

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 NINE (9) MONTHS FINANCIAL YEAR ENDED 31 JULY 2024

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JULY 2024 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JULY 2023 RM'000 (Audited)	CURRENT YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2024 RM'000 (Unaudited)	PRECEDING YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2023 RM'000 (Audited)
Revenue	2,322	8,234	4,762	18,596
Cost of Sales	<u>(1,087)</u>	<u>(2,748)</u>	<u>(2,531)</u>	<u>(6,606)</u>
Gross Profit	1,235	5,486	2,231	11,990
Other Operating Income	266	576	846	916
Human Resource Related Expenses	(500)	(701)	(1,344)	(1,397)
Administrative Expenses	(562)	(645)	(1,685)	(1,982)
Selling and Distribution Expenses	(285)	(1,002)	(644)	(2,577)
Research and Development	(1,333)	(924)	(3,697)	(3,020)
Other Operating Expenses	<u>(521)</u>	<u>(16)</u>	<u>(363)</u>	<u>(1,884)</u>
Profit/(Loss) From Operations	(1,700)	2,774	(4,656)	2,046
Finance Cost	<u>(7)</u>	<u>(8)</u>	<u>(21)</u>	<u>(26)</u>
Profit/(Loss) Before Taxation	(1,707)	2,766	(4,677)	2,020
Taxation	<u>(79)</u>	<u>(1,180)</u>	<u>(79)</u>	<u>(1,180)</u>
Profit/(Loss) After Taxation For The Period	(1,786)	1,586	(4,756)	840
Other Comprehensive Income				
Forex loss	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	(1,786)	1,586	(4,756)	840
Attributable to:				
Equity holders of the parent	(1,786)	1,586	(4,756)	840
Minority Interest	-	-	-	-
Net Profit Comprehensive Income For The Period	(1,786)	1,586	(4,756)	840
Profit Per Share				
(i) Basic (sen)	(0.68)	0.67	(1.81)	0.40
(ii) Fully diluted (sen)	(0.68)	-	(1.81)	-

(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)]

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	Unaudited As At 31 JULY 2024 RM'000	Audited As At 31 OCTOBER 2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	14,567	12,762
Development expenditure	2,880	2,298
Goodwill on consolidation	988	1,105
Intangible Assets	93	122
Total Non-Current Assets	18,528	16,287
CURRENT ASSETS		
Inventories	19,009	18,510
Trade receivables	1,487	3,459
Other receivables, deposits and prepayments	1,939	2,222
Other investment	7,697	10,126
Fixed deposit	8,429	14,423
Cash and bank balances	9,097	9,386
Total Current Assets	47,658	58,126
TOTAL ASSETS	66,186	74,413
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	24,389	24,389
Warrants Reserve	9,855	9,855
Discount on Shares	(9,855)	(9,855)
ESOS Compensation Reserve	1,086	1,107
Retained profits	35,385	42,769
Equity attributable to equity holders of the parent	60,860	68,265
Minority interests	-	-
TOTAL EQUITY	60,860	68,265
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	-	66
Deferred Tax Liability	204	204
Total Non-Current Liabilities	204	270
CURRENT LIABILITIES		
Trade payables	409	299
Contract liabilities	1,942	-
Taxation payables	-	994
Other payables and accruals	2,674	4,477
Borrowings	97	108
Total Current Liabilities	5,122	5,878
TOTAL LIABILITIES	5,326	6,148
TOTAL EQUITY AND LIABILITIES	66,186	74,413
Net assets value per share (RM)	0.23	0.26

(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)]

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 2024

(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 2023 (Audited)	24,389	-	9,855	1,107	(9,855)	-	42,769	68,265
Net Profit for the year	-	-	-	-	-	-	(4,756)	(4,756)
ESOS Forfeited	-	-	-	(21)	-	-	-	(21)
Dividend paid during the year	-	-	-	-	-	-	(2,628)	(2,628)
As At 31 July 2024 (Unaudited)	24,389	-	9,855	1,086	(9,855)	-	35,385	60,860
As at 31 October 2022 (Audited)	24,172	-	1,677	-	(1,677)	-	42,561	66,733
Net Profit for the year	-	-	-	-	-	-	840	840
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)	-	-	-
Dividend paid during the year	-	-	-	-	-	-	(2,628)	(2,628)
As At 31 July 2023 (Audited)	24,389	-	9,855	-	(9,855)	-	40,773	65,162

(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 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 2024

