

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 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 OCTOBER 2023 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 OCTOBER 2022 RM'000 (Audited)	CURRENT YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2023 RM'000 (Unaudited)	PRECEDING YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2022 RM'000 (Audited)
Revenue	8,053	17,424	26,649	51,084
Cost of Sales	<u>(2,683)</u>	<u>(5,787)</u>	<u>(9,289)</u>	<u>(18,009)</u>
Gross Profit	5,370	11,637	17,360	33,075
Other Operating Income	1,544	2,086	1,207	3,930
Human Resource Related Expenses	(1,416)	(1,500)	(2,813)	(4,023)
Administrative Expenses	(580)	(598)	(2,562)	(2,151)
Selling and Distribution Expenses	(1,101)	(3,155)	(3,678)	(8,854)
Research and Development	(1,871)	(1,554)	(4,891)	(5,393)
Other Operating Expenses	<u>(58)</u>	<u>(87)</u>	<u>(688)</u>	<u>(135)</u>
Profit/(Loss) From Operations	1,888	6,829	3,935	16,449
Finance Cost	<u>(8)</u>	<u>(10)</u>	<u>(35)</u>	<u>(46)</u>
Profit/(Loss) Before Taxation	1,880	6,819	3,900	16,403
Taxation	<u>116</u>	<u>(1,368)</u>	<u>(1,064)</u>	<u>(3,688)</u>
Profit/(Loss) After Taxation For The Period	1,996	5,451	2,836	12,715
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	1,996	5,451	2,836	12,715
Attributable to:				
Equity holders of the parent	1,996	5,451	2,836	12,715
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	1,996	5,451	2,836	12,715
Profit Per Share				
(i) Basic (sen)	0.76	3.12	1.33	7.28
(ii) Fully diluted (sen)	0.76	3.12	1.33	7.27

(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 FINANCIAL POSITION AS AT 31 OCTOBER 2023

	Unaudited As At 31 OCTOBER 2023 RM'000	Audited As At 31 OCTOBER 2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	12,762	13,014
Development expenditure	2,298	2,031
Goodwill on consolidation	1,105	1,261
Intangible Assets	122	34
Total Non-Current Assets	16,287	16,340
CURRENT ASSETS		
Inventories	18,510	19,935
Trade receivables	3,459	9,742
Other receivables, deposits and prepayments	2,222	4,010
Other investment	10,126	919
Fixed deposit	14,423	26,984
Cash and bank balances	9,386	3,492
Total Current Assets	58,126	65,082
TOTAL ASSETS	74,413	81,422
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	24,389	24,172
Warrants Reserve	9,855	1,677
Discount on Shares	(9,855)	(1,677)
ESOS Compensation Reserve	1,107	
Retained profits	42,769	42,561
Equity attributable to equity holders of the parent	68,265	66,733
Minority interests	-	-
TOTAL EQUITY	68,265	66,733
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	66	150
Deferred Tax Liability	204	-
Total Non-Current Liabilities	270	150
CURRENT LIABILITIES		
Trade payables	299	1,035
Contract liabilities	-	832
Taxation payables	994	3,263
Other payables and accruals	4,477	9,271
Borrowings	108	138
Total Current Liabilities	5,878	14,539
TOTAL LIABILITIES	6,148	14,689
TOTAL EQUITY AND LIABILITIES	74,413	81,422
Net assets value per share (RM)	0.26	0.38

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

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 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 for the year	-	-	-	-	-	-	2,836	2,836
Exercise of ESOS	198	-	-	-	-	-	-	198
Exercise of WARRANT	19	-	(6)	-	6	-	-	19
Warrants expired during the year	-	-	(1,671)	-	1,671	-	-	-
Issuance of Warrants	-	-	9,855	-	(9,855)	-	-	-
ESOS Granted	-	-	-	1,107	-	-	-	1,107
Dividend paid during the year	-	-	-	-	-	-	(2,628)	(2,628)
As At 31 October 2023 (Unaudited)	24,389	-	9,855	1,107	(9,855)	-	42,769	68,265
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 (Audited)	24,172	-	1,677	-	(1,677)	-	42,561	66,733

