

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 2022

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2022 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2021 RM'000 (Audited)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2022 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2021 RM'000 (Audited)
Revenue	14,509	10,935	14,509	10,935
Cost of Sales	<u>(5,568)</u>	<u>(3,910)</u>	<u>(5,568)</u>	<u>(3,910)</u>
Gross Profit	8,941	7,025	8,941	7,025
Other Operating Income	279	146	279	146
Human Resource Related Expenses	(1,174)	(728)	(1,174)	(728)
Administrative Expenses	(455)	(514)	(455)	(514)
Selling and Distribution Expenses	(2,668)	(1,431)	(2,668)	(1,431)
Research and Development	(1,203)	(1,177)	(1,203)	(1,177)
Other Operating Expenses	<u>(40)</u>	<u>(298)</u>	<u>(40)</u>	<u>(298)</u>
Profit/(Loss) From Operations	3,680	3,023	3,680	3,023
Finance Cost	<u>(12)</u>	<u>(34)</u>	<u>(12)</u>	<u>(34)</u>
Profit/(Loss) Before Taxation	3,668	2,989	3,668	2,989
Taxation	<u>(890)</u>	<u>(458)</u>	<u>(890)</u>	<u>(458)</u>
Profit/(Loss) After Taxation For The Period	2,778	2,531	2,778	2,531
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	2,778	2,531	2,778	2,531
Attributable to:				
Equity holders of the parent	2,778	2,531	2,778	2,531
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	2,778	2,531	2,778	2,531
Profit Per Share				
(i) Basic (sen)	1.59	1.48	1.59	1.48
(ii) Fully diluted (sen)	1.56	1.47	1.56	1.47

(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 2022

	Unaudited As At 31 JANUARY 2022 RM'000	Audited As At 31 OCTOBER 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	12,333	12,480
Development expenditure	1,901	1,873
Goodwill on consolidation	1,379	1,419
Intangible Assets	21	22
Total Non-Current Assets	15,634	15,794
CURRENT ASSETS		
Inventories	20,097	18,733
Trade receivables	4,877	5,354
Other receivables, deposits and prepayments	3,534	2,792
Other investment	7,804	10,759
Fixed deposit	4,317	3,020
Cash and bank balances	17,123	12,605
Total Current Assets	57,752	53,263
TOTAL ASSETS	73,386	69,057
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	23,947	23,747
Warrants Reserve	1,695	1,695
Discount on Shares	(1,695)	(1,695)
Retained profits	35,245	32,466
Equity attributable to equity holders of the parent	59,192	56,213
Minority interests	-	-
TOTAL EQUITY	59,192	56,213
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	243	274
Total Non-Current Liabilities	243	274
CURRENT LIABILITIES		
Trade payables	4,471	2,539
Taxation payables	3,910	3,020
Other payables and accruals	5,432	6,873
Borrowings	138	138
Total Current Liabilities	13,951	12,570
TOTAL LIABILITIES	14,194	12,844
TOTAL EQUITY AND LIABILITIES	73,386	69,057
Net assets value per share (RM)	0.34	0.32

(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 2022

(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 2021 (Audited)	23,747	-	1,695	-	(1,695)	-	32,467	56,214
Net Profit for the year	-	-	-	-	-	-	2,778	2,778
Exercise of ESOS	200	-	-	-	-	-	-	200
As At 31 January 2022 (Unaudited)	23,947	-	1,695	-	(1,695)	-	35,245	59,192
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 (Audited)	20,969	-	3,371	269	(3,371)	-	27,134	48,372