	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2024 (Unaudited)	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2023 (Audited)
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(4,677)	2,020
Adjustment for:-		
Depreciation of property, plant and equipment	614	631
Amortisation of development expenditure	58	197
Amortisation of Trademarks and Patents	29	16
Impairment of Goodwill	118	118
Reversal of provision and accruals	(1,589)	(4,685)
Loss on foreign exchange - unrealised	360	1,883
Loss on Disposal of property, plant and equipment	-	2
ESOS Forfeited	(21)	-
Interest income	(819)	(799)
Interest expenses	4	7
Operating profit before working capital changes	(5,924)	(611)
Changes in inventories	(499)	(536)
Changes in trade and other receivables	2,126	4,798
Changes in trade and other payables	1,769	1,967
Cash generated (to)/ from operations	(2,528)	5,618
Interest paid	(4)	(7)
Tax paid	(1,072)	(3,366)
Reversal of Taxation	-	238
NET CASH (USED IN)/ FROM OPERATING ACTIVITIES	(3,604)	2,483
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of development expenditure	(640)	(371)
Interest received	819	799
Purchase of property, plant and equipment	(499)	(541)
Purchase of Land	(1,921)	-
Withdrawal / (Placement) of money market funds	2,430	(1,746)
Additional in Trademarks / Patents	-	(53)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	189	(1,912)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(2,628)	(2,628)
Repayment of HP Creditor	(77)	(89)
Proceeds from exercise of ESOS	-	198
Proceeds from exercise of WARRANT	-	19
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(2,705)	(2,500)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,120)	(1,929)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(163)	(1,266)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	23,809	30,476
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	17,526	27,281

(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 2023.

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 2023, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 November 2023.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 October 2023 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 nine (9) months financial period ended 31 July 2024.

6. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the nine (9) months financial period ended 31 July 2024.

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7. Debt and Equity Securities

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.

Please refer to note 26 for details of ESOS.

8. Dividends Paid

Final Single-Tier Dividend of 1 sen per ordinary share for the financial year ended 31 October 2023 was paid on 24 May 2024.

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 nine (9) months financial period ended 31 July 2024.

11. Contingent Liabilities and Contingent Assets

	<u>31 July 2024</u>	<u>31 July 2023</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 nine (9) months financial period up to 31 July 2024:

	<u>31 July 2024 RM’000</u>	<u>31 July 2023 RM’000</u>
Malaysia	133	175
South East Asia	175	6,632
North Asia	4,440	11,789
Other	14	-
Total	<u>4,762</u>	<u>18,596</u>

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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 (3 rd Quarter)		Changes (Amount / %)		Cumulative Quarter		Changes (Amount/ %)	
	Quarter ended 31 July 2024	Quarter ended 31 July 2023			Year ended 31 July 2024	Year ended 31 July 2023		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	2,322	8,234	(5,912)	(72)	4,762	18,596	(13,834)	(74)
Profit Before Interest and Tax	(1,706)	2,769	(4,475)	(162)	(4,673)	2,027	(6,700)	(331)
Profit Before Tax	(1,707)	2,766	(4,473)	(162)	(4,677)	2,020	(6,697)	(332)
Profit After Tax	(1,786)	1,586	(3,372)	(213)	(4,756)	840	(5,596)	(666)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,786)	1,586	(3,372)	(213)	(4,756)	840	(5,596)	(666)

In the current 9 months ended 31 July 2024, the Group generated revenue of RM4,762,170, decrease of RM13,833,504 from the same corresponding period ended 31 July 2023 of RM18,595,674. 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 RM4,677,267 during this current year to date ended 31 July 2024 as compared to profit before taxation of RM2,019,931 during corresponding year to date ended 31 July 2023.

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Financial review for current quarter compared with preceding quarter

	Current Quarter 31 July 2024	Preceding Quarter 30 April 2024	Changes (Amount/ %)	
	RM'000	RM'000	RM'000	%
Revenue	2,322	1,889	433	23
Profit Before Interest and Tax	(1,706)	(1,408)	(298)	(21)
Profit Before Tax	(1,707)	(1,410)	(297)	(21)
Profit After Tax	(1,786)	(1,410)	(376)	(27)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,786)	(1,410)	(376)	(27)

The Group posted a higher revenue in the current quarter of RM2,321,865 as compared to the preceding quarter ended 30 April 2024 of RM1,889,460, representing increase of RM432,406 due to sales of machine with higher selling price due to different specification and increase in the sales of software upgrades.

In spite of the higher revenue, the Group posted a loss before taxation of RM1,707,223 as compared to loss before taxation of RM1,409,594 in the preceding quarter ended 30 April 2024 mainly due to unrealized forex loss.

