

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 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30 APRIL 2023 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 30 APRIL 2022 RM'000 (Audited)	CURRENT YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2023 RM'000 (Unaudited)	PRECEDING YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2022 RM'000 (Audited)
Revenue	7,456	10,611	10,362	25,120
Cost of Sales	<u>(2,574)</u>	<u>(3,659)</u>	<u>(3,858)</u>	<u>(9,226)</u>
Gross Profit	4,882	6,952	6,504	15,894
Other Operating Income	1,428	999	615	1,239
Human Resource Related Expenses	(244)	(745)	(695)	(1,920)
Administrative Expenses	(830)	(497)	(1,338)	(952)
Selling and Distribution Expenses	(1,468)	(1,395)	(1,575)	(4,063)
Research and Development	(1,023)	(1,126)	(2,096)	(2,330)
Other Operating Expenses	<u>(117)</u>	<u>(25)</u>	<u>(2,143)</u>	<u>(26)</u>
Profit/(Loss) From Operations	2,628	4,163	(728)	7,842
Finance Cost	<u>(9)</u>	<u>(14)</u>	<u>(18)</u>	<u>(25)</u>
Profit/(Loss) Before Taxation	2,619	4,149	(746)	7,817
Taxation	<u>-</u>	<u>(1,005)</u>	<u>-</u>	<u>(1,895)</u>
Profit/(Loss) After Taxation For The Period	2,619	3,144	(746)	5,922
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	2,619	3,144	(746)	5,922
Attributable to:				
Equity holders of the parent	2,619	3,144	(746)	5,922
Minority Interest	-	-	-	-
Net Profit/ (Loss) Comprehensive Income For The Period	2,619	3,144	(746)	5,922
Profit/ (Loss) Per Share				
(i) Basic (sen)	1.49	1.80	(0.43)	3.39
(ii) Fully diluted (sen)	-	1.77	-	3.33

(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 30 APRIL 2023

	Unaudited As At 30 APRIL 2023 RM'000	Audited As At 31 OCTOBER 2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	13,097	13,014
Development expenditure	2,106	2,031
Goodwill on consolidation	1,183	1,261
Intangible Assets	59	34
Total Non-Current Assets	16,445	16,340
CURRENT ASSETS		
Inventories	20,714	19,935
Trade receivables	3,056	9,742
Other receivables, deposits and prepayments	4,916	4,010
Other investment	2,646	919
Fixed deposit	18,827	26,984
Cash and bank balances	8,919	3,492
Total Current Assets	59,078	65,082
TOTAL ASSETS	75,523	81,422
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	24,389	24,172
Warrants Reserve	-	1,677
Discount on Shares	-	(1,677)
Retained profits	41,815	42,561
Equity attributable to equity holders of the parent	66,204	66,733
Minority interests	-	-
TOTAL EQUITY	66,204	66,733
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	86	150
Total Non-Current Liabilities	86	150
CURRENT LIABILITIES		
Trade payables	656	1,035
Contract liabilities	1,574	832
Taxation payables	3,263	3,263
Other payables and accruals	3,602	9,271
Borrowings	138	138
Total Current Liabilities	9,233	14,539
TOTAL LIABILITIES	9,319	14,689
TOTAL EQUITY AND LIABILITIES	75,523	81,422
Net assets value per share (RM)	0.38	0.38

(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 6 MONTHS FINANCIAL YEAR ENDED 30 APRIL 2023

(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 2022 (Audited)	24,172	-	1,677	-	(1,677)	-	42,561	66,733
Net Profit/ (Loss) for the year	-	-	-	-	-	-	(746)	(746)
Exercise of ESOS	198	-	-	-	-	-	-	198
Exercise of WARRANT	19	-	(6)	-	6	-	-	19
Warrants expired during the year	-	-	(1,671)	-	1,671	-	-	-
As At 30 April 2023 (Unaudited)	24,389	-	-	-	-	-	41,815	66,204
As at 31 October 2021 (Audited)	23,747	-	1,695	-	(1,695)	-	32,466	56,213
Net Profit/ (Loss) for the year	-	-	-	-	-	-	5,922	5,922
Exercise of ESOS	335	-	-	-	-	-	-	335
As At 30 April 2022 (Audited)	24,082	-	1,695	-	(1,695)	-	38,388	62,470

(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 6 MONTHS FINANCIAL YEAR ENDED 30 APRIL 2023

