

VisDynamics Holdings Berhad

[(Registration No. 200501000050 (677095-M)]

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE TWELVE (12) MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 OCTOBER 2020 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 OCTOBER 2019 RM'000 (Audited)	CURRENT YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2020 RM'000 (Unaudited)	PRECEDING YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2019 RM'000 (Audited)
Revenue	14,132	14,411	26,270	33,247
Cost of Sales	<u>(4,994)</u>	<u>(5,409)</u>	<u>(10,370)</u>	<u>(14,223)</u>
Gross Profit	9,138	9,002	15,900	19,024
Other Operating Income	106	462	561	1,193
Human Resource Related Expenses	(957)	(1,456)	(2,370)	(2,879)
Administrative Expenses	(417)	(539)	(1,712)	(2,158)
Selling and Distribution Expenses	(2,273)	(2,124)	(3,961)	(4,513)
Research and Development	(1,019)	(972)	(5,163)	(3,937)
Other Operating Expenses	<u>(221)</u>	<u>(84)</u>	<u>(276)</u>	<u>(683)</u>
Profit/(Loss) From Operations	4,357	4,289	2,979	6,047
Finance Cost	<u>(28)</u>	<u>(23)</u>	<u>(62)</u>	<u>(74)</u>
Profit/(Loss) Before Taxation	4,329	4,266	2,917	5,973
Taxation	<u>(471)</u>	<u>(494)</u>	<u>(471)</u>	<u>(903)</u>
Profit/(Loss) After Taxation For The Period	3,858	3,772	2,446	5,070
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	3,858	3,772	2,446	5,070
Attributable to:				
Equity holders of the parent	3,858	3,772	2,446	5,070
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	3,858	3,772	2,446	5,070
Profit Per Share				
(i) Basic (sen)	<u>2.26</u>	<u>2.23</u>	<u>1.44</u>	<u>3.00</u>
(ii) Fully diluted (sen)	<u>2.26</u>	<u>2.23</u>	<u>1.44</u>	<u>3.00</u>

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

VisDynamics Holdings Berhad

[(Registration No. 200501000050 (677095-M)]

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2020

	Unaudited As At 31 OCTOBER 2020 RM'000	Audited As At 31 OCTOBER 2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,517	5,691
Development expenditure	1,175	669
Goodwill on consolidation	1,576	1,576
Intangible Assets	26	30
Total Non-Current Assets	9,294	7,966
CURRENT ASSETS		
Inventories	18,081	13,833
Trade receivables	7,973	15,937
Other receivables, deposits and prepayments	1,771	1,953
Other investment	11,814	3,820
Fixed deposit	4,425	6,993
Cash and bank balances	3,289	3,708
Total Current Assets	47,353	46,244
TOTAL ASSETS	56,647	54,210
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	20,870	19,824
Share Premium	-	-
Warrants Reserve	3,371	3,371
Discount on Shares	(3,371)	(3,371)
ESOS Compensation Reserve	276	577
Retained profits	24,603	23,864
Equity attributable to equity holders of the parent	45,749	44,265
Minority interests	-	-
TOTAL EQUITY	45,749	44,265
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	68	139
Deferred Tax Liability	-	-
Total Non-Current Liabilities	68	139
CURRENT LIABILITIES		
Trade payables	3,141	1,253
Taxation payables	463	1,355
Other payables and accruals	4,992	5,187
Borrowings	2,234	2,011
Total Current Liabilities	10,830	9,806
TOTAL LIABILITIES	10,898	9,945
TOTAL EQUITY AND LIABILITIES	56,647	54,210
Net assets value per share (RM)	0.27	0.26

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

VisDynamics Holdings Berhad

[(Registration No. 200501000050 (677095-M)]

