of Bankers' Acceptances.



## 16. Commentary on Material Change in Cash Flow Statement

There was slight increase in the cash and cash equivalents from RM11 million as at 31 October 2018 to RM11.8 million as at 31 January 2019 mainly due to receipts from customers.

## 17. Commentary on the Prospects

Despite the global uncertainty and softness in the semiconductor sector, based on current activities and enquiries from current and new customers, we believe we can perform better than the general market trend.

## 18. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in any public document and hence, is not applicable.

## 19. Qualification of Audit Reports

The audited financial statements of the Company and its subsidiary, VisDynamics Research Sdn. Bhd. (“VRSB”), for the preceding financial years were reported without any qualification.

## 20. Tax Expense

Taxation comprises the following:

	Current Year Quarter	Previous Year Quarter	Current Year 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2019	31 January 2018	31 January 2019	31 January 2018
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-

## 21. Status of Corporate Proposal Proposed and Not Complete

Other than Note 5, there was no corporate proposal announced but not completed as at the date of this announcement.

## 22. Group Borrowings and Debt Securities

Group borrowings as at 31 January 2019 were as follows:

	<b><u>31 January</u></b> <b><u>2019</u></b>	<b><u>31 January</u></b> <b><u>2018</u></b>
	<b><u>RM ‘000</u></b>	<b><u>RM ‘000</u></b>
<b><u>Short term</u></b>		
Hire purchase payables	78	48
Bankers acceptances	—	<u>2,891</u>
	78	2,939
<b><u>Long term</u></b>		
Hire purchase payables	188	145
<b>TOTAL</b>	<b>266</b>	<b>3,084</b>

The Groups borrowings are all secured and in Ringgit Malaysia.

## 23. Changes in Material Litigation Since the Last Annual Balance Sheet Date

As at the date of this announcement, the Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

## 24. Dividend Payable

The Group has declared a Final Single-Tier Dividend of 1 sen per ordinary share in respect of the financial year ended 31 October 2018 and had been approved in AGM held on 27 March 2019, with entitlement date 15 May 2019 and payment date 12 June 2019.

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## 25. Profit/(Loss)/ Before Taxation

Profit/(loss) before taxation is stated after charging/(crediting) :-

	<b>Current Year Quarter</b>	<b>Current Year 3 Months Cumulative To-Date</b>
	<b>31 January 2019 RM'000</b>	<b>31 January 2019 RM'000</b>
Interest Income	(74)	(74)
Interest Expense	4	4
Depreciation of Property, Plant & Equipment	137	137
Amortisation of Development Expenditure	94	94
Amortisation of Trademarks & Patents	1	1
(Gain)/ Loss on Foreign Exchange-Unrealised	398	398
Reversal of Provision & Accruals	(3,069)	(3,069)

## 26. Employee’s Share Option Scheme (“ESOS”)

On 2 July 2018, the Company granted 4,212,500 ESOS (Employee’s Share Option Scheme) to eligible Directors and employees of the Company and its subsidiary to purchase shares in the Company.

Movement in the number of share options and the exercise price are as follows:

	<b>Number of share option</b>	
	<b>31 January 2019</b>	<b>31 January 2018</b>
At 1 November	-	-
Granted during the financial year	4,212,500**	-
Exercised during previous financial year	(409,000)	-
Exercised during the financial year	( 74,500)	-
Forfeited of ESOS	( 50,000)	-
At 31 January 2019	3,679,000	-
Exercise price (RM)	RM0.42	-
Options exercisable at 1 February 2019	3,679,000	-

\*\* Fifty percent (50%) of the total number of Options granted may be exercised upon Offering and shall remain exercisable for the Duration of the Scheme. The balance of fifty percent (50%) of the total number of Options granted may be exercised after the 1<sup>st</sup> anniversary of the Offering shall remain exercisable for the Duration of the Scheme.

During the financial year, 74,500 (2018: 409,000) share options were exercised. The weighted average share price at the date of exercise was RM0.5075 (2018: RM 0.6259). The fair value of the share options granted to eligible employees and Directors, was determined using Black-Scholes Option Pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at the grant date and the input assumed by the Company in arising the fair value are as follows:

**31 January 2019    31 January 2018**

Fair value at grant date (RM)	RM0.28	-
Share price	RM0.15	-
Exercise price	RM0.42	-
Expected volatility (%)	9.90%	-
Expected life (years)	5	-
Risk-free interest rate (%)	3.69%	-

**27. Earnings/(Loss) Per Share (“EPS/LPS”)**

**27.1. Basic EPS/(LPS)**

	<b>Current Year Quarter</b>	<b>Previous Year Quarter</b>	<b>Current Year 3 Months Cumulative To-Date</b>	<b>Previous Year 3 Months Cumulative To-Date</b>
	<b>31 January 2019</b>	<b>31 January 2018</b>	<b>31 January 2019</b>	<b>31 January 2018</b>
Net profit for the year (RM'000)	(447)	419	(447)	419
Weighted average number of shares in issue ('000)	169,031	159,392	169,031	159,392
Basic EPS/(LPS) (sen)	(0.26)	0.26	(0.26)	0.26

## 27.2. Diluted EPS

The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the year for the dilutive effect of all potential ordinary shares, if any.

	<b>Current Year Quarter</b>	<b>Previous Year Quarter</b>	<b>Current Year 3 Months Cumulative To-Date</b>	<b>Previous Year 3 Months Cumulative To-Date</b>
	<b>31 January 2019</b>	<b>31 January 2018</b>	<b>31 January 2019</b>	<b>31 January 2018</b>
Net profit for the year (RM'000)	(447)	419	(447)	419
Weighted average number of shares used in the calculation of basic earnings per share ('000)	169,031	159,392	169,031	159,392
Adjustment for incremental shares from assumed exercise of ESOS ('000)	254	-	254	-
Weighted average number of ordinary shares at 31 January 2019	169,285	159,392	169,285	159,392
Diluted EPS/(LPS) (sen)	(0.26)	0.26	(0.26)	0.26

## 28. Realised and Unrealised Profits Disclosure

The realised and unrealised profits of the Group are as follows:

	<b>As at 31.01.2019 RM'000</b>	<b>As at 31.01.2018 RM'000</b>
	-----	-----
Total retained profits of the Group:		
- Realised	19,782	13,174
- Unrealised	<u>347</u>	<u>(348)</u>
	20,129	12,826
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>20,039</u>	<u>12,736</u>

## 29. Derivatives

There was no outstanding derivative as at 31 January 2019.

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