

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 2022 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 OCTOBER 2022 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 OCTOBER 2021 RM'000 (Audited)	CURRENT YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2022 RM'000 (Unaudited)	PRECEDING YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2021 RM'000 (Audited)
Revenue	17,424	11,673	51,084	47,881
Cost of Sales	(5,787)	(4,182)	(18,009)	(16,730)
Gross Profit	11,637	7,491	33,075	31,151
Other Operating Income	2,086	153	3,930	459
Human Resource Related Expenses	(1,500)	(735)	(4,023)	(3,795)
Administrative Expenses	(598)	(443)	(2,151)	(1,926)
Selling and Distribution Expenses	(3,155)	(1,572)	(8,854)	(7,822)
Research and Development	(1,554)	(1,241)	(5,393)	(5,354)
Other Operating Expenses	(87)	(427)	(135)	(162)
Profit/(Loss) From Operations	6,829	3,226	16,449	12,551
Finance Cost	(10)	(4)	(46)	(58)
Profit/(Loss) Before Taxation	6,819	3,222	16,403	12,494
Taxation	(1,368)	(1,320)	(3,688)	(2,890)
Profit/(Loss) After Taxation For The Period	5,451	1,902	12,715	9,604
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	5,451	1,902	12,715	9,604
Attributable to:				
Equity holders of the parent	5,451	1,902	12,715	9,604
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	5,451	1,902	12,715	9,604
Profit Per Share				
(i) Basic (sen)	3.12	1.09	7.28	5.55
(ii) Fully diluted (sen)	3.12	0.98	7.27	4.97

(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 OCTOBER 2022

	Unaudited As At 31 OCTOBER 2022 RM'000	Audited As At 31 OCTOBER 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	13,014	12,480
Development expenditure	2,031	1,873
Goodwill on consolidation	1,261	1,419
Intangible Assets	34	22
Total Non-Current Assets	16,340	15,794
CURRENT ASSETS		
Inventories	19,935	18,733
Trade receivables	9,742	5,354
Other receivables, deposits and prepayments	4,010	2,792
Other investment	919	10,759
Fixed deposit	26,984	3,020
Cash and bank balances	3,492	12,605
Total Current Assets	65,082	53,263
TOTAL ASSETS	81,422	69,057
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	24,172	23,747
Warrants Reserve	1,677	1,695
Discount on Shares	(1,677)	(1,695)
Retained profits	42,561	32,466
Equity attributable to equity holders of the parent	66,733	56,213
Minority interests	-	-
TOTAL EQUITY	66,733	56,213
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	150	274
Total Non-Current Liabilities	150	274
CURRENT LIABILITIES		
Trade payables	1,867	2,539
Taxation payables	3,263	3,020
Other payables and accruals	9,271	6,873
Borrowings	138	138
Total Current Liabilities	14,539	12,570
TOTAL LIABILITIES	14,689	12,844
TOTAL EQUITY AND LIABILITIES	81,422	69,057
Net assets value per share (RM)	0.38	0.32

(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 CHANGES IN EQUITY FOR THE 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 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	-	-	-	-	-	-	12,715	12,715
Exercise of ESOS	335	-	-	-	-	-	-	335
Exercise of WARRANT	90	-	(18)	-	18	-	-	90
Dividend paid during the year	-	-	-	-	-	-	(2,620)	(2,620)
As At 31 October 2022 (Unaudited)	24,172	-	1,677	-	(1,677)	-	42,561	66,733
As at 31 October 2020 (Audited)	20,870	-	3,371	276	(3,371)	-	24,603	45,749
Net Profit for the year	-	-	-	-	-	-	9,604	9,604
Exercise of ESOS	1,013	-	-	(276)	-	-	-	737
Exercise of WARRANT	1,864	-	(1,676)	-	1,676	-	-	1,864
Dividend paid during the year	-	-	-	-	-	-	(1,741)	(1,741)
As At 31 October 2021 (Audited)	23,747	-	1,695	-	(1,695)	-	32,466	56,213

(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 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 2022