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 2020

(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
As at 31 October 2019 (Audited)	19,824	-	3,371	577	(3,371)	-	23,864	44,265
Net Profit for the year	-	-	-	-	-	-	2,446	2,446
Exercise of ESOS	1,046	-	-	(301)	-	-	-	745
Dividend paid during the year	-	-	-	-	-	-	(1,707)	(1,707)
As At 31 OCTOBER 2020 (Unaudited)	20,870	-	3,371	276	(3,371)	-	24,603	45,749
As at 31 October 2018 (Audited)	18,918	799	3,371	506	(3,371)	-	20,485	40,708
Net Profit for the year	-	-	-	-	-	-	5,070	5,070
Transfer share premium to share capital*	799	(799)	-	-	-	-	-	-
Forfeited of ESOS	-	-	-	(22)	-	-	-	(22)
Exercise of ESOS	107	-	-	(20)	-	-	-	87
Share Options Granted Under ESOS	-	-	-	113	-	-	-	113
Dividend paid during the year	-	-	-	-	-	-	(1,691)	(1,691)
As At 31 OCTOBER 19 (Audited)	19,824	-	3,371	577	(3,371)	-	23,864	44,265

(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

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 2020

	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2020 (Unaudited)	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2019 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	2,917	5,973
Adjustment for:-		
Depreciation of property, plant and equipment	537	548
Amortisation of development expenditure	182	377
Amortisation of Trademarks and Patents	4	4
(Reversal) / Addition of provision and accruals	(217)	(3,917)
(Gain)/ Loss on foreign exchange - unrealised	212	422
Loss / (Gain) on Disposal of property, plant and equipment	-	2
ESOS Expenses	-	94
Interest income	(129)	(327)
Interest expenses	39	47
Operating profit before working capital changes	3,545	3,223
(Increase) / Decrease in inventories	(4,249)	1,348
Decrease / (Increase) in trade and other receivables	8,019	2,978
Increase / (Decrease) in trade and other payables	1,949	900
Cash generated from operations	9,264	8,449
Interest paid	(39)	(47)
Tax paid	(1,363)	(2,328)
NET CASH FROM OPERATING ACTIVITIES	7,862	6,074
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Payment of development expenditure	(688)	(254)
Interest received	129	327
Purchase of property, plant and equipment	(727)	(882)
Purchase of investments	(7,994)	(3,820)
Disposal of property, plant and equipment	14	-
Purchase of land	(649)	-
NET CASH USED IN INVESTING ACTIVITIES	(9,915)	(4,629)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(1,707)	(1,692)
Drawdown of banker acceptance	2,514	1,933
Repayment of banker acceptance	(2,290)	(1,987)
Repayment of HP Creditor	(70)	(67)
Proceeds from exercise of ESOS	744	84
NET CASH USED IN FINANCING ACTIVITIES	(809)	(1,729)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,862)	(284)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(125)	(29)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	10,701	11,015
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	7,714	10,701

(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 2019.

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 2019, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 November 2019.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 October 2019 was not subject to any qualification.

4. Seasonal or cyclical nature 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 twelve (12) months financial period ended 31 October 2020.

6. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the twelve (12) months financial period ended 31 October 2020.

VisDynamics Holdings Berhad (“VHB” or “Company”)

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(Incorporated in Malaysia) – Explanatory Note

7. Debt and Equity Securities

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.

Please refer to note 26 for details of ESOS.

8. Dividends Paid

The Final Single-Tier Dividend of 1 sen per ordinary share for the financial year ended 31 October 2019 amounted to RM 1,706,941 was paid on 05 June 2020.

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 twelve (12) months financial period ended 31 October 2020.

11. Contingent Liabilities and Contingent Assets

	<u>31 October 2020</u>	<u>31 October 2019</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	16,400,000	11,400,000

12. Segmental Information

Sales Revenue by Geographical Market for the twelve (12) months financial period up to 31 October 2020:

	31 October 2020 RM’000	31 October 2019 RM’000
Malaysia	1,554	1,276
South East Asia	3,530	8,298
North Asia	21,167	23,458
USA	19	215
Total	26,270	33,247

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(Incorporated in Malaysia) – Explanatory Note