(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 2023

	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2023 (Unaudited)	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2022 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	3,900	16,403
Adjustment for:-		
Depreciation of property, plant and equipment	834	710
Amortisation of development expenditure	235	294
Amortisation of Trademarks and Patents	18	5
Impairment of Goodwill	158	158
(Reversal) / Addition of provision and accruals	(4,814)	2,462
Loss / (Gain) on foreign exchange - unrealised	525	(2,872)
Loss on Disposal of property, plant and equipment	2	1
ESOS Expenses	1,107	-
Interest income	(1,136)	(234)
Interest expenses	9	14
Operating profit before working capital changes	837	16,940
Decrease / (Increase) in inventories	1,425	(1,202)
Decrease / (Increase) in trade and other receivables	6,937	(5,118)
Decrease in trade and other payables	(1,472)	(831)
Cash generated from operations	7,727	9,789
Interest paid	(9)	(14)
Tax paid	(2,342)	(3,444)
NET CASH FROM OPERATING ACTIVITIES	5,376	6,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of development expenditure	(502)	(451)
Interest received	1,136	234
Purchase of property, plant and equipment	(585)	(1,244)
(Placement) / withdrawal of money market funds	(9,207)	9,839
Additional in Trademarks/Patents	(106)	(17)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	(9,264)	8,361
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(2,628)	(2,620)
Repayment of HP Creditor	(114)	(125)
Proceeds from exercise of ESOS	198	335
Proceeds from exercise of WARRANT	19	90
NET CASH USED IN FINANCING ACTIVITIES	(2,525)	(2,320)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(6,413)	12,372
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(254)	2,479
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	30,476	15,625
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	23,809	30,476

(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 twelve (12) months financial period ended 31 October 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 twelve (12) months financial period ended 31 October 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) On 15 August 2023, 6,512,000 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.

8. Dividends Paid

Final Single-Tier Dividend of 1.5 sen per ordinary share for the financial year ending 31 October 2022 was paid on 19 May 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 twelve (12) months financial period ended 31 October 2023.

11. Contingent Liabilities and Contingent Assets

	<u>31 October 2023</u>	<u>31 October 2022</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	11,400,000	16,400,000

12. Segmental Information

Sales Revenue by Geographical Market for the twelve (12) months financial period up to 31 October 2023:

	31 October 2023 RM'000	31 October 2022 RM'000
Malaysia	851	2,524
South East Asia	7,832	12,317
North Asia	17,966	36,037
USA	-	206
Total	26,649	51,084

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 (4 th Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Quarter ended 31 October 2023	Quarter ended 31 October 2022			Year ended 31 October 2023	Year ended 31 October 2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	8,053	17,424	(9,371)	(54)	26,649	51,084	(24,435)	(48)
Profit Before Interest and Tax	1,882	6,822	(4,940)	(72)	3,909	16,417	(12,508)	(76)
Profit Before Tax	1,880	6,819	(4,939)	(72)	3,900	16,403	(12,503)	(76)
Profit After Tax	1,996	5,451	(3,455)	(63)	2,836	12,715	(9,879)	(78)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,996	5,451	(3,455)	(63)	2,836	12,715	(9,879)	(78)

In the current 12 months ended 31 October 2023, the Group generated revenue of RM26,648,864, decrease of RM24,434,951 from the same corresponding period ended 31 October 2022 of RM51,083,815. The decrease in revenue was due to decrease in the sales of machines.

In line with the decrease in revenue, the Group posted a profit before taxation of RM3,899,844 during this current year to date ended 31 October 2023 as compared to profit before taxation of RM16,403,050 during corresponding year to date ended 31 October 2022.

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Financial review for current quarter compared with preceding quarter

	Current Quarter 31 October 2023	Preceding Quarter 31 July 2023	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	8,053	8,234	(181)	(2)
Profit Before Interest and Tax	1,882	2,769	(887)	(32)
Profit Before Tax	1,880	2,766	(886)	(32)
Profit After Tax	1,996	1,586	410	26
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,996	1,586	410	26

The Group posted a lower revenue in the current quarter of RM8,053,189 as compared to the preceding quarter ended 31 July 2023 of RM8,234,098, representing decrease of RM180,909 due to the sales of machines with lower selling price due to different specification.

As a result of lower revenue, the Group posted a profit before taxation of RM1,879,913 as compared to profit before taxation of RM2,766,355 in the preceding quarter ended 31 July 2023.

15. Commentary on Material Change in Statement of Financial Position

1. Lower inventory as at 31 October 2023, RM18.5 million as compared to RM19.9 million as at 31 October 2022.
2. Decrease in trade receivables from RM9.7 million as at 31 October 2022 to RM3.5 million as at 31 October 2023 due to the collections from customers. There were subsequent receipts from customers amounted to RM1.3 million after the financial period ended 31 October 2023.
3. Increase of ordinary share capital due to the exercise of Warrants and ESOS.
4. Decrease on other receivables, deposits and prepayments from RM4.0 million as at 31 October 2022 to RM2.2 million as at 31 October 2023 mainly due to submission and conclusion of income tax for YA 2022.