	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2023 (Unaudited)	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2022 (Audited)
	RM'000	RM'000
NET (LOSS)/ PROFIT BEFORE TAXATION	(746)	7,817
Adjustment for:-		
Depreciation of property, plant and equipment	425	333
Amortisation of development expenditure	147	147
Amortisation of Trademarks and Patents	11	2
Impairment of Goodwill	79	79
(Reversal) / Addition of provision and accruals	(5,657)	(1,909)
(Gain)/ Loss on foreign exchange - unrealised	2,131	(1,009)
Loss / (Gain) on Disposal of property, plant and equipment	2	-
Interest income	(483)	(43)
Interest expenses	5	8
Operating (loss)/ profit before working capital changes	(4,087)	5,425
(Increase) / Decrease in inventories	(778)	(4,282)
(Increase) / Decrease in trade and other receivables	5,349	(3,754)
Increase / (Decrease) in trade and other payables	247	1,981
Cash generated from/ (used in) operations	731	(630)
Interest paid	(5)	(8)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	726	(638)
CASH FLOWS FROM/ (FOR) INVESTING ACTIVITIES		
Payment of development expenditure	(222)	(122)
Interest received	483	43
Purchase of property, plant and equipment	(510)	(76)
(Placement) / withdrawal of money market funds	(1,726)	8,855
Additional in Trademarks/Patents	(36)	(17)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	(2,011)	8,683
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Repayment of HP Creditor	(64)	(61)
Proceeds from exercise of ESOS	198	335
Proceeds from exercise of WARRANT	19	-
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	153	274
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,132)	8,319
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(1,598)	749
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	30,476	15,625
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	27,746	24,693

(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 2022.

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 2022, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 November 2022.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 October 2022 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 2023.

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 2023.

7. Debt and Equity Securities

The Company had performed the below exercises:

- (i) 87,599,656 Bonus Shares were issued pursuant to the Bonus Issue of Shares and listed and quoted on the ACE Market of Bursa Securities with effect on 29 May 2023, on the basis of 1 Bonus Share for every 2 existing VHB Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors.
- (ii) 65,699,348 Warrants were listed and quoted on the ACE Market of Bursa Securities with effect from 07 June 2023, marking the completion of the Bonus Issue of Warrants, on the basis of 1 Warrant for every 4 VHB Shares held by the Entitled Shareholders after the completion of the Proposed Bonus Issue of Shares (“Proposed Bonus Issue of Warrants”)
- (iii) Proposed establishment of an employees’ share option scheme (“ESOS”) of up to 10% of the total number of issued shares of the Company to be granted to the eligible Executive Directors and employees of VHB and its subsidiary (“Proposed ESOS”).

8. Dividends Paid

There was no dividend paid during the six (6) months financial period ended 30 April 2023.

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 2023.

11. Contingent Liabilities and Contingent Assets

	<u>30 April 2023</u>	<u>30 April 2022</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	16,400,000	16,400,000

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

[(Registration No. 200501000050 (677095-M))
(Incorporated in Malaysia) – Explanatory Note

12. Segmental Information

Sales Revenue by Geographical Market for the six (6) months financial period up to 30 April 2023:

	30 April 2023 RM'000	30 April 2022 RM'000
Malaysia	79	1,311
South East Asia	4,094	9,537
North Asia	6,189	14,245
USA	-	27
Total	10,362	25,120

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.

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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 2023	Quarter ended 30 April 2022			Year ended 30 April 2023	Year ended 30 April 2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	7,456	10,611	(3,155)	(30)	10,362	25,120	(14,758)	(59)
Profit/ (Loss) Before Interest and Tax	2,621	4,153	(1,532)	(37)	(742)	7,825	(8,567)	(109)
Profit/ (Loss) Before Tax	2,619	4,149	(1,530)	(37)	(746)	7,817	(8,563)	(110)
Profit/ (Loss) After Tax	2,619	3,144	(525)	(17)	(746)	5,922	(6,668)	(113)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,619	3,144	(525)	(17)	(746)	5,922	(6,668)	(113)

In the current 6 months ended 30 April 2023, the Group generated revenue of RM10,361,576, decrease of RM14,758,228 from the same corresponding period ended 30 April 2022 of RM25,119,804. The decrease in revenue was due to decrease in the sales of machines.

In line with the decrease in revenue, the Group posted a loss before taxation of RM746,423 during this current year to date ended 30 April 2023 as compared to profit before taxation of RM5,922,230 during corresponding year to date ended 30 April 2022.

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Financial review for current quarter compared with preceding quarter

	Current Quarter 30 April 2023	Preceding Quarter 31 January 2023	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	7,456	2,906	4,550	157
Profit/ (Loss) Before Interest and Tax	2,621	(3,363)	5,984	178
Profit/ (Loss) Before Tax	2,619	(3,365)	5,984	178
Profit/(Loss)After Tax	2,619	(3,365)	5,984	178
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,619	(3,365)	5,984	178

The Group posted a higher revenue in the current quarter of RM7,455,969 as compared to the preceding quarter ended 31 January 2023 of RM2,905,608, representing increase of RM4,550,361 due to the increase in sales of machines.