(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 2022

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2022 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2021 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	3,668	2,989
Adjustment for:-		
Depreciation of property, plant and equipment	168	120
Amortisation of development expenditure	73	91
Amortisation of Trademarks and Patents	1	1
Impairment of Goodwill	39	39
(Reversal) / Addition of provision and accruals	(1,384)	(872)
(Gain)/ Loss on foreign exchange - unrealised	(196)	134
Interest income	(18)	(18)
Interest expenses	4	24
Operating profit before working capital changes	2,355	2,508
(Increase) / Decrease in inventories	(1,363)	266
(Increase) / Decrease in trade and other receivables	(199)	2,959
Increase / (Decrease) in trade and other payables	1,870	(1,237)
Cash generated from operations	2,663	4,496
Interest paid	(4)	(24)
Reversal of taxation	-	20
NET CASH FROM OPERATING ACTIVITIES	2,659	4,492
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Payment of development expenditure	(101)	(102)
Interest received	18	18
Purchase of property, plant and equipment	(20)	(37)
Proceeds from withdrawal of money market funds	2,955	1,937
Purchase of land	-	(5,656)
NET CASH USED IN INVESTING ACTIVITIES	2,852	(3,840)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of banker acceptance	-	2,075
Repayment of banker acceptance	-	(953)
Repayment of HP Creditor	(31)	(18)
Proceeds from exercise of ESOS	200	93
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	169	1,197
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,680	1,849
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	135	(108)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	15,625	7,714
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	21,440	9,455

(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 2021.

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 2021, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 November 2021.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 October 2021 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

Other than the material changes mentioned in Note 15, there were no other 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 2022.

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 2022.

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 2022.

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 2022.

11. Contingent Liabilities and Contingent Assets

	<u>31 January 2022</u>	<u>31 January 2021</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 2022:

	31 January 2022 RM’000	31 January 2021 RM’000
Malaysia	1,144	1,058
South East Asia	2,887	1,611
North Asia	10,464	8,266
USA	14	-
Total	14,509	10,935

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 15 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/ %)	
	Quarter ended 31 January 2022	Quarter ended 31 January 2021			Year ended 31 January 2022	Year ended 31 January 2021		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	14,509	10,935	3,574	33	14,509	10,935	3,574	33
Profit Before Interest and Tax	3,672	3,014	658	22	3,672	3,014	658	22
Profit Before Tax	3,668	2,989	679	23	3,668	2,989	679	23
Profit After Tax	2,778	2,531	247	10	2,778	2,531	247	10
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,778	2,531	247	10	2,778	2,531	247	10

In the current 3 months ended 31 January 2022, the Group generated revenue of RM14,509,123, an increase of RM3,574,041 from the same corresponding period ended 31 January 2021 of RM10,935,082. The increase in revenue was attributed by the increase in the sales of machines.

In line with the increase in revenue, the Group posted a profit before taxation of RM3,667,912 during this current year to date ended 31 January 2022 as compared to profit before taxation of RM2,988,791 during corresponding year to date ended 31 January 2021.

Financial review for current quarter compared with preceding quarter

	Current Quarter 31 January 2022	Preceding Quarter 31 October 2021	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	14,509	11,673	2,836	24
Profit Before Interest and Tax	3,672	3,226	446	14
Profit Before Tax	3,668	3,222	446	14
Profit After Tax	2,778	1,902	876	46
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,778	1,902	876	46

The Group posted a higher revenue in the current quarter of RM14,509,123 as compared to the preceding quarter ended 31 October 2021 of RM11,673,126, representing increase of RM2,835,997 due to the increase of sales of machines.

As a result of higher revenue, the Group posted a profit before taxation of RM3,667,912 as compared to profit before taxation of RM3,222,586 in the preceding quarter ended 31 October 2021.

15. Commentary on Material Change in Statement of Financial Position

1. Higher inventory as at 31 January 2022, RM 20.1 million as compared to RM 18.7 million as at 31 October 2021 due to potential sales of the Company.
2. Decrease in trade receivables from RM5.4 million as at 31 October 2021 to RM4.9 million as at 31 January 2022 due to receipts from customers. There were subsequent receipts from customers amounted to RM 2.2 million after the financial period ended 31 January 2022. No impairment is needed as these amounts are recoverable from customers based on their financial standings and payment history.
3. Trade payables increased from RM2.5 million as at 31 October 2021 to RM4.5 million as at 31 January 2022.

4. Decrease in Other Payables and Accruals from RM6.9 million as at 31 October 2021 to RM5.4 million as at 31 January 2022 mainly due to the reversal or payment of bonus and incentives during the quarter.
5. Increase of ordinary share capital due to the exercise of Warrants and ESOS.

