

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 SIX (6) MONTHS FINANCIAL YEAR ENDED 30 APRIL 2022

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30 APRIL 2022 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 30 APRIL 2021 RM'000 (Audited)	CURRENT YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2022 RM'000 (Unaudited)	PRECEDING YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2021 RM'000 (Audited)
Revenue	10,611	9,810	25,120	20,745
Cost of Sales	<u>(3,659)</u>	<u>(4,121)</u>	<u>(9,226)</u>	<u>(8,031)</u>
Gross Profit	6,952	5,689	15,894	12,714
Other Operating Income	999	184	1,239	242
Human Resource Related Expenses	(745)	(563)	(1,920)	(1,291)
Administrative Expenses	(497)	(541)	(952)	(1,055)
Selling and Distribution Expenses	(1,395)	(1,566)	(4,063)	(2,997)
Research and Development	(1,126)	(1,419)	(2,330)	(2,596)
Other Operating Expenses	<u>(25)</u>	<u>(49)</u>	<u>(26)</u>	<u>(259)</u>
Profit/(Loss) From Operations	4,163	1,735	7,842	4,758
Finance Cost	<u>(14)</u>	<u>(26)</u>	<u>(25)</u>	<u>(60)</u>
Profit/(Loss) Before Taxation	4,149	1,709	7,817	4,698
Taxation	<u>(1,005)</u>	<u>(567)</u>	<u>(1,895)</u>	<u>(1,025)</u>
Profit/(Loss) After Taxation For The Period	3,144	1,142	5,922	3,673
Other Comprehensive Income				
Forex loss	-	(26)	-	(26)
Total Comprehensive Income/(Loss) For The Period	3,144	1,116	5,922	3,647
Attributable to:				
Equity holders of the parent	3,144	1,116	5,922	3,647
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	3,144	1,116	5,922	3,647
Profit Per Share				
(i) Basic (sen)	1.80	0.65	3.39	2.12
(ii) Fully diluted (sen)	1.77	0.58	3.33	1.90

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

VisDynamics Holdings Berhad

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022

	Unaudited As At 30 APRIL 2022 RM'000	Audited As At 31 OCTOBER 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	12,222	12,480
Development expenditure	1,849	1,873
Goodwill on consolidation	1,340	1,419
Intangible Assets	37	22
Total Non-Current Assets	15,448	15,794
CURRENT ASSETS		
Inventories	23,015	18,733
Trade receivables	8,210	5,354
Other receivables, deposits and prepayments	3,971	2,792
Other investment	1,905	10,759
Fixed deposit	12,406	3,020
Cash and bank balances	12,287	12,605
Total Current Assets	61,794	53,263
TOTAL ASSETS	77,242	69,057
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	24,082	23,747
Warrants Reserve	1,695	1,695
Discount on Shares	(1,695)	(1,695)
Retained profits	38,388	32,466
Equity attributable to equity holders of the parent	62,470	56,213
Minority interests	-	-
TOTAL EQUITY	62,470	56,213
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	213	274
Total Non-Current Liabilities	213	274
CURRENT LIABILITIES		
Trade payables	4,592	2,539
Taxation payables	4,916	3,020
Other payables and accruals	4,913	6,873
Borrowings	138	138
Total Current Liabilities	14,559	12,570
TOTAL LIABILITIES	14,772	12,844
TOTAL EQUITY AND LIABILITIES	77,242	69,057
Net assets value per share (RM)	0.36	0.32

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL YEAR ENDED 30 APRIL 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)	-	32,466	56,213
Net Profit for the year	-	-	-	-	-	-	5,922	5,922
Exercise of ESOS	335	-	-	-	-	-	-	335
As At 30 April 2022 (Unaudited)	24,082	-	1,695	-	(1,695)	-	38,388	62,470
As at 31 October 2020 (Audited)	20,870	-	3,371	276	(3,371)	-	24,603	45,749
Net Profit for the year	-	-	-	-	-	-	3,647	3,647
Exercise of ESOS	1,007	-	-	(276)	-	-	-	731
Exercise of WARRANT	1,624	-	(1,525)	-	1,525	-	-	1,624
As At 30 April 2021 (Audited)	23,501	-	1,846	-	(1,846)	-	28,250	51,751