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**

	31 October 2021 RM'000	31 October 2019 RM'000
Land		
Contracted but not provided for	5,655,908	-
Total	5,655,908	-

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 (4th Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Current Quarter 31 October 2020	Preceding Quarter 31 October 2019			Current year to- date 31 October 2020	Preceding year to- date 31 October 2019		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	14,132	14,411	(279)	(2)	26,270	33,247	(6,978)	(21)
Operating Profit	4,357	4,289	68	1	2,979	6,047	(3,067)	(51)
Profit Before Interest and Tax	4,352	4,283	69	2	2,956	6,020	(3,064)	(51)
Profit Before Tax	4,329	4,266	62	1	2,917	5,973	(3,056)	(51)
Profit After Tax	3,858	3,772	86	2	2,446	5,070	(2,624)	(52)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,858	3,772	86	2	2,446	5,070	(2,624)	(52)

VisDynamics Holdings Berhad (“VHB” or “Company”)

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(Incorporated in Malaysia) – Explanatory Note

In the current 12 months ended 31 October 2020, the Group generated revenue of RM26,269,719, a decrease of RM6,677,570 from the same corresponding period ended 31 October 2019 of RM33,247,289. The decrease in revenue was attributed by the decrease of the sales of machines.

In line with the decrease in revenue, the Group posted a profit before taxation of RM2,916,930 during this current year to date ended 31 October 2020 as compared to profit before taxation of RM5,973,213 during preceding year to date ended 31 October 2019.

The Group posted a lower revenue in the current quarter of RM14,132,337 as compared to the previous corresponding quarter ended 31 October 2019 of RM14,411,580 mainly due to the sales of machines with lower selling price attributed by different specifications.

In spite of the decrease in revenue, the Group posted a higher profit before taxation of RM4,328,785 in the current quarter as compared to profit before taxation of RM4,265,975 during previous corresponding quarter mainly due to the sales of more machines with higher profit margin.

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31 October 2020	Immediate Preceding Quarter 31 July 2020	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	14,132	4,030	10,102	251
Operating Profit	4,358	(840)	5,198	(619)
Profit Before Interest and Tax	4,352	(846)	5,198	(614)
Profit Before Tax	4,329	(853)	5,182	(608)
Profit After Tax	3,858	(853)	4,711	(552)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,858	(853)	4,711	(552)

The Group posted a higher revenue in the current quarter of RM14,132,337 as compared to the preceding quarter ended 31 July 2020 of RM4,029,897, representing increase of RM10,102,440 due to the increase of sales of machines.

As a result of higher revenue, the Group posted a profit before taxation of RM4,328,785 as compared to loss before taxation of RM852,992 in the preceding quarter ended 31 July 2020.

15. Commentary on Material Change in Statement of Financial Position

1. Higher inventory as at 31 October 2020, RM18 million as compared to RM13.8 million as at 31 October 2019 due to potential sales of the company.
2. Decrease in trade receivables from RM15.9 million as at 31 October 2019 to RM8 million as at 31 October 2020 due to receipts from customers. There were subsequent receipts from customers amounted to RM2.4 million after the financial period ended 31 October 2020. No impairment is needed as these amounts are recoverable from customers based on their financial standings and payment history.
3. During this financial period 31 October 2020, there was an Other Investment of RM11.8 million due to the placement of deposit in a low risk money market fund.
4. Trade payables increased from RM1.2 million as at 31 October 2019 to RM3.1 million as at 31 October 2020.
5. Other payables and accruals decreased from RM 5.2 million as at 31 October 2019 to RM 4.9 million as at 31 October 2020 mainly due to the decrease in service commission and warranty.

16. Commentary on Material Change in Cash Flow Statement

There was a decrease in the cash and cash equivalents from RM10.7 million as at 31 October 2019 to RM7.7 million as at 31 October 2020 mainly due to Company’s working capital purposes in addition to placement in Other Investment.

17. Commentary on the Prospects

In the current global race to test the effectiveness of Coronavirus vaccines amid the resurgence wave of Coronavirus infections, there is an optimism that the economy will recover albeit slowly. Our financial condition still remains healthy to further expand our workforce and R & D activities. Due to the pandemic, the new norm lifestyle has resulted in the strong demand in semiconductor devices which we believe will benefit us from now till the near future.

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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	463	1,106	463	1,355
(Over)/under provision in prior year	8	-	8	160
Deferred taxation	-	(612)	-	(612)
	471	494	471	903

21. Status of Corporate Proposal Proposed and Not Complete

Other than Note 7, there was no corporate proposal announced but not completed as at the date of this announcement.

ESOS proceeds are used for company’s working capital purposes.

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22. Group Borrowings and Debt Securities

Group borrowings as at 31 October 2020 were as follows:

	<u>31 October</u> <u>2020</u> <u>RM '000</u>	<u>31 October</u> <u>2019</u> <u>RM '000</u>
<u>Short term</u>		
Hire purchase payables	78	78
Bankers acceptances	<u>2,156</u>	<u>1,933</u>
	2,234	2,011
<u>Long term</u>		
Hire purchase payables	68	139
TOTAL	2,302	2,150

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 Final Single-Tier Dividend of 1 sen per ordinary share for the financial year ending 31 October 2019 amounted to RM1,706,941.00 was paid on 05 June 2020.

There is no dividend declared during period under review.

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25. Profit/(Loss)/ Before Taxation

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

	Current Year Quarter	Current Year 12 Months Cumulative To-Date
	31 October 2020 RM'000	31 October 2020 RM'000
Interest Income	(26)	(129)
Interest Expense	24	39
Depreciation of Property, Plant & Equipment	125	537
Amortisation of Development Expenditure	54	182
Amortisation of Trademarks & Patents	1	4
(Gain) / Loss on Foreign Exchange-Unrealised	107	212
Addition / (Reversal) of Provision & Accruals	(1,825)	(217)

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:

	Number of share option	
	31 October 2020	31 October 2019
At 1 November	-	-
Granted during the financial year	4,212,500**	4,212,500**
Exercised during previous financial year	(616,500)	(409,000)
Exercised during the financial year	(1,788,500)	(207,500)
Forfeited of ESOS	(196,000)	(161,000)
At 31 October 2020	1,611,500	3,435,000
Exercise price (RM)	RM0.42	RM0.42
Options exercisable at 1 November 2020	1,611,500	3,435,000

** 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 1st anniversary of the Offering shall remain exercisable for the Duration of the Scheme.

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(Incorporated in Malaysia) – Explanatory Note

During the financial quarter under review, proceeds raised from exercise of 1,788,500 share options amounted to RM 751,170, as compared to previous corresponding quarter of 207,500 share options were exercised amounted to RM 87,150.00. The weighted average share price at the date of exercise was RM0.58 (2019: RM 0.51).

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:

	<u>31 October 2020</u>	<u>31 October 2019</u>
Fair value at grant date (RM)	RM 0.280	RM 0.280
Share price	RM 0.435	RM 0.440
Exercise price	RM 0.420	RM 0.420
Expected volatility (%)	52.017%	6.805%
Expected life (years)	5	5
Risk-free interest rate (%)	1.947%	3.377%

27. Earnings/(Loss) Per Share (“EPS/LPS”)**27.1. Basic EPS/(LPS)**

	Current Year Quarter	Previous Year Quarter	Current Year 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
Net profit for the year (RM'000)	3,858	3,772	2,446	5,070
Weighted average number of shares in issue ('000)	170,957	169,169	169,688	169,072
Basic EPS/(LPS) (sen)	2.26	2.23	1.44	3.00

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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.

	Current Year Quarter	Previous Year Quarter	Current Year 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
Net profit for the year (RM'000)	3,858	3,772	2,446	5,070
Weighted average number of shares used in the calculation of basic earnings per share ('000)	170,957	169,169	169,688	169,072
Adjustment for shares from assumed exercise of ESOS ('000)	152	118	152	118
Weighted average number of ordinary shares at 31 July 2020	171,109	169,287	169,840	169,190
Diluted EPS/(LPS) (sen)	2.26	2.23	1.44	3.00

28. Realised and Unrealised Profits Disclosure

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

	As at 31.10.2020 RM'000	As at 31.10.2019 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	24,583	23,631
- Unrealised	<u>110</u>	<u>323</u>
	24,693	23,954
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>24,603</u>	<u>23,864</u>

29. Derivatives

There was no outstanding derivative as at 31 October 2020.