	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2022 (Unaudited)	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2021 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	16,403	12,494
Adjustment for:-		
Depreciation of property, plant and equipment	710	533
Amortisation of development expenditure	294	395
Amortisation of Trademarks and Patents	5	4
Impairment of Goodwill	158	158
(Reversal) / Addition of provision and accruals	2,462	1,840
(Gain)/ Loss on foreign exchange - unrealised	(2,872)	21
Loss / (Gain) on Disposal of property, plant and equipment	1	-
Interest income	(234)	(75)
Interest expenses	14	57
Operating profit before working capital changes	16,940	15,427
(Increase) / Decrease in inventories	(1,202)	(652)
(Increase) / Decrease in trade and other receivables	(5,118)	1,580
Increase / (Decrease) in trade and other payables	(831)	(570)
Cash generated from operations	9,789	15,785
Interest paid	(14)	(57)
Tax paid	(3,444)	(352)
Reversal for Taxation	-	20
NET CASH FROM OPERATING ACTIVITIES	6,331	15,396
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Payment of development expenditure	(451)	(1,019)
Interest received	234	75
Purchase of property, plant and equipment	(1,244)	(704)
Proceeds from withdrawal of money market funds	9,839	1,054
Purchase of land	-	(5,868)
Additional in Trademarks/Patents	(17)	-
NET CASH USED IN INVESTING ACTIVITIES	8,361	(6,462)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(2,620)	(1,741)
Drawdown of banker acceptance	-	4,146
Drawdown of HP Creditor	-	400
Repayment of banker acceptance	-	(6,302)
Repayment of HP Creditor	(125)	(134)
Proceeds from exercise of ESOS	335	738
Proceeds from exercise of WARRANT	90	1,864
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(2,320)	(1,029)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	12,372	7,905
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	2,479	6
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	15,625	7,714
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	30,476	15,625

(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 twelve (12) months financial period ended 31 October 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 twelve (12) months financial period ended 31 October 2022.

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 twelve (12) months financial period ended 31 October 2022.

11. Contingent Liabilities and Contingent Assets

	<u>31 October 2022</u>	<u>31 October 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 twelve (12) months financial period up to 31 October 2022:

	31 October 2022 RM’000	31 October 2021 RM’000
Malaysia	2,524	3,493
South East Asia	12,317	6,851
North Asia	36,037	37,424
USA	206	101
Others	-	12
Total	51,084	47,881

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 (4 th Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Quarter ended 31 October 2022	Quarter ended 31 October 2021			Year ended 31 October 2022	Year ended 31 October 2021		
	RM'000	RM'000			RM'000	RM'000		
Revenue	17,424	11,673	5,751	49	51,084	47,881	3,203	7
Profit Before Interest and Tax	6,822	3,226	3,596	111	16,417	12,551	3,866	31
Profit Before Tax	6,819	3,222	3,597	112	16,403	12,494	3,909	31
Profit After Tax	5,451	1,902	3,549	187	12,715	9,604	3,111	32
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	5,451	1,902	3,549	187	12,715	9,604	3,111	32

In the current 12 months ended 31 October 2022, the Group generated revenue of RM51,083,815, an increase of RM3,203,196 from the same corresponding period ended 31 October 2021 of RM47,880,619. The increase in revenue was due to different specifications in the sales of machines and also the strengthening of US Dollar.

In line with the increase in revenue, the Group posted a profit before taxation of RM16,403,050 during this current year to date ended 31 October 2022 as compared to

profit before taxation of RM12,493,920 during corresponding year to date ended 31 October 2021.

Financial review for current quarter compared with preceding quarter

	Current Quarter 31 October 2022	Preceding Quarter 31 July 2022	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	17,424	8,540	8,884	104
Profit Before Interest and Tax	6,822	1,770	5,052	285
Profit Before Tax	6,819	1,767	5,052	286
Profit After Tax	5,451	1,342	4,109	306
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	5,451	1,342	4,109	306

The Group posted a higher revenue in the current quarter of RM17,423,602 as compared to the preceding quarter ended 31 July 2022 of RM8,540,409, representing increase of RM8,883,193 due to the increase in sales of machines.

As a result of higher revenue, the Group posted a profit before taxation of RM6,818,644 as compared to profit before taxation of RM1,767,073 in the preceding quarter ended 31 July 2022.

15. Commentary on Material Change in Statement of Financial Position

1. Higher inventory as at 31 October 2022, RM19.9 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 RM9.7 million as at 31 October 2022. There were subsequent receipts from customers amounted to RM 2.2 million after the financial period ended 31 October 2022. No impairment is needed as these amounts are recoverable from customers based on their financial standings and payment history.
3. Trade payables decreased from RM2.5 million as at 31 October 2021 to RM1.9 million as at 31 October 2022.
4. Increase of ordinary share capital due to the exercise of Warrants and ESOS.