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

VisDynamics Holdings Berhad

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE 6 MONTHS FINANCIAL YEAR ENDED 30 APRIL 2022

	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2022 (Unaudited)	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2021 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	7,817	4,698
Adjustment for:-		
Depreciation of property, plant and equipment	333	242
Amortisation of development expenditure	147	194
Amortisation of Trademarks and Patents	2	2
Impairment of Goodwill	79	79
(Reversal) / Addition of provision and accruals	(1,909)	(161)
(Gain)/ Loss on foreign exchange - unrealised	(1,009)	66
Interest income	(43)	(41)
Interest expenses	8	40
Operating profit before working capital changes	5,425	5,119
(Increase) / Decrease in inventories	(4,282)	(302)
(Increase) / Decrease in trade and other receivables	(3,754)	4,661
Increase / (Decrease) in trade and other payables	1,981	(596)
Cash generated from operations	(630)	8,882
Interest paid	(8)	(40)
Reversal of taxation	-	20
NET CASH FROM OPERATING ACTIVITIES	(638)	8,862
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Payment of development expenditure	(122)	(698)
Interest received	43	41
Purchase of property, plant and equipment	(76)	(202)
Proceeds from withdrawal of money market funds	8,855	(1,832)
Purchase of land	-	(5,868)
Additional in Trademarks/Patents	(17)	-
NET CASH USED IN INVESTING ACTIVITIES	8,683	(8,559)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of banker acceptance	-	3,536
Repayment of banker acceptance	-	(2,771)
Repayment of HP Creditor	(61)	(37)
Proceeds from exercise of ESOS	335	732
Proceeds from exercise of WARRANT	-	1,624
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	274	3,084
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	8,319	3,387
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	749	(73)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	15,625	7,714
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	24,693	11,028

(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 six (6) months financial period ended 30 April 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 six (6) months financial period ended 30 April 2022.

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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

First Single-Tier Dividend of 1.5sen per ordinary share for the financial year ending 31 October 2022 was paid on 19 May 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 six (6) months financial period ended 30 April 2022.

11. Contingent Liabilities and Contingent Assets

	<u>30 April 2022</u>	<u>30 April 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 six (6) months financial period up to 30 April 2022:

	30 April 2022 RM’000	30 April 2021 RM’000
Malaysia	1,311	1,109
South East Asia	9,537	1,792
North Asia	14,245	17,765
USA	27	79
Total	25,120	20,745

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 (2 nd Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Quarter ended 30 April 2022	Quarter ended 30 April 2021			Year ended 30 April 2022	Year ended 30 April 2021		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	10,611	9,810	801	8	25,120	20,745	4,375	21
Profit Before Interest and Tax	4,153	1,727	2,426	140	7,825	4,741	3,084	65
Profit Before Tax	4,149	1,709	2,440	143	7,817	4,698	3,119	66
Profit After Tax	3,144	1,116	2,028	182	5,922	3,647	2,275	62
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,144	1,116	2,028	182	5,922	3,647	2,275	62

In the current 6 months ended 30 April 2022, the Group generated revenue of RM25,119,804, an increase of RM4,374,309 from the same corresponding period ended 30 April 2021 of RM20,745,495. 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 RM7,817,332 during this current year to date ended 30 April 2022 as compared to profit before taxation of RM4,697,778 during corresponding year to date ended 30 April 2021.

Financial review for current quarter compared with preceding quarter

	Current Quarter 30 April 2022	Preceding Quarter 31 January 2022	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	10,611	14,509	(3,898)	(27)
Profit Before Interest and Tax	4,153	3,672	481	13
Profit Before Tax	4,149	3,668	481	13
Profit After Tax	3,144	2,778	366	13
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,144	2,778	366	13

The Group posted a lower revenue in the current quarter of RM10,610,681 as compared to the preceding quarter ended 31 January 2022 of RM14,509,123, representing decrease of RM3,898,442 due to sales of machines with different specifications with lower average selling price.

Despite of the lower revenue, the Group posted a higher profit before taxation of RM4,149,420 as compared to profit before taxation of RM3,667,912 in the preceding quarter ended 31 January 2022 mainly due to direct sales to customers which resulted in lower sales commission and also forex gain from the strengthening of the US Dollar.