5. Decrease in other payables and accruals from RM9.3 million as at 31 October 2022 to RM4.5 million as at 31 October 2023 was mainly due to lower incentives and 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 RM23.8 million as at 31 October 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 current economy weakness will continue till the first half of year 2024, with expectation of recovery after that.

As part of our strategy, we are able to stack up R&D activities in view of low demand of customers service during this period of time. Doing so, we are able to shorten the products' time to market where we can add new major revenue streams on top of the current product offerings.

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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2023	31 October 2022	31 October 2023	31 October 2022
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	(320)	1,368	994	3,263
(Over)/under provision in prior year	-	-	(134)	425
Deferred taxation	204	-	204	-
	(116)	1,368	1,064	3,688

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 31 October 2023 were as follows:

<u>Short term</u>	<u>31 October</u>	<u>31 October</u>
	<u>2023</u>	<u>2022</u>
	<u>RM ‘000</u>	<u>RM ‘000</u>
Hire purchase payables	108	138
Bankers acceptances	-	0
	108	138
<u>Long term</u>		
Hire purchase payables	66	150
TOTAL	174	288

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 Board of Directors of VHB is pleased to propose a final single-tier dividend of 1 sen per ordinary share in respect of the financial year ended 31 October 2023, for the shareholders’ approval at the forthcoming Nineteenth Annual General Meeting to be held in 2024, and the entitlement and payment date to be determined later.

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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 2023 RM'000	31 October 2023 RM'000
Interest Income	(337)	(1,136)
Interest Expense	2	9
Depreciation of Property, Plant & Equipment	203	834
Amortisation of Development Expenditure	38	235
Amortisation of Trademarks & Patents	2	18
Impairment of Goodwill	40	158
(Gain) / Loss on Foreign Exchange-Unrealised	(1,358)	525
Loss on Disposal of Property, plant and equipment	-	2
Reversal of Provision & Accruals	(129)	(4,814)

26. Employee’s Share Option Scheme (“ESOS”)

On 15 August 2023, the Company granted 6,512,000 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 2023	31 October 2022
At 1 November	-	-
Granted during the financial year	6,512,000**	4,212,500**
Exercised during previous financial year	-	(3,359,000)
Exercised during the financial year	-	(312,500)
Forfeited of ESOS	-	(196,000)
At 31 October	6,512,000	345,000
Exercise price (RM)	RM0.42	RM0.42

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

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

Options exercisable at 1 November 2023	6,512,000	345,000
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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.

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 2023</u>	<u>31 October 2022</u>
Fair value at grant date (RM)	RM 0.170	RM 0.280
Share price	RM 0.400	RM 0.575
Exercise price	RM 0.420	RM 0.420
Expected volatility (%)	24.897%	47.240%
Expected life (years)	5	5
Risk-free interest rate (%)	3.670%	3.343%

26. Earnings Per Share (“EPS”)**26.1. Basic EPS**

	Current Year Quarter	Previous Year Quarter	Current Year 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2023	31 October 2022	31 October 2023	31 October 2022
Net profit for the year (RM'000)	1,996	5,451	2,836	12,715
Weighted average number of shares in issue ('000)	262,799	174,830	212,639	174,766
Basic EPS (sen)	0.76	3.12	1.33	7.28

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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2023	31 October 2022	31 October 2023	31 October 2022
Net profit for the year (RM'000)	1,996	5,451	2,836	12,715
Weighted average number of shares used in the calculation of basic earnings per share ('000)	262,799	174,830	212,639	174,766
Adjustment for shares from assumed exercise of ESOS ('000)	-	94	-	94
Adjustment for shares from assumed exercise of WARRANT ('000)	-	-	-	-
Weighted average number of ordinary shares at 31 October 2023	262,799	174,924	212,639	174,860
Diluted EPS (sen)	0.76	3.12	1.33	7.27

27. Realised and Unrealised Profits Disclosure

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

	As at 31.10.2023 RM'000	As at 31.10.2022 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	40,423	39,690
- Unrealised	<u>2,436</u>	<u>2,961</u>
	42,859	42,651
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>42,769</u>	<u>42,561</u>

28. Derivatives

There was no outstanding derivative as at 31 October 2023.

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