As a result of higher revenue, the Group posted a profit before taxation of RM2,618,635 as compared to loss before taxation of RM3,365,058 in the preceding quarter ended 31 January 2023.

15. Commentary on Material Change in Statement of Financial Position

1. Higher inventory as at 30 April 2023, RM20.7 million as compared to RM19.9 million as at 31 October 2022 for the preparation of Company's potential sales.
2. Decrease in trade receivables from RM9.7 million as at 31 October 2022 to RM3.1 million as at 30 April 2023 due to the collections from customers. There were subsequent receipts from customers amounted to RM828K after the financial period ended 30 April 2023.
3. Increase of ordinary share capital due to the exercise of Warrants and ESOS.
4. Increase on other receivables, deposits and prepayments from RM4.0 million as at 31 October 2022 to RM4.9 million as at 30 April 2023 due to prepayment of income tax.

5. Decrease in other payables and accruals from RM9.3 million as at 31 October 2022 to RM3.6 million as at 30 April 2023 was mainly due to the payment of incentives and bonus and also sales and service commissions.

16. Commentary on Material Change in Cash Flow Statement

There was a decrease in the cash and cash equivalents from RM30.5 million as at 31 October 2022 to RM27.7 million as at 30 April 2023 mainly due to payment of incentives, bonus, sales and service commission, offsetted by payments received from customers.

17. Commentary on the Prospects

We expect the world economy and semiconductor industry to remain slow throughout the year, and we will not be spared from the impact as such.

We take the opportunity to allocate more resources on research and developments and also speed up the time to market our new products in anticipation of the recovery expected next year.

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.

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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 2023	30 April 2022	30 April 2023	30 April 2022
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	-	1,005	-	1,895
	-	1,005	-	1,895

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.

Exercise of Warrant and 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 2023 were as follows:

	<u>30 April</u> <u>2023</u>	<u>30 April</u> <u>2022</u>
	<u>RM ‘000</u>	<u>RM ‘000</u>
<u>Short term</u>		
Hire purchase payables	138	138
Bankers acceptances	—	<u>0</u>
	138	138
<u>Long term</u>		
Hire purchase payables	86	213
TOTAL	224	351

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 a Final Single-Tier Dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 October 2022 and has been approved in the AGM held on 27 March 2023. The entitlement date and payment date are on 05 May 2023 and 19 May 2023 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 2023 RM'000	30 April 2023 RM'000
Interest Income	(265)	(483)
Interest Expense	3	5
Depreciation of Property, Plant & Equipment	213	425
Amortisation of Development Expenditure	74	147
Amortisation of Trademarks & Patents	6	11
Impairment of Goodwill	40	79
Loss / (Gain) on Foreign Exchange-Unrealised	(848)	2,131
Loss / (Gain) on Disposal of property, plant and equipment	-	2
(Reversal) / Addition of Provision & Accruals	(1,954)	(5,657)

26. Earnings/(Loss) Per Share (“EPS/LPS”)**26.1. 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 2023	30 April 2022	30 April 2023	30 April 2022
Net profit/ (Loss) for the year (RM'000)	2,619	3,144	(746)	5,922
Weighted average number of shares in issue ('000)	175,200	174,538	175,199	174,656
Basic EPS/(LPS) (sen)	1.49	1.80	(0.43)	3.39

26.2. 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 2023	30 April 2022	30 April 2023	30 April 2022
Net profit/ (Loss) for the year (RM'000)	2,619	3,144	(746)	5,922
Weighted average number of shares used in the calculation of basic earnings per share ('000)	175,200	174,538	175,199	174,656
Adjustment for shares from assumed exercise of ESOS ('000)	-	205	-	205
Adjustment for shares from assumed exercise of WARRANT ('000)	-	2,973	-	2,973
Weighted average number of ordinary shares at 30 April 2023	175,200	177,716	175,199	177,834
Diluted EPS/(LPS) (sen)	1.49	1.77	(0.43)	3.33

27. Realised and Unrealised Profits Disclosure

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

	As at 30.04.2023	As at 30.04.2022
	RM'000	RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	40,862	37,380
- Unrealised	<u>1,043</u>	<u>1,099</u>
	41,905	38,479
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>41,815</u>	<u>38,389</u>

28. Derivatives

There was no outstanding derivative as at 30 April 2023.

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