15. Commentary on Material Change in Statement of Financial Position

1. Higher inventory as at 30 April 2022, RM23.0 million as compared to RM18.7 million as at 31 October 2021 due to potential sales of the Company.
2. Increase in trade receivables from RM5.4 million as at 31 October 2021 to RM8.2 million as at 30 April 2022. There were subsequent receipts from customers amounted to RM 1.7 million after the financial period ended 30 April 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 RM4.6 million as at 30 April 2022.

4. Decrease in Other Payables and Accruals from RM6.9 million as at 31 October 2021 to RM4.9 million as at 30 April 2022 mainly due to the reversal or payment of bonus and incentives.
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 RM24.7 million as at 30 April 2022 mainly due to payments received from customers.

17. Commentary on the Prospects

The inflation, war in Ukraine and China lockdowns had created economic uncertainties. However, we believe that the high-tech industry will have a steady growth which will be beneficial to the Company. Thus, we are still optimistic on the business prospects for 2022.

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 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2022	30 April 2021	30 April 2022	30 April 2021
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	1,005	567	1,895	1,045
(Over)/under provision in prior year	-	-	-	(20)
	1,005	567	1,895	1,025

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 30 April 2022 were as follows:

<u>Short term</u>	<u>30 April</u>	<u>30 April</u>
	<u>2022</u>	<u>2021</u>
	<u>RM ‘000</u>	<u>RM ‘000</u>
Hire purchase payables	138	78
Bankers acceptances	—	<u>2,920</u>
	138	2,998
<u>Long term</u>		
Hire purchase payables	213	32
TOTAL	351	3,030

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 6 Months Cumulative To-Date
	30 April 2022 RM'000	30 April 2022 RM'000
Interest Income	(25)	(43)
Interest Expense	4	8
Depreciation of Property, Plant & Equipment	165	333
Amortisation of Development Expenditure	74	147
Amortisation of Trademarks & Patents	1	2
Impairment of Goodwill	40	79
(Gain) / Loss on Foreign Exchange-Unrealised	(813)	(1,009)
(Reversal) / Addition of Provision & Accruals	(525)	(1,909)

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	
	30 April 2022	30 April 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	(312,500)	(949,000)
Forfeited of ESOS	(196,000)	(196,000)
At 31 January 2022	345,000	662,500
Exercise price (RM)	RM0.42	RM0.42
Options exercisable at 1 May 2022	345,000	662,500

** 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

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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 312,500 share options amounted to RM 131,510, as compared to previous corresponding quarter of 949,000 share options were exercised amounted to RM 398,580. The weighted average share price at the date of exercise was RM1.02 (2021: RM 0.97).

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>30 April 2022</u>	<u>30 April 2021</u>
Fair value at grant date (RM)	RM 0.280	RM 0.280
Share price	RM 0.715	RM 1.390
Exercise price	RM 0.420	RM 0.420
Expected volatility (%)	43.34%	59.69%
Expected life (years)	5	5
Risk-free interest rate (%)	2.27%	1.94%

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

27.1. Basic EPS/(LPS)

	Current Year Quarter	Previous Year Quarter	Current Year 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2022	30 April 2021	30 April 2022	30 April 2021
Net profit for the year (RM'000)	3,144	1,116	5,922	3,647
Weighted average number of shares in issue ('000)	174,538	172,616	174,656	171,989
Basic EPS/(LPS) (sen)	1.80	0.65	3.39	2.12

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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 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2022	30 April 2021	30 April 2022	30 April 2021
Net profit for the year (RM'000)	3,144	1,116	5,922	3,647
Weighted average number of shares used in the calculation of basic earnings per share ('000)	174,538	172,616	174,656	171,989
Adjustment for shares from assumed exercise of ESOS ('000)	205	468	205	468
Adjustment for shares from assumed exercise of WARRANT ('000)	2,973	19,064	2,973	19,064
Weighted average number of ordinary shares at 30 April 2022	177,716	192,148	177,834	191,521
Diluted EPS/(LPS) (sen)	1.77	0.58	3.33	1.90

28. Realised and Unrealised Profits Disclosure

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

	As at 30.04.2022	As at 30.04.2021
	RM'000	RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	37,380	28,321
- Unrealised	<u>1,099</u>	<u>19</u>
	38,479	28,340
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>38,389</u>	<u>28,250</u>

29. Derivatives

There was no outstanding derivative as at 30 April 2022.