16. Commentary on Material Change in Cash Flow Statement

There was an increase in the cash and cash equivalents from RM15.6 million as at 31 October 2021 to RM21.4 million as at 31 January 2022 mainly due to payments received from customers.

17. Commentary on the Prospects

The demand due to Covid19 pandemic is expected to taper down but at the same time, energy crisis and environmental concern will accelerate the adoption of electrification of motor vehicles. Thus, we believe we can continue to benefit from the uptrend of the global semiconductor outlook.

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.

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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 2022	31 January 2021	31 January 2022	31 January 2021
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	890	478	890	478
(Over)/under provision in prior year	-	(20)	-	(20)
Deferred taxation	-	-	-	-
	890	458	890	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 2022 were as follows:

	<u>31 January</u> <u>2022</u>	<u>31 January</u> <u>2021</u>
	<u>RM ‘000</u>	<u>RM ‘000</u>
<u>Short term</u>		
Hire purchase payables	138	78
Bankers acceptances	—	<u>3,278</u>
	138	3,356
<u>Long term</u>		
Hire purchase payables	243	50
TOTAL	381	3,406

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 declared First Interim Single-Tier Dividend of 1.5 sen per ordinary share in respect of the financial year ending 31 October 2022. The entitlement date and payment date were on 25 April 2022 and 19 May 2022 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 2022 RM'000	31 January 2022 RM'000
Interest Income	(18)	(18)
Interest Expense	4	4
Depreciation of Property, Plant & Equipment	168	168
Amortisation of Development Expenditure	73	73
Amortisation of Trademarks & Patents	1	1
Impairment of Goodwill	39	39
(Gain) / Loss on Foreign Exchange-Unrealised	(196)	(196)
(Reversal) / Addition of Provision & Accruals	(1,384)	(1,384)

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 2022	31 January 2021
At 1 November	-	-
Granted during the financial year	4,212,500**	4,212,500**
Exercised during previous financial year	(3,359,000)	(2,405,000)
Exercised during the financial year	(140,000)	(222,500)
Forfeited of ESOS	(196,000)	(196,000)
At 31 January 2022	517,500	1,389,000
Exercise price (RM)	RM0.42	RM0.42
Options exercisable at 1 February 2022	517,500	1,389,000

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** 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 140,000 share options amounted to RM 58,800, as compared to previous corresponding quarter of 222,500 share options were exercised amounted to RM 93,450. The weighted average share price at the date of exercise was RM1.27 (2021: RM 0.60).

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 2022</u>	<u>31 January 2021</u>
Fair value at grant date (RM)	RM 0.280	RM 0.280
Share price	RM 0.835	RM 1.180
Exercise price	RM 0.420	RM 0.420
Expected volatility (%)	60.745%	90.472%
Expected life (years)	5	5
Risk-free interest rate (%)	2.078%	1.939%

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 2022	31 January 2021	31 January 2022	31 January 2021
Net profit for the year (RM'000)	2,778	2,531	2,778	2,531
Weighted average number of shares in issue ('000)	174,527	171,158	174,527	171,158
Basic EPS/(LPS) (sen)	1.59	1.48	1.59	1.48

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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 2022	31 January 2021	31 January 2022	31 January 2021
Net profit for the year (RM'000)	2,778	2,531	2,778	2,531
Weighted average number of shares used in the calculation of basic earnings per share ('000)	174,527	171,158	174,527	171,158
Adjustment for shares from assumed exercise of ESOS ('000)	249	897	249	897
Adjustment for shares from assumed exercise of WARRANT ('000)	2,973	-	2,973	-
Weighted average number of ordinary shares at 31 January 2022	177,749	172,055	177,749	172,055
Diluted EPS/(LPS) (sen)	1.56	1.47	1.56	1.47

28. Realised and Unrealised Profits Disclosure

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

	As at 31.01.2022 RM'000	As at 31.01.2021 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	35,380	27,248
- Unrealised	<u>(45)</u>	<u>(24)</u>
	35,335	27,224
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>35,245</u>	<u>27,134</u>

29. Derivatives

There was no outstanding derivative as at 31 January 2022.