15. Commentary on Material Change in Statement of Financial Position

1. Higher inventory as at 31 July 2024, RM19.0 million as compared to RM18.5 million as at 31 October 2023 for the preparation on Company’s potential sales.
2. Decrease in trade receivables from RM3.5 million as at 31 October 2023 to RM1.5 million as at 31 July 2024 due to the collections from customers. There were subsequent receipts from customers amounted to RM250K after the financial period ended 31 July 2024.
3. Decrease in other receivables, deposits and prepayments from RM2.2 million as at 31 October 2023 to RM1.9 million as at 31 July 2024 mainly due to submission and conclusion of income tax for YA 2023.
4. Decrease in other payables and accruals from RM4.5 million as at 31 October 2023 to RM2.7 million as at 31 July 2024 was mainly due to payment of incentives, 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 RM23.8 million as at 31 October 2023 to RM17.5 million as at 31 July 2024 mainly due to payment of incentives, bonus, sales and service commission, offsetted by payments received from customers.

17. Commentary on the Prospects

Business seems to be improving quarter to quarter, albeit at a slow pace.

We still hold the expectation that any significant improvement will be beyond year 2025.

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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2024	31 July 2023	31 July 2024	31 July 2023
	RM'000	RM'000	RM'000	RM'000
Income Tax Expense				
Tax expense for the period	-	1,314	-	1,314
(Over)/under provision in prior year	79	(134)	79	(134)
	79	1,180	79	1,180

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 July 2024 were as follows:

	<u>31 July</u> <u>2024</u>	<u>31 July</u> <u>2023</u>
	<u>RM ‘000</u>	<u>RM ‘000</u>
<u>Short term</u>		
Hire purchase payables	97	138
Bankers acceptances	—	—
	97	138
<u>Long term</u>		
Hire purchase payables	-	62
TOTAL	97	200

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 sen per ordinary share in respect of the financial year ended 31 October 2023. The entitlement date and payment date were on 10 May 2024 and 24 May 2024 respectively.

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25. Profit/(Loss) Before Taxation

Profit/(loss) before taxation is stated after charging/(crediting) :-

	Current Year Quarter	Current Year 9 Months Cumulative To-Date
	31 July 2024 RM'000	31 July 2024 RM'000
Interest Income	(227)	(819)
Interest Expense	1	4
Depreciation of Property, Plant & Equipment	207	614
Amortisation of Development Expenditure	35	58
Amortisation of Trademarks & Patents	2	29
Impairment of Goodwill	39	118
Loss on Foreign Exchange-Unrealised	387	360
ESOS Forfeited	(5)	(21)
Addition / (Reversal) of Provision & Accruals	429	(1,589)

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 July 2024	31 July 2023
At 1 November	-	-
Granted during the financial year	6,512,000**	-
Exercised during previous financial year	-	-
Exercised during the financial year	-	-
Forfeited of ESOS	(126,000)	-
At 31 July 2024	6,386,000	-
Exercise price (RM)	RM0.42	-
Options exercisable at 1 August 2024	6,386,000	-

** 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, 126,000 options were forfeited due to the resignation of staffs.

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 July 2024</u>	<u>31 July 2023</u>
Fair value at grant date (RM)	RM 0.170	-
Share price	RM 0.380	-
Exercise price	RM 0.420	-
Expected volatility (%)	28.23%	-
Expected life (years)	5	-
Risk-free interest rate (%)	3.535%	-

27. Earnings Per Share (“EPS”)

27.1. Basic EPS

	Current Year Quarter	Previous Year Quarter	Current Year 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2024	31 July 2023	31 July 2024	31 July 2023
Net profit for the year (RM'000)	(1,786)	1,586	(4,756)	840
Weighted average number of shares in issue ('000)	262,799	236,138	262,799	212,639
Basic EPS (sen)	(0.68)	0.67	(1.81)	0.40

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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2024	31 July 2023	31 July 2024	31 July 2023
Net profit for the year (RM'000)	(1,786)	1,586	(4,756)	840
Weighted average number of shares used in the calculation of basic earnings per share ('000)	262,799	236,138	262,799	212,639
Adjustment for shares from assumed exercise of ESOS ('000)	-	-	-	-
Adjustment for shares from assumed exercise of WARRANT ('000)	-	-	-	-
Weighted average number of ordinary shares at 31 July 2024	262,799	236,138	262,799	212,639
Diluted EPS (sen)	(0.68)	0.67	(1.81)	0.40

28. Realised and Unrealised Profits Disclosure

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

	As at 31.07.2024 RM'000	As at 31.07.2023 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	33,039	39,595
- Unrealised	<u>2,436</u>	<u>1,268</u>
	35,475	40,863
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>35,385</u>	<u>40,773</u>

29. Derivatives

There was no outstanding derivative as at 31 July 2024.

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