VisDynamics

Registration No. 200501000050 (677095-M)

VERSATILE

INNOVATIVE

SIMPLICITY

ANNUAL REPORT 2021

OUR VISION

To be the semiconductor industry's top choice of equipment solution provider through value innovation, best-in-class performance, excellent service & support, cost effectiveness, environmental friendliness and partnership with customers, peers, suppliers & employees.

OUR MISSION

- Strive to meet or exceed expectation of customers, peer partners, suppliers, employees & investors
- Identify and employ/partner with the best talents in the market
- Unleash the best potential of partners & employees
- Contribute to local & global communities in education & long term economy sustainability

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CORPORATE STRUCTURE

VisDynamics Holdings Berhad

100%

VisDynamics Research Sdn Bhd

- Design, R&D and Assembly of Back-end Semiconductor Equipment
- High Speed Transfer and Inspection Machine for Non-Semiconductor Devices

VisDynamics

CORPORATE INFORMATION

Board of Directors

Vincent Loh
Chairman/ Senior Independent Non-Executive Director

Choy Ngee Hoe
Executive Director/ Chief Executive Officer

Lee Chong Leng
Executive Director/ Chief Technical Officer

Ong Hui Peng
Executive Director

Pang Nam Ming
Independent Non-Executive Director

Wang Choon Seang
Independent Non-Executive Director

COMPANY SECRETARIES

Teo Mee Hui
(MAICSA 7050642 & SSM PC No. 202008001081)
Peggy Chek Hong Kim
(MIA 23475 & SSM PC No. 202008003139)

REGISTERED OFFICE

10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur, Malaysia
Tel : 03-23824288
Fax : 03-23824170

CORPORATE HEAD OFFICE

Lot 3844, Jalan TU 52
Kawasan Perindustrian Tasik Utama
Ayer Keroh
75450 Melaka, Malaysia
Tel : 06-2323023
Fax : 06-2323600

PRINCIPAL BANKERS

United Overseas Bank Malaysia Berhad
Public Bank Berhad
Hong Leong Bank Berhad

AUDITORS

Messrs. Al Jafree Salihin Kuzaimi PLT (AF 1522)
Chartered Accountants
No. 555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan, Malaysia
Tel : 03-6185 9970
Fax : 03-6184 2524

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
General Line : 03-78904700
General Fax : 03-78904670

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

STOCK CODE

Share : 0120
Warrants : 0120WB

MESSAGE FROM THE CHAIRMAN

I am pleased to announce the close of a resilient financial year given the many challenges faced by Visdynamics Group in financial year ended 31 October 2021 ("FY2021"). The Group registered total revenue of RM47.9 million in FY2021 as compared to RM26.3 million in financial year ended 31 October 2020 ("FY2020") and a profit before tax of RM12.5 million in FY2021 as compared to RM2.9 million in FY2020. With these financial results, I am delighted to report that VisDynamics Holdings Berhad (VisDynamics) has set a new revenue and profit record, taking into account the global events that shaped FY2021.

Once again, the health and business challenges arising from the COVID-19 pandemic persisted in FY2021. Domestic daily cases fluctuated throughout 2021 and the Government implemented the Movement Control Order ("MCO") 2.0 on 13 January 2021 and MCO 3.0 on 1 June 2021 again to curtail an exponential growth in case numbers. With the approval from Government, we were able to resume our operations albeit with reduced number of employees until they were fully vaccinated via PIKAS in September 2021. Thereafter, Visdynamics was then able to resume full operational activities, whilst ensuring adherence to the stringent Standard Operating Procedures (SOPs) within the organisation. Despite the challenges posed by these restrictions, I was impressed by the Group's perseverance and ability to grow machine sales and deliver stellar results, our best to date. This has demonstrated the Group's readiness and ability to operate efficiently even in difficult times especially in view of the travel restrictions, both within the country and externally as the majority of our customers are based overseas.

The Group continues to have a healthy financial position and has received potential orders in the pipeline going forward into the new year. Thus, we believe we are ready to continue to expand and grow our business.

On behalf of the Board of Directors, I wish to extend our appreciation to members of our management team and employees of the Group. Your effective execution of our business strategies through hard work, focus and determination are very much appreciated and continue to contribute to VisDynamics' perseverance and success.

Our sincere gratitude also to our shareholders, customers, business associates, suppliers, bankers and relevant government authorities for their confidence and support to the Board and Management.

Finally, to my fellow Board members, thank you for your contributions and professional advice in making the Board more effective and efficient.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS

VisDynamics was established in early 2003 in the state of Melaka, Malaysia. We continue to provide under one roof, technical research and solutions involving the design, software development, assembly and installation of automated test equipment for the semiconductor industry.

HIGHLIGHTS OF GROUP'S FINANCIAL INFORMATION FOR THE PAST 5 FINANCIAL YEARS

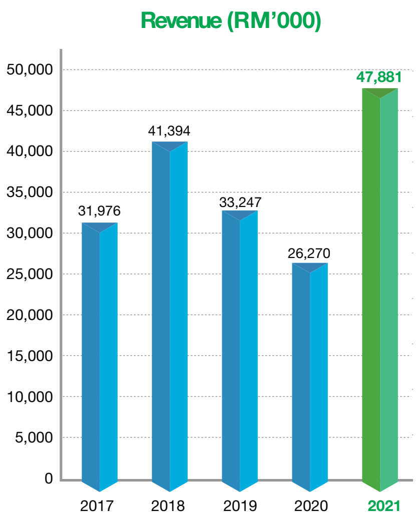
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	31,976	41,394	33,247	26,270	47,881
Gross Profit	20,603	26,580	19,024	15,900	31,150
Gross Profit Margin (%)	64	64	57	61	65
Profit Before Taxation	7,702	10,335	5,973	2,917	12,494
Taxation	(1,063)	(2,166)	(903)	(471)	(2,889)
Profit After Taxation	6,639	8,169	5,070	2,446	9,604
Net Tangible Assets ("NTA") (RM'000)	29,377	38,928	41,989	42,972	52,899
No. of Ordinary Shares in Issue ('000)	112,368	168,961	169,169	171,180	174,397
Shareholders' Funds	31,778	40,709	44,265	45,749	56,213
Basic Earnings Per Share ("EPS") (Sen) *	4.0	4.9	3.0	1.4	5.6
NTA per Share (Sen)**	26.1	23.0	24.8	25.1	30.3
Net Increase/ (Decrease) in Cash and Cash Equivalents	(76)	851	(284)	(2,988)	7,911

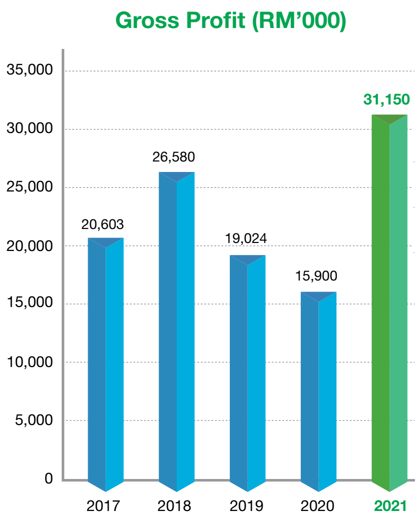
NOTES

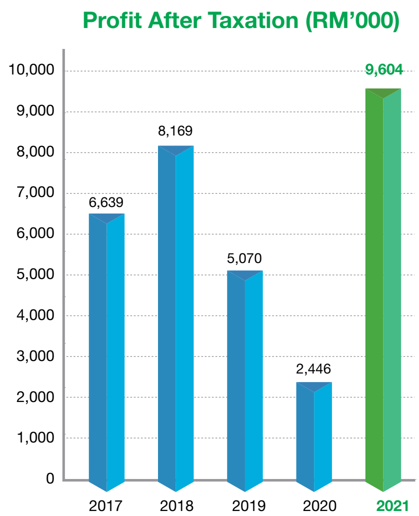
* The basic EPS is arrived at by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

** The NTA Per Share is arrived at by dividing net tangible assets value attributable to ordinary shares by the number of ordinary shares in issue.

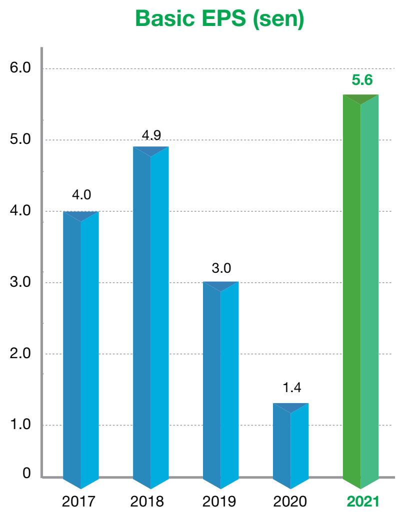
*** The Final Single-Tier Dividend of 1.0 sen per ordinary share for the financial year ended 31 October 2020 was paid on 28 May 2021.

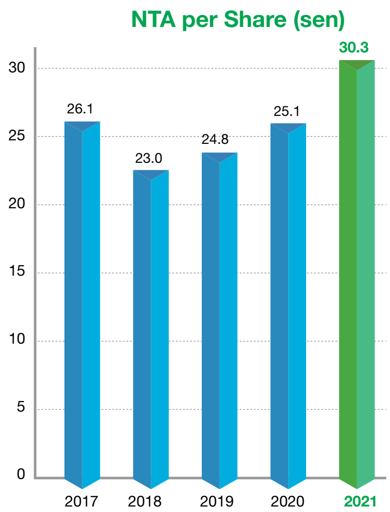






Management Discussion and Analysis (Cont'd)





REVIEW OF FINANCIAL RESULTS AND CONDITIONS

In the current financial year ended 31 October 2021 (FY2021), the Group generated revenue of RM47.881 million an increase of RM21.611 million or 82% from the corresponding financial year ended 31 October 2020 (FY2020) of RM26.270 million. The increase in revenue was attributed by the increase in the sales of machines. In addition, gross profit margin has also improved from 61% to 65%.

In tandem with the increase in revenue for FY2021, Selling and Marketing expenses also increased by RM3.9 million resulting mainly from the higher provision for sales-related incentives. In addition, human resource-related expenses also grew by RM1.4 million due to increased provisions for management and staff incentives and employees' share option scheme ("ESOS") costs.

In line with the increase in revenue and gross profit margins, the Group posted a higher profit before taxation of RM12.5 million during FY2021 as compared to profit before taxation of RM2.917 million during FY2020.

Consequently, overall net profit after taxation for FY2021 was RM9.604 million as compared to RM2.446 million for FY2020.

In terms of shareholders' funds, the number of ordinary shares increased from 170,957,600 in FY2020 to 174,396,600 in FY2021 as a result of assurance of additional ordinary shares arising from conversion of warrants and exercise of options under the ESOS.

Segmental Results

Sales Revenue by Geographical Market are as follows:

	FY2021 RM'000	%	FY2020 RM'000	%
Malaysia	3,493	7.30	1,554	5.92
South East Asia	6,851	14.31	3,530	13.44
North Asia	37,424	78.18	21,167	80.56
USA	101	0.21	19	0.07
Others	12	-	-	-
TOTAL	**47,881**	**100**	**26,270**	**100**

Management Discussion and Analysis (Cont'd)

Significant Assets & Liabilities

Property, Plant & Equipment

Increase in Property, Plant & Equipment from RM6.5 million as at 31 October 2020 to RM12.5 million as at 31 October 2021 was mainly due to the purchase of land for business expansion of approximately RM6.2 million.

Trade Receivables

Decrease in trade receivables from RM8.0 million as at 31 October 2020 to RM5.4 million as at 31 October 2021 was due to receipts from customers. There were subsequent receipts from customers amounted to RM2.9 million after the FY2021. No impairment is needed as these amounts are recoverable from customers based on their financial standings and payment history.

Non-trade Payables

Increase in non-trade payables from RM4.9 million as at 31 October 2020 to RM6.9 million as at 31 October 2021 was mainly due to the result of provisions for incentives, service and sales commission and warranties in line with the increase in sales.

Taxation Payables

Increase of RM2.4 million in taxation payable as at 31 October 2021 arising from the increase in taxable profits.

Borrowings

Decrease in borrowings was due to the repayment of Bankers Acceptance during the year.

Ordinary Share Capital

Increase in ordinary share capital to RM23.7 million was due to the conversion of Warrants and exercise of options under ESOS.

TRENDS AND OUTLOOK

Despite the supply constraints from the global semiconductor chip shortage, industry players remain optimistic because consumer demand is surging as demand for chips proliferate across all industries. The growth in 5G smartphone and consumer electronics devices usage, driven by remote working arrangements during the pandemic, is limited only by the number of components that can be supplied. The automotive and electric vehicle (EV) sectors have also seen an increase semiconductor content while experiencing a recovery trend. Hence, the current supply shortage would only present a temporary setback as these sectors are set for further growth in the long term.

The industry's rosy backdrop reflected the robust requirements for chips amid the COVID-19 sparked accelerated digitalisation and proliferation of secular technology trends.

Thus, looking forward to the new financial year and beyond, we hope to continue benefitting from the global structural growth in chip demand alongside the ongoing acceleration in digitalisation and proliferation of secular technology trends such as 5G, artificial intelligence, cloud computing, Internet of Things (IoT), robotics and vehicle electrification.

BUSINESS STRATEGY & RISKS

KEY MARKETS

The Group's key markets continue to be driven by customers located mainly in North Asia (78.18% of the total revenue of FY2021) and South East Asia excluding Malaysia (14.31% of the total revenue of FY 2020).

Management Discussion and Analysis (Cont'd)

OBJECTIVES & STRATEGIES

As a high technology business, we will continue to focus on and heavily invest in research & development activities to continuously enhance our current Products range and deliver innovative machines and services in order to be the industry's top choice for equipment solution providers.

In addition, the Group will continue to explore new markets and business opportunities for new products and services which will enable us to expand our customer base in order to deliver maximum value to the shareholders.

ANTICIPATED OR KNOWN RISK

In addition to key downside risks include a prolonged COVID-19 pandemic weighing on economic growth and disrupting supply chains and a heightened trade war, other risks include:

Foreign currency exchange rates

As a large proportion of revenue is derived from export sales, there is a risk that significant fluctuations in the RM to USD exchange rate will affect the results of the Group. Consequently, the Group will convert its USD holding to RM as and when the rates are considered as favourable.

Competition

Competition makes us stronger and drives us to deliver better solutions. With an objective to increase productivity without getting into a price war, we address this risk by continuously coming up with innovative features, which have been proven effective and well-accepted by our customers on many occasions.

SUSTAINABILITY STATEMENT

VisDynamics strives to create value for all our stakeholders: employees, customers, shareholders, partners, communities and the environment. We adopt good practices recommended by sustainability standard setters, by ensuring our products and solutions benefit our customers, workers and support their wellbeing.

With this mission, the Board is pleased to report on the Group's Sustainability objectives, strategies and activities material to the Group, the way the Group manages it and many other efforts undertaken to complement the Group's sustainability objectives.

This Sustainability Statement ("statement") is and update to the statement of the previous financial year. The reporting framework of this statement is guided by Global Reporting Initiative ("GRI") Standards as encouraged by Bursa Malaysia Securities Berhad.

SCOPE AND COVERAGE

VisDynamics is committed to ensuring sustainability is considered when performing its business activities. This includes carrying out business activities in a responsible manner considering not only financial results but other important aspects of business which include Economic, Environmental, Social and Governance considerations.

In VisDynamics, sustainability means managing business responsibly for long-term success while creating enduring value for customers, employees, shareholders, the community and the environment. The Company is committed to maintain a customer focused, socially responsible company that generates sustainable returns to its stakeholders.

GOVERNANCE

The Board of Directors is responsible for reviewing, adopting and monitoring the overall sustainability planning and reporting for the Group. A formal structure was established in 2019 for sustainability governance as follows:

SUSTAINABILITY GOVERNANCE

Board of Directors

Sustainability Committee

Sustainability Reporting Coordinator

The Sustainability Committee comprises members from the Management, finance and administrative departments of the Group.

SUSTAINABILITY APPROACH AND PRINCIPLES

VisDynamics endeavours to conduct its business activities in an ethical and responsible manner by embedding sustainability practices in all aspects of its operations to ensure the long-term growth and value creation for the Group by addressing relevant Environmental, Social and Governance ("ESG") issues responsibly and profitably.

Our aims and focus in terms of ESG include:

Economic	Environmental	Social
- In support of green environment - Reduce consumption of non-renewable, non-recycled materials - Comply with environmental regulatory and legal requirements - Create awareness	- Safe and healthy workforce - Talent retention - Training and development - Promote racial harmony - Prevent sexual harassment - Be recognised as a good corporate citizen - Support and encourage community development	- Integrate in strategic planning - Enhance strategies, policies, procedures and trainings - Governance structures and processes - Assess impact and outcomes of sustainability - Long term resources planning

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT

As set out in the Board Charter, the Board is responsible for promoting effective communications with shareholders and relevant stakeholders.

While we are committed to providing shareholders, regulators and employees with comprehensive, accurate and timely disclosure of information relating to the Group, we are looking to widen this engagement process to other parties such as customers, suppliers and the local community to gauge the importance of key sustainability matters and for them to understand our actions and direction with greater clarity.

The table below describes in detail our stakeholders' engagement process, focused areas relevant to our stakeholders, our approaches and frequency of our engagement with stakeholders.

Stakeholders	Sustainability Topics	Engagement Platforms	Frequency
Investors & shareholders	• Business performance • Operation	• Quarterly reports • Annual reports • Press releases • Company website • Annual General Meetings & Analysts briefing • Investor relationship channel	• Quarterly • Annually • As required • On going • Annually • On going
Employees	• Business performance • Health & safety • Communication and engagement • Working environment • Career development and training	• Staff briefings • Social events with employees • Emergency Response Team • Training and development • Appraisal and performance review • Meetings and discussions	• On going • On going • On going • On going • Annually • On going
Government and Regulators	• Regulatory compliance • Supporting country's economic growth • Approvals and licenses • Standards and certifications	• Compliance with government legislative & regulatory body framework • Participating in program organised by government bodies • Meetings and consultation	• As required • As required • As required
Customers	• Product quality and performance • Sustaining long term relationship • Product development and innovation	• Customers feedbacks • Face-to-face meetings • Visit to customers' sites • On-site visits at VisDynamics • Discussions and services	• On going • On going • On going • On going • On going
Suppliers	• Forging strategic partnership • Suppliers performance review • Product quality	• Suppliers selection via pre-qualification • Suppliers meetings • Site visits	• On going • On going • On going
Communities	• Environment protection • Local community activities involvement	• Community programmes • Social activities & events	• On going • On going

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT

A Materiality Assessment is an exercise to gauge what are the most noteworthy economic, environmental and social ("EES") issues that are material or important to the Group.

Potential material industry and operational issues relevant to the Group's business were:

(a) Internally identified by the Sustainability Committee;
(b) Prioritised and determined by the Management; and
(c) Approved by the Board.

based on their importance to the Group and stakeholders. These topics are classified under the three pillars of the Global Reporting Initiatives (GRI) and the Sustainability Reporting Guide relating to EES.

The key EES issues prioritised and determined are as follows:

Economic	Environmental
• Procurement practices • Profitability • Quality of our products • Customer Relationship Management • Corporate Governance	• Green Initiatives • Environmental Compliance • Emissions and Waste Management
Social-Workplace	**Social - Community**
• Safety, Health and Harmony • Talent Development • Staff Retention • Work Balance	• Giving back to Society

ECONOMIC SUSTAINABILITY

PROFITABILITY

Financial year 2021 ("FY2021") was definitely a remarkably challenging year for most businesses because the COVID-19 pandemic presents a significant challenge to the global and domestic economy. Nevertheless, VisDynamics is not only capable of adapting and sustaining the business but thrives in such a challenging environment. We are pleased to announce that we have successfully recorded an all-time high revenue and profit in FY2021. It is worthwhile to note that the Group has made unremitting efforts (i.e. focus on costs efficiency, exploring new markets and developing new products) in order to achieve better profits and growth of the business. We are confident that the potential profits of our businesses are intact and we are positioned to benefit from any recovery in the market as and when it comes.

For details and analysis of our financial results, please refer to Management Discussion and Analysis on pages 5 to 8 of this Annual Report.

CORPORATE GOVERNANCE

We aspire to be transparent and conduct our business in an ethical and principled way to achieve long-term success and sustainable growth as well as to ensure trust amongst shareholders and investors. The Group's corporate governance framework is detailing in the Corporate Governance Overview Statement on pages 25 - 36 of this Annual Report.

Our corporate governance initiatives include risk management and internal controls, code of conduct, anti-bribery and anti-corruption and whistleblowing policy. These areas are explained in subsequent sections of this Statement.

Risk Management and Internal Control

The fundamental of good corporate governance derives from maintaining a sound system of risk management and adequacy and integrity of our internal control system.

Risk management is important to VisDynamics to identify threats and opportunities in the Group's operations and development. Our Risk Management Framework are explained in Statement on Risk Management and Internal Control on pages 41 to 45 of this Annual Report.

Sustainability Statement (Cont'd)

ECONOMIC SUSTAINABILITY (CONT'D)

CORPORATE GOVERNANCE (CONT'D)

Risk Management and Internal Control (Cont'd)

Our internal controls include various policies and documents to ensure VisDynamics and its employees uphold highest standard of integrity and ethics in its business conduct. The following policies and documents are available at the Company's website:-

- Board Charter;
- Code of Conduct;
- Terms of Reference (Audit Committee, Nomination Committee and Remuneration Committee);
- Anti-Bribery & Anti-Corruption Policy; and
- Whistleblowing Policy.

Code of Conduct

We have established a Code of Conduct ("Code") which promotes ethical values and standards for Directors, officers and employees ("affected personnel") in discharging their duties and responsibilities. The code provide guidelines on the expected behaviour and conduct of the affected personnel when dealing with both internal and external parties. Those principles are shared with all employees and emphasised during training sessions.

Anti-Bribery & Anti-Corruption Policy

With the introduction of Guidelines on Adequate Procedures through Malaysian Anti-Corruption Commission ("MACC") Amendments Act 2018, an external consultant was engaged to assist in establishing its framework, principles and the expected standard of behaviours from our staff and external parties. Consequently, the exercise is expected to embed strong anti-bribery and anti-corruption culture group-wide.

Whistleblowing Policy

We have zero tolerance against any acts of bribery and corruption. Any employees and third parties suspecting misconduct or wrongdoings, are encouraged to report to the Audit Committe Chariman and/or the Senior Independent Non-Executive Director through the established reporting mechanism as stipulated in the Whistleblowing Policy. This policy was also enhanced in line with the requirements by the MACC. During the FY 2021, no instances or complaints on suspected corrupt or unethical behaviour were reported to us.

SOCIAL ECONOMIC COMPLIANCE

It is in our interest to comply with national laws and regulations in the countries where we operate. We ensure that our employees are aware and fully comprehend of our standards in all sustainability aspects. Measures and controls such as standard operating procedures, audits and inspections by local authorities are in place, among others, to strengthen compliance with regulations, thereby reducing financial risk and impact.

The following is a list of key laws and regulations that are related to our business activities:

Section	Type of compliance with laws and standards
Labour	• Employment Act 1955 • Personal Data Protection Act 2010 • Workmen Compensation Act 1952 • Employees' Social Security Act 1969 • Employees Provident Fund Act 1991 • Income Tax Act 1967
Safety and Health	• Occupational Safety & Health Act, 1994 • Fire Service Act, 1988 • Factories and Machinery Act 1967 • Standard Operating Procedures ("SOP") in relation to managing COVID-19 by Ministry of International Trade and Industry ("MITI"). • Guidelines COVID-19 Management in Malaysia No.5/2020 by Ministry of Health ("MOH")

ECONOMIC SUSTAINABILITY (CONT'D)

PROCUREMENT PRACTICES

We support our local suppliers where possible, as we believe it will translate into better revenue and supply chain efficiency for the local businesses and simultaneously stimulate the economic growth in Malaysia. Our procurement analysis data is illustrated below:

	Financial Year 2021	Financial Year 2020
Total number of local suppliers (active)	58	40
Amount spent on local procurement (RM'000)	4,000	3,000
% of local procurement over total procurement	88%	70%

The Company pledges to support the growth of local industries through maximum utilisation of local materials and resources.

Using the Standard Operating Procedure, suppliers are assessed through the selection and qualification process prior to their inclusion in an Approved Supplier List. Regular performance evaluations are conducted to ensure the quality of products and services supplied, delivery performance, after sales service, responsiveness and pricing meet our expectations.

ENHANCING LEARNING AND RENTENTION OF LOCAL TALENTS

It is our practice to offer internship to undergraduates who are required to fulfill their practical training requirements. Apart from learning technical skills, the undergraduates have the opportunity to gain insight of our corporate culture, our processes and our operations. These young people may well be attracted to join us upon graduation. Consequently, this can mitigate the brain drain issue which continues to top the list of Malaysia's human resource challenges, and prevents the country to continue to lose its top talent overseas, which is affecting its ability to deliver the talent needed to drive the Malaysian economy forward.

During the FY2021, the total employees comprises 96% of local employees (FY2020 : 96%) and 4% of foreign workers (FY2020: 4%). In addition, 74% of the employees are technical staffs (FY 2020: 72 %).

In addition, we also assess and conduct continuous upgrading of our employees' skill and knowledge so that they can acquire technical know-how and excel in their work performance through attendance at various training programs, workshops and seminars. Continuous training and development also keep our people in the forefront position of industry developments.

CUSTOMER RELATIONSHIP MANAGEMENT

As an export-oriented company, sustaining the business is utmost important to generate foreign currency inflow and boost Malaysia's FDI (Foreign Direct Investment).

We continuously promote our products to overseas agents and customers which indirectly creates economic opportunities locally.

Furthermore, the Government had announced that Malaysia is set to be one of the primary destinations for the high-tech industry and aim of being ranked among top 30 nations in the Global Innovation Index by 2025. The Government has identified VisDynamics as the Industry 4.0 contributor. The new policy on industry 4.0 would serve as a clear strategic direction for the country in charting the growth of the manufacturing sector moving forward, and later will involve all economic sectors. Ultimately, the policy will drive Malaysia to becoming a strategic partner for smart manufacturing and related services in Asia Pacific, primary destination for the high-tech industry as well as a total solution provider for advanced technology.

Thus, sustaining the business requires the Company to provide the best service to our customers so that they may continue to purchase our products. VisDynamics has developed extensive customer relationship to ensure the best during and after-sales service, including regular visits or supports at customers' sites and customers' instant direct communication with engineers and project owners.

Sustainability Statement (Cont'd)

ENVIRONMENTAL SUSTAINABILITY

The effective and efficient management of resources is a key component for environmental sustainability and protecting our natural environment and ecological systems.

GREEN INITIATIVES

In order to promote a green environment, VisDynamics 'green building' is designed in an environmentally-friendly manner in pleasant surroundings with efficient use of natural light and fresh air.

As part of our effort to sustain the environment, the Company has installed solar panels to minimise energy consumption and in turn a cost saving of approximately RM130,000 per financial year.

We also practice Recycle and Reuse. Once a month, the unused papers. boxes and other re-cyclable items were collected and donated to Tzu Chi Foundation Malaysia.

In addition, we had implemented other initiatives such as adoption of energy efficient technologies from the use of LED lightings and minimal air conditioning with the use of fan for cooling effect.

ENVIRONMENTAL COMPLIANCE

There was no incident of non-compliance with environmental laws and regulations and we have not been penalised or fined for any environmental violation for FY2021 (FY2020: nil).

SOCIAL SUSTAINABILITY

We believe in building a strong relationship internally with employees as well as with our customers, suppliers, and local communities. The key for VisDynamics to achieve sustainable growth and provide long-term value creation for our stakeholders is to build a strong and enriching community.

WORKPLACE

- Providing a safe and healthy workplace is imperative as employees are our greatest asset. Thus, VisDynamics ensure that the health and safety of its employees are taken care of at the workplace by setting-up an Emergency Response Team to monitor, review and improve on the health and safety rules, operations and performance and to raise and promote health and safety awareness at all levels.

- In curbing the COVID-19 pandemic, strict procedures and precautionary measures following the guidelines established by the Ministry of International Trade and Industry and Ministry of Health were implemented, including:
  - Social distancing within the factory premise
  - Carrying out sanitising activities
  - Providing face masks and hand sanitisers to all employees
  - Provided free lunch to employees during lockdown period
  - Performing temperature checking to safeguard the safety of our employees
  - Conducting virtual meetings and discussions to minimise travels and physical contacts
  - Proper signage of face masks required
  - Prevalent signage about social distancing as a reminder to the employees
  - Providing test kits to employees
  - Quarantine for positive COVID-19 employees and close contacts
  - Promote vaccination among our employees. Employees and their spouse were granted vaccination through the National COVID-19 Immunisation Programme "PIKAS"
  - Working parents are given the flexibility to opt to work from home if needed

- Contributions to staffs who were the flood victims during the year.

- Provision of facilities to assist physically challenged members of our society in the navigation and use of the building.

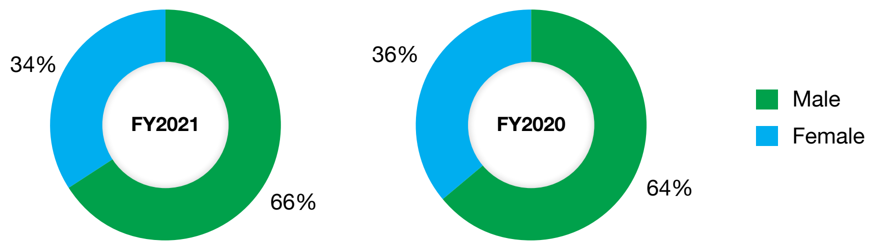
- Ensuring a harmonious workplace by practicing non-prejudicial policies against race, gender or race. This guiding principles promulgates basic human and labour rights for maintaining good governance and a healthy and professional workplace.

SOCIAL SUSTAINABILITY (CONT'D)

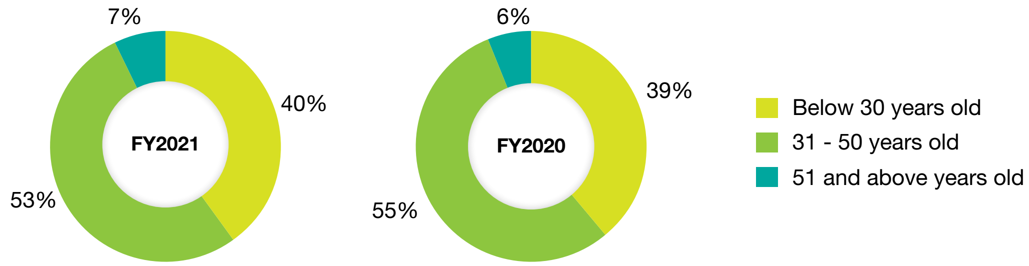
WORKPLACE (CONT'D)

- Continuous upgrading of employees' skill and knowledge in order for them to excel in their work performances through training programmes, workshops and seminars.
- Promoting a balanced healthy work-life with activities i.e. jogging and mount climbing and also weekly badminton session.
- Developing a sense of belonging amongst staff by providing a platform for staff to interact via staffs briefings every bi-monthly.
- Organising a variety of recreational activities such as Company trip, team building, annual dinner, festive gatherings and birthday celebrations. However, during the year some of these activities were temporary stopped due to the COVID-19 pandemic.
- Embrace all aspects of diversity within its workforce including race, gender, backgrounds and experiences. We do not discriminate and hire the candidates who are best fitted for the job.

  Our workforce comprised 66% of male and 34% of female workers. (FY2020: Male - 64% : Female - 36%)



Our Group's workforce is relatively young with 40 % of the workforce below the age of 30 years old, 53% between 31-50 years old, and the remaining 7 % represented by our experienced employees aged 51 years old and above. (FY2020: below 30 years old – 39% ; 31-50 years old - 55% ; 51 years old and above - 6%)



We recognised and acknowledged employees' contribution to the Group's success. VisDynamics' employees benefits programmes are designed to meet the needs of diverse workforce, which include competitive remuneration packages covering medical, hospitalisation and surgical plans, personal accident insurance, leave benefits (sick leave entitlement if unwell, even without doctor's medical certificate) and travel allowances.

COMMUNITY

VisDynamics is actively involved in local community projects by way of monetary and non-monetary contribution and donations in kind.

➢ Due to COVID-19 pandemic, we have to temporarily halted our yearly Blood Donation Campaign which we will like to resume in future.

➢ We have donated funds to the following non-profit organisations:
  - Pusat Kanak-Kanak Terencat Akal Bahagia;
  - Pusat Jagaan Kasih Sayang Angel;
  - Pusat Penjagaan Kanak-Kanak Terencat Akal Kasih Sayang;
  - Hospis Melaka; and
  - Newspapers to be distributed to schools.

VISIT

STAFF BRIEFING

COMMUNITY

CHINESE NEW YEAR

DEEPAVALI




HARI RAYA



CHRISTMAS

PROFILES OF BOARD OF DIRECTORS

VINCENT LOH
71 years of age / Malaysian / Male
Chairman/ Senior Independent Non-Executive Director

Mr Vincent Loh was appointed as an Independent Non-Executive Director on 23 April 2010 and subsequently appointed as the Chairman of the Company on 12 March 2015. He is also the Chairman of the Nomination and Remuneration Committees and a member of the Audit Committee and Employee Share Option Scheme (ESOS) Committee.

He served his articleship in England and qualified as a Chartered Accountant in 1974 from the Institute of Chartered Accountants in England & Wales. He was made as a Fellow (FCA) in 1977.

He joined the PA Consulting Group (UK-based international management consultants), initially located in Singapore for 6 years and later back in London. He was responsible for PA's Financial, Human Resource (HR) and Administrative Management of the Asian Group and later headed the finance function for PA's UK group whilst gaining experience as a Management Consultant. He was subsequently promoted in 1988 as the Commercial Director of PA Technology (who provide R&D consulting in engineering, electronics, applied sciences & biotechnology) based in Cambridge, England handling Financial Management, Commercial Negotiations and Intellectual Properties Rights, in addition to managing the laboratory.

In 1994, he was headhunted and appointed as the Chief Financial Officer of FACB Berhad, a main board public-listed conglomerate based in Kuala Lumpur. In 1996, he was appointed as the General Manager, Corporate Services for Royal Selangor Group, the world's largest manufacturer and retailer of pewter with subsidiaries worldwide and was subsequently promoted to Group General Manager with top and bottom-line responsibilities.

He currently runs his own business and management consulting practice providing strategic, financial management and business consulting services to client companies in Malaysia, Hong Kong and Indonesia and conducts training on financial and strategic management for his clients. He is also a Fellow of and panel consultant for the Institute of Corporate Directors of Malaysia (ICDM), spending much of his time helping the Institute to undertake board and directors' evaluations of public listed companies in addition to conducting public and in-house training programmes for board directors.

Operating from Kuala Lumpur, he has over 45 years of knowledge, exposure and management experience in auditing, consulting, financial and business management.

His experiences cover numerous business segments, ranging from auditing and consultancy to the technology, manufacturing and retail sectors working for international organisations, listed companies and local multinationals. He has also worked and lived in several countries including the United Kingdom, Singapore, Malaysia, Indonesia, Hong Kong and Cambodia, providing him with deep understanding of the various cultural environments and business regimes, dealing with all levels from corporate leadership to the shop-floor.

He does not hold any other directorships in public companies and listed issuers.

Profiles of Board of Directors (Cont'd)

PANG NAM MING
48 years of age / Malaysian / Male
Independent Non-Executive Director

Mr Pang Nam Ming was appointed as an Independent Non-Executive Director on 10 June 2015. He is the Chairman of the Audit Committee and also a member of the Nomination Committee, Remuneration Committee and Employee Share Option Scheme (ESOS) Committee.

He is a member of Malaysian Institute of Accountants, a fellow member of Association of Chartered Certified Accountants, Professional member of the Institute of Internal Auditors Malaysia, Certified Internal Auditor and Certification in Risk Management Assurance.

He started his career with a Multi-National Company specialising in semiconductor assembly. Since then, he has held various senior finance positions in two groups of companies listed on Bursa Malaysia Securities Berhad.

Throughout his career of more than 19 years, he was exposed to wide spectrum of areas which include Strategic Management, Corporate Finance, Cash Management, Corporate Governance, Financial Accounting, Management Accounting, Costing, Risk Management & Internal Audit, Human Resource, Direct/Indirect Taxation, Company Secretarial and Management Information System. With his extensive commercial and corporate experience and exposure, he was instrumental in the successful listing of an advanced technology company on the MESDAQ market (now known as Ace Market) of Bursa Malaysia Securities Berhad. In order to leverage his experience and exposure gained throughout his years in commercial scene to scale further in his career, he joined Crowe Horwath Consulting (South) Sdn. Bhd. (now known as Crowe Consulting (South) Sdn. Bhd.) ("Crowe") as a Director of Consulting Division. During his tenure with Crowe, he is significantly involved in overseeing and managing a portfolio of Risk Management, Internal Audit, Management Consulting, Corporate Finance, Initial Public Offering as well as Financial Due Diligence assignments.

Currently, he is the Director of NeedsBridge Advisory Sdn Bhd, which he founded, specialising in management consulting with focus on corporate consulting, outsourced internal audit function, risk management and transfer pricing consulting.

He does not hold any other directorship in public companies and listed issuers.

CHOY NGEE HOE
58 years of age / Malaysian / Male
Executive Director / Chief Executive Officer

Mr Choy Ngee Hoe was appointed as an Executive Director on 14 January 2005. He is also a member of the Employee Share Option Scheme (ESOS) Committee.

He is a major shareholder of the Company and the Chief Executive Officer and one of the founder members of VisDynamics Research Sdn. Bhd. ("VRSB"), a subsidiary of the Company. He is the leader of the team of talented and experienced engineers in VRSB. He oversees the management team as well as in charge of devising the corporate strategies and plans of the Company.

He graduated from University of Malaya with a Bachelor of Science Degree in Mechanical Engineering (Honours) in 1988. He began his career in the semiconductor industry in 1988 as a Process Engineer in a subsidiary of National Semiconductors Corporation, a well-known Multi-National Corporations in the semiconductor industry, in Melaka.

He was exposed to manufacturing and process technologies covering molding, strip/laser marking, solder plating, trim and form, electrical tests, reliability test and all the way to final pack in various consumers, industrial and military/aerospace products. Other than process related responsibilities such as yield improvement, cost savings, upgrades, productivity enhancement, equipment qualification, product transfer etc, he was also actively involved in new product development that required him to work with the corporate Research and Development (R&D) team. His last position held in National Semiconductor Corporation was Equipment Manager.

Profiles of Board of Directors (Cont'd)

He joined Telford as an Operations Manager in 1994 and helped them to form TQS Manufacturing Sdn. Bhd. ("TQSSB"). TQSSB is a Tape and Reel ("TNR") contract manufacturer. He was later promoted to Business Director of TQSSB where he was heavily involved in semiconductor equipment development.

In 1997, Telford acquired the backend equipment division of a major semiconductor Integrated Device Manufacturer ("IDM"), Texas Instruments Incorporated, where he was one of the member of the acquisition team. Telford equipment division was then spun off to become the Semiconductor Technologies & Instruments ("STI") Group of Companies. He has helped to form STI Sdn. Bhd. and was appointed as the President of the Company. In 1999, Telford amalgamated with STI Group of Companies under ASTI Holding Ltd ("ASTI") and listed on the Singapore Exchange Ltd. He also held directorship and chairmanship in various international ASTI subsidiaries and helped ASTI with another major acquisition, namely Reel Service Ltd Group of Companies, making ASTI as one of the world's largest TNR contract manufacturers. He resigned from ASTI on 31 December 2002 and subsequently set up VRSB with the rest of the promoters.

He does not hold any other directorship in public companies and listed issuers.

LEE CHONG LENG
57 years of age / Malaysian / Male
Executive Director / Chief Technical Officer

Mr Lee Chong Leng was appointed as an Executive Director on 14 January 2005. He is also a member of ESOS Committee.

He is the Chief Technical Officer ("CTO") of the Company and one of the founder members of VisDynamics Research Sdn. Bhd. ("VRSB"). He oversees the Vision Software, Mechanical Design, Machine Software and Equipment Assembly sections. In addition, he is also the R&D project leader, in which he is in charge of the overall R&D activities which undertaken by the Company. He is involved in the formulation of corporate strategies and implementation of the R&D policy.

He graduated with Bachelor of Science Degree in Computer Science and Bachelor of Engineering Degree (Honours) in Electrical Engineering from University of New South Wales in 1989.

Upon his graduation, he joined National Semiconductors Corporation, a well-known multinational corporation in semiconductor industry, as a Test Engineer in Penang. During 1990 to 1997, he acted as an R&D Engineer for Powermatic Sdn Bhd. which specialised in the manufacturing of security system, time management system and computer peripherals. In 1997, he joined TQS Manufacturing Sdn. Bhd. ("TQSSB"), a subsidiary of ASTI Holding Ltd ("ASTI") specialising in the Tape and Reel solution for semiconductor back-end industry, as Engineering Manager for two (2) years. In 1999, he was transferred to STI Sdn. Bhd. ("STISB"), a subsidiary of ASTI, where he held the position of Engineering Manager.

He resigned from ASTI and STISB on 15 November 2002 after which he and the rest of the promoters formed VRSB where he assumed the position as Engineering Manager and subsequently, the Chief Technology Officer (CTO). His vast experience and technical knowledge throughout his years of employment history has gained him reputable recognition from the industry.

He does not hold any other directorship in public companies and listed issuers.

Profiles of Board of Directors (Cont'd)

ONG HUI PENG
46 years of age / Malaysian / Female
Executive Director / Machine Software Department Manager

Ms Ong Hui Peng was appointed as an Executive Director on 14 January 2005. She is one of the founder members of VisDynamics Research Sdn. Bhd. ("VRSB"). Presently, she manages the Machine Software section of the Company and is responsible for all the machine software development projects. She was actively involved in Research and Development (R&D) activities undertaken by the Company under the leadership of the Chief Technical Officer. In addition, she also participates in the formulation and implementation of R&D strategies.

She graduated from University of Malaya with a Bachelor's Degree (Honours) in Computer Science in 1999.

She started her career in the semiconductor industry in 1999 as a Software Engineer in STI Sdn. Bhd. ("STISB"), a subsidiary of ASTI Holding Ltd,, specialising in machine software development, and later as a Section Head of Machine Software.

She resigned from STISB on 15 November 2002 after which she and the rest of the promoters formed VRSB where she assumed the post of Section Head of Machine Software Development and subsequently Machine Software Department Manager. Her specialisation in the software development and experience during her career has been recognised by the industry.

She does not hold any other directorship in public companies and listed issuers.

WANG CHOON SEANG
59 years of age / Malaysian / Male
Independent Non-Executive Director

Mr Wang Choon Seang was appointed as an Independent Non-Executive Director on 2 September 2010. He is also a member of the Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Option Scheme (ESOS) Committee.

He graduated from University of Malaya with a Bachelor's Degree in Electrical/Electronic Engineering (Honour) in 1987. He also completed his executive business management program in Stanford University, California in 2002.

He has more than twenty (20) years of experiences in semiconductor industry. He began his career in the semiconductor industry in 1987 as a Test Product Engineer in a subsidiary of National Semiconductors Corporation, a well-known multinational corporation in semiconductor industry, in Melaka. He spent close to ten years in engineering function, where he developed his technical competency in semiconductor testing and product engineering. He developed various statistical testing methodologies, driving improvement in asset utilisation, yield, productivity, which leads to tremendous savings for the company. In 1994, he was sent to US for a year working assignment at the Head Quarter of the Company in California, participated in both new product development teams and business processes re-design program.

Upon returning to Malaysia, he was promoted as the Test Operation/Engineering Manager to lead both engineering and operations function in 1996. He had successfully transformed the operations in achieving world class performance in terms of quality and cost, with innovative engineering methodologies and Total Productive Maintenance disciplines. He also pioneered and implemented the wafer ring strip testing manufacturing process for the Company, achieving manufacturing excellence and shortest time to market for new product success.

In 2003, he was promoted as the Managing Director, leading the entire plant, which consists of wafer sorting, wafer bumping, assembly and test operations, plus engineering development functions within one roof. His major contribution was the success in expanding the Melaka site by transferring the sister plant operations from Singapore, for both commercial and aero space products. It was completed timely within a very tight schedule, without any interruption to customer services. The Singapore site was closed and dispose upon completion of the transfer, which leads to significant savings for the Company. He is well-known in the Company and industry, for his strategic and execution leadership qualities. He resigned from National Semiconductor Corporation in May 2008, his last position held was Vice President.

He formed Testhub Sdn. Bhd. in July 2008 to provide consultancy and test engineering services.

He does not hold any other directorship in public companies and listed issuers.

PROFILES OF KEY SENIOR MANAGEMENT

- **Choy Ngee Hoe**, appointed as the Executive Director on 14 January 2005.
- **Lee Chong Leng**, appointed as the Executive Director on 14 January 2005.
- **Ong Hui Peng**, appointed as the Executive Director on 14 January 2005.

The above key members of senior management are also members of the Board. Their profiles are set out on pages 21 to 23 of this Annual Report.

CHONG WEN TAT
44 years of age / Malaysian / Male
Chief Operating Officer (COO) / Product Line Manager, Tray

Mr Chong Wen Tat was appointed Chief Operating Officer ("COO") of VisDynamics Research Sdn. Bhd. ("VRSB") on 1 January 2017. He is one of the founder members of VRSB. As a COO of VRSB, he oversees the mechanical design, electrical design and manufacturing operations for efficiency, quality, and continuous improvement. In addition, he is also the Tray Products Line Manager who manages all the products design and development activities for tray based products under the leadership of the Chief Technical Officer.

He graduated from University of Malaya with a Bachelor's Degree (Honours) in Computer Aided Design / Computer Aided Manufacturing (CAD/CAM) in 2002.

He started his career in the semiconductor equipment industry in 2002 as a Mechanical Design Engineer in STI Sdn. Bhd. ("STISB"), a subsidiary of ASTI Holding Ltd., specialising in mechanical design.

He resigned from STISB in November 2002 and joined VRSB as a Mechanical Design Engineer. In 2006, VRSB foresees the need to initiate the development of tray based products and promoted Mr Chong as the Product Line Manager to champion this product segment.

In the realm of Research and Development (R&D), he and his team of inventors in VRSB were granted two Malaysian Patents for their inventions a 2009 and 2013. These inventions are essential building blocks in VRSB's products since and have contributed to the success of the Company's products in the competitive market.

He does not hold any other directorship in public companies and listed issuers.

PEGGY CHEK HONG KIM
44 years of age / Malaysian / Female
Chief Financial Officer

Ms Peggy Chek Hong Kim joined the Company on 2 February 2009 as Finance & Administrative Manager and the Acting Chief Financial Officer of VisDynamics Holdings Berhad. She is currently the Chief Financial Officer of the Company.

She graduated from University of Malaya with a Bachelor's Degree (Honours) in Accountancy in 2001. She attained her Certificate of Meritorious Achievement from Malaysian Institute of Certified Public Accountants (MICPA) in 2003.

She qualified as a chartered accountant in 2004 from the Malaysian Institute of Accountants (MIA) and has been the member of the above professional bodies until today. Currently she is also the Ambassador of Malaysian Institute of Accountants and also mentor for the MIA Chartered Accountant's Relevant Experience (CARE), a member of ASEAN Chartered Professional Accountant (ACPACC) and also the Chartered Tax Institute of Malaysia (CTIM).

She started her career with PriceWaterhouseCoopers in 2001 as an audit associate and subsequently promoted as a senior associate. She then joined Jaycorp Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad as the Corporate Finance Assistant Manager in 2004. In 2006, she joined National Semiconductor Sdn. Bhd., a Multinational Company as Finance Section Manager. She then left and in 2009, she joined VisDynamics until today.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Director ("**Board**" or "**Directors**") of VisDynamics Holdings Berhad ("**VisDynamics**" or "**the Company**") remains committed in maintaining the highest standards of corporate governance ("**CG**") within the Company and adhering to the principles and best practices of CG, through observing the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The commitment from the top paves the way for the Management and all employees to ensure the Company's business and affairs are effectively managed in the best interest of all stakeholders.

The Board is pleased to present an overview statement on the application of the principles as set out in the Malaysian Code on Corