

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 THREE (3) MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2021

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2021 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2020 RM'000 (Audited)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2021 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2020 RM'000 (Audited)
Revenue	10,935	2,537	10,935	2,537
Cost of Sales	<u>(3,910)</u>	<u>(1,120)</u>	<u>(3,910)</u>	<u>(1,120)</u>
Gross Profit	7,025	1,417	7,025	1,417
Other Operating Income	146	128	146	128
Human Resource Related Expenses	(728)	(525)	(728)	(525)
Administrative Expenses	(514)	(519)	(514)	(519)
Selling and Distribution Expenses	(1,431)	(332)	(1,431)	(332)
Research and Development	(1,177)	(1,458)	(1,177)	(1,458)
Other Operating Expenses	<u>(298)</u>	<u>(389)</u>	<u>(298)</u>	<u>(389)</u>
Profit/(Loss) From Operations	3,023	(1,678)	3,023	(1,678)
Finance Cost	<u>(34)</u>	<u>(9)</u>	<u>(34)</u>	<u>(9)</u>
Profit/(Loss) Before Taxation	2,989	(1,687)	2,989	(1,687)
Taxation	<u>(458)</u>	<u>-</u>	<u>(458)</u>	<u>-</u>
Profit/(Loss) After Taxation For The Period	2,531	(1,687)	2,531	(1,687)
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	2,531	(1,687)	2,531	(1,687)
Attributable to:				
Equity holders of the parent	2,531	(1,687)	2,531	(1,687)
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	2,531	(1,687)	2,531	(1,687)
Profit Per Share				
(i) Basic (sen)	<u>1.48</u>	<u>(1.00)</u>	<u>1.48</u>	<u>(1.00)</u>
(ii) Fully diluted (sen)	<u>1.47</u>	<u>(1.00)</u>	<u>1.47</u>	<u>(1.00)</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)]

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2021

	Unaudited As At 31 JANUARY 2021 RM'000	Audited As At 31 OCTOBER 2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	12,086	6,517
Development expenditure	1,190	1,175
Goodwill on consolidation	1,537	1,576
Intangible Assets	25	26
Total Non-Current Assets	14,838	9,294
CURRENT ASSETS		
Inventories	17,815	18,081
Trade receivables	4,720	7,973
Other receivables, deposits and prepayments	2,036	1,771
Other investment	9,877	11,814
Fixed deposit	4,811	4,425
Cash and bank balances	4,644	3,289
Total Current Assets	43,903	47,353
TOTAL ASSETS	58,741	56,647
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	20,969	20,870
Warrants Reserve	3,371	3,371
Discount on Shares	(3,371)	(3,371)
ESOS Compensation Reserve	269	276
Retained profits	27,134	24,603
Equity attributable to equity holders of the parent	48,372	45,749
Minority interests	-	-
TOTAL EQUITY	48,372	45,749
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	50	68
Total Non-Current Liabilities	50	68
CURRENT LIABILITIES		
Trade payables	1,870	3,141
Taxation payables	941	463
Other payables and accruals	4,152	4,992
Borrowings	3,356	2,234
Total Current Liabilities	10,319	10,830
TOTAL LIABILITIES	10,369	10,898
TOTAL EQUITY AND LIABILITIES	58,741	56,647
Net assets value per share (RM)	0.28	0.27

(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 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2021

(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 2020 (Audited)	20,870	-	3,371	276	(3,371)	-	24,603	45,749
Net Profit for the year	-	-	-	-	-	-	2,531	2,531
Exercise of ESOS	99	-	-	(7)	-	-	-	92
As At 31 JANUARY 2021 (Unaudited)	20,969	-	3,371	269	(3,371)	-	27,134	48,372
As at 31 October 2019 (Audited)	19,824	-	3,371	577	(3,371)	-	23,864	44,265
Net Profit for the year	-	-	-	-	-	-	(1,687)	(1,687)
Exercise of ESOS	67	-	-	(17)	-	-	-	50
As At 31 JANUARY 2020 (Audited)	19,891	-	3,371	560	(3,371)	-	22,177	42,628

(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 CASH FLOW STATEMENT FOR THE 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2021

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2021 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2020 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	2,989	(1,687)
Adjustment for:-		
Depreciation of property, plant and equipment	120	138
Amortisation of development expenditure	91	70
Amortisation of Trademarks and Patents	1	1
Amortisation of Goodwill	39	-
(Reversal) / Addition of provision and accruals	(872)	(870)
(Gain)/ Loss on foreign exchange - unrealised	134	355
Interest income	(18)	(114)
Interest expenses	24	2
Operating profit before working capital changes	2,508	(2,105)
Decrease / (Increase) in inventories	266	(881)
Decrease / (Increase) in trade and other receivables	2,959	1,178
(Decrease) / Increase in trade and other payables	(1,237)	91
Cash generated from operations	4,496	(1,717)
Interest paid	(24)	(2)
Reversal of taxation	20	-
NET CASH FROM OPERATING ACTIVITIES	4,492	(1,719)
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Payment of development expenditure	(102)	(82)
Interest received	18	114
Purchase of property, plant and equipment	(37)	(72)
Withdrawal of investments	1,937	168
Purchase of land	(5,656)	-
NET CASH USED IN INVESTING ACTIVITIES	(3,840)	128
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of banker acceptance	2,075	-
Repayment of banker acceptance	(953)	(1,933)
Repayment of HP Creditor	(18)	(14)
Proceeds from exercise of ESOS	93	51
NET CASH USED IN FINANCING ACTIVITIES	1,197	(1,896)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,849	(3,487)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(108)	(74)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	7,714	10,701
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	9,455	7,140

(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 2020.

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 2020, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 November 2020.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 October 2020 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 three (3) months financial period ended 31 January 2021.

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 2021.

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

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

There was no dividend paid during the three (3) months financial period ended 31 January 2021.

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 2021.

11. Contingent Liabilities and Contingent Assets

	<u>31 January 2021</u>	<u>31 January 2020</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	16,400,000	16,400,000

12. Segmental Information

Sales Revenue by Geographical Market for the three (3) months financial period up to 31 January 2021:

	31 January 2021 RM’000	31 January 2020 RM’000
Malaysia	1,058	187
South East Asia	1,611	338
North Asia	8,266	2,003
USA	-	9
Total	10,935	2,537

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

Approved but not contracted for

Budget for the construction of factory building amounted to RM 10 million.

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 st Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Current Quarter 31 January 2021	Preceding Quarter 31 January 2020			Current year to- date 31 January 2021	Preceding year to- date 31 January 2020		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	10,935	2,537	8,398	331	10,935	2,537	8,398	331
Operating Profit	3,023	(1,678)	4,701	(280)	3,023	(1,678)	4,701	(280)
Profit Before Interest and Tax	3,014	(1,685)	4,699	(279)	3,014	(1,685)	4,699	(279)
Profit Before Tax	2,989	(1,687)	4,676	(277)	2,989	(1,687)	4,676	(277)
Profit After Tax	2,531	(1,687)	4,218	(250)	2,531	(1,687)	4,218	(250)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,531	(1,687)	4,218	(250)	2,531	(1,687)	4,218	(250)

In the current quarter ended 31 January 2021, the Group generated revenue of RM10,935,082, an increase of RM8,398,166 from the same corresponding period ended 31 January 2020 of RM2,536,916. The increase in revenue was attributed by the increase of the sales of machines.

In line with the increase in revenue, the Group posted a profit before taxation of RM2,988,791 during this current year to date ended 31 January 2021 as compared to loss before taxation of RM1,686,560 during preceding year to date ended 31 January 2020.

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31 January 2021	Immediate Preceding Quarter 31 October 2020	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	10,935	14,132	(3,197)	(23)
Operating Profit	3,023	4,358	(1,335)	(31)
Profit Before Interest and Tax	3,014	4,352	(1,338)	(31)
Profit Before Tax	2,989	4,329	(1,340)	(31)
Profit After Tax	2,531	3,858	(1,327)	(34)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,531	3,858	(1,327)	(34)

The Group posted a lower revenue in the current quarter of RM10,935,082 as compared to the preceding quarter ended 31 October 2020 of RM14,132,337, representing decrease of RM3,197,255 due to the decrease of sales of machines.

As a result of lower revenue, the Group posted a profit before taxation of RM2,988,791 as compared to profit before taxation of RM4,328,785 in the preceding quarter ended 31 October 2020.

15. Commentary on Material Change in Statement of Financial Position

1. Increase in PPE from RM 6.5 million as at 31 October 2020 to RM 12.1 million as at 31 January 2021 mainly due to the purchase of land for business expansion.
2. Decrease in trade receivables from RM8 million as at 31 October 2020 to RM4.7 million as at 31 January 2021 due to receipts from customers. There were subsequent receipts from customers amounted to RM685k after the financial period ended 31 January 2021. 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 January 2021, there was an Other Investment of RM9.8 million due to the placement of deposit in a low risk money market fund.

4. Trade payables decreased from RM3.1 million as at 31 October 2020 to RM1.9 million as at 31 January 2021.
5. Other payables and accruals decreased from RM 2.7 million as at 31 October 2020 to RM 1.9 million as at 31 January 2021 mainly due to the decrease in sales & service commission and payment of bonus & incentives during the quarter.

16. Commentary on Material Change in Cash Flow Statement

There was an increase in the cash and cash equivalents from RM7.7 million as at 31 October 2020 to RM9.5 million as at 31 January 2021 mainly due to payments received from customers.

17. Commentary on the Prospects

In the current global race to deliver the Covid 19 vaccines & inoculate the population, there is an optimism that our economy will get better albeit slowly. Our financial condition remains in good shape with healthy liquidity coverage to further expand our workforce and R & D activities. Due to the pandemic, there are also market opportunities arising from new technologies being developed and from growing demand for products requiring semiconductor devices which we believe will benefit us.

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 2021	31 January 2020	31 January 2021	31 January 2020
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	478	-	478	-
(Over)/under provision in prior year	(20)	-	(20)	-
Deferred taxation	-	-	-	-
	458	-	458	-

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 January 2021 were as follows:

	<u>31 January</u> <u>2021</u>	<u>31 January</u> <u>2020</u>
<u>Short term</u>	<u>RM ‘000</u>	<u>RM ‘000</u>
Hire purchase payables	78	78
Bankers acceptances	<u>3,278</u>	—
	3,356	78
<u>Long term</u>		
Hire purchase payables	50	125
TOTAL	3,406	203

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 ended 31 October 2019 amounted to RM 1,706,941.00 was paid on 05 June 2020.

The Group has declared a Final Single-Tier Dividend of 1 sen per ordinary share in respect of the financial year ended 31 October 2020 and had been approved in the AGM held on 30 March 2021. The entitlement date and payment date are on 03 May 2021 and 28 May 2021 respectively.

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25. Profit/(Loss)/ Before Taxation

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

	Current Year Quarter	Current Year 3 Months Cumulative To-Date
	31 January 2021 RM'000	31 January 2021 RM'000
Interest Income	(18)	(18)
Interest Expense	24	24
Depreciation of Property, Plant & Equipment	120	120
Amortisation of Development Expenditure	91	91
Amortisation of Trademarks & Patents	1	1
Amortisation of Goodwill	39	39
(Gain) / Loss on Foreign Exchange-Unrealised	134	134
Addition / (Reversal) of Provision & Accruals	(872)	(872)

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 January 2021	31 January 2020
At 1 November	-	-
Granted during the financial year	4,212,500**	4,212,500**
Exercised during previous financial year	(2,405,000)	(616,500)
Exercised during the financial year	(222,500)	(121,500)
Forfeited of ESOS	(196,000)	(161,000)
At 31 January 2021	1,389,000	3,313,500
Exercise price (RM)	RM0.42	RM0.42
Options exercisable at 1 February 2021	1,389,000	3,313,500

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

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(Incorporated in Malaysia) – Explanatory Note

** 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.

During the financial quarter under review, proceeds raised from exercise of 222,500 share options amounted to RM 73,450, as compared to previous corresponding quarter of 121,500 share options were exercised amounted to RM 51,030. The weighted average share price at the date of exercise was RM0.60 (2020: RM 0.555).

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 January 2021</u>	<u>31 January 2020</u>
Fair value at grant date (RM)	RM 0.280	RM 0.280
Share price	RM 1.180	RM 0.600
Exercise price	RM 0.420	RM 0.420
Expected volatility (%)	90.472%	10.707%
Expected life (years)	5	5
Risk-free interest rate (%)	1.939%	3.100%

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

27.1. Basic EPS/(LPS)

	Current Year Quarter	Previous Year Quarter	Current Year 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2021	31 January 2020	31 January 2021	31 January 2020
Net profit for the year (RM'000)	2,531	(1,687)	2,531	(1,687)
Weighted average number of shares in issue ('000)	171,158	169,201	171,158	169,201
Basic EPS/(LPS) (sen)	1.48	(1.00)	1.48	(1.00)

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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 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2021	31 January 2020	31 January 2021	31 January 2020
Net profit for the year (RM'000)	2,531	(1,687)	2,531	(1,687)
Weighted average number of shares used in the calculation of basic earnings per share ('000)	171,158	169,201	171,158	169,201
Adjustment for shares from assumed exercise of ESOS ('000)	897	136	897	136
Weighted average number of ordinary shares at 31 January 2021	172,055	169,337	172,055	169,337
Diluted EPS/(LPS) (sen)	1.47	(1.00)	1.47	(1.00)

28. Realised and Unrealised Profits Disclosure

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

	As at 31.01.2021 RM'000	As at 31.01.2020 RM'000
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Total retained profits of the Group:		
- Realised	27,248	22,299
- Unrealised	<u>(24)</u>	<u>(32)</u>
	27,224	22,267
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>27,134</u>	<u>22,177</u>

29. Derivatives

There was no outstanding derivative as at 31 January 2021.