5. Increase on other receivables, deposits and prepayments from RM2.9 million as at 31 October 2021 to RM4.0 million as at 31 October 2022 due to prepayment of income tax.
6. Increase in other payables and accruals from RM6.9 million as at 31 October 2021 to RM9.3 million as at 31 October 2022 was mainly due to the provisions of incentives, service and sales commissions and warranties.

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 RM30.5 million as at 31 October 2022 mainly due to proceeds from withdrawal of money market funds.

17. Commentary on the Prospects

Year 2023 is predicted to present some tough challenges to the world economy not sparing the semiconductor industry, including but not limited to risks of inflation and global recession, demand correction in consumer products and geopolitical tensions.

However, there are silver linings such as the gradual opening of China and emphasis on green technologies, and coupled with new products within our pipeline, we are of the view that impact on our financial performance for the coming financial year should be minimal.

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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	1,368	1,320	3,263	3,020
(Over)/under provision in prior year	-	-	425	(130)
	1,368	1,320	3,688	2,890

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 2022 were as follows:

<u>Short term</u>	<u>31 October</u>	<u>31 October</u>
	<u>2022</u>	<u>2021</u>
	<u>RM '000</u>	<u>RM '000</u>
Hire purchase payables	138	138
Bankers acceptances	-	0
	138	138
<u>Long term</u>		
Hire purchase payables	150	274
TOTAL	288	412

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 12 Months Cumulative To-Date
	31 October 2022 RM'000	31 October 2022 RM'000
Interest Income	(146)	(234)
Interest Expense	3	14
Depreciation of Property, Plant & Equipment	201	710
Amortisation of Development Expenditure	73	294
Amortisation of Trademarks & Patents	2	5
Impairment of Goodwill	40	158
(Gain) / Loss on Foreign Exchange-Unrealised	(1,539)	(2,872)
Loss / (Gain) on Disposal of property, plant and equipment	1	1
(Reversal) / Addition of Provision & Accruals	2,997	2,462

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 2022	31 October 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)	(954,000)
Forfeited of ESOS	(196,000)	(196,000)
At 31 October 2022	345,000	657,500
Exercise price (RM)	RM0.42	RM0.42
Options exercisable at 1 November 2022	345,000	657,500

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

[(Registration No. 200501000050 (677095-M)]
(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 312,500 share options amounted to RM 131,510, as compared to previous corresponding quarter of 954,000 share options were exercised amounted to RM 400,680. The weighted average share price at the date of exercise was RM1.02 (2021: RM 1.02).

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 2022</u>	<u>31 October 2021</u>
Fair value at grant date (RM)	RM 0.280	RM 0.280
Share price	RM 0.575	RM 1.490
Exercise price	RM 0.420	RM 0.420
Expected volatility (%)	47.240%	48.461%
Expected life (years)	5	5
Risk-free interest rate (%)	3.343%	1.937%

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 2022	31 October 2021	31 October 2022	31 October 2021
Net profit for the year (RM'000)	5,451	1,902	12,715	9,604
Weighted average number of shares in issue ('000)	174,830	174,397	174,766	173,182
Basic EPS/(LPS) (sen)	3.12	1.09	7.28	5.55

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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 2022	31 October 2021	31 October 2022	31 October 2021
Net profit for the year (RM'000)	5,451	1,902	12,715	9,604
Weighted average number of shares used in the calculation of basic earnings per share ('000)	174,830	174,397	174,766	173,182
Adjustment for shares from assumed exercise of ESOS ('000)	94	471	94	471
Adjustment for shares from assumed exercise of WARRANT ('000)	-	19,515	-	19,515
Weighted average number of ordinary shares at 31 October 2022	174,924	194,383	174,860	193,168
Diluted EPS/(LPS) (sen)	3.12	0.98	7.27	4.97

28. Realised and Unrealised Profits Disclosure

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

	As at 31.10.2022	As at 31.10.2021
	RM'000	RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	39,690	32,467
- Unrealised	<u>2,961</u>	<u>89</u>
	42,651	32,556
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>42,561</u>	<u>32,466</u>

29. Derivatives

There was no outstanding derivative as at 31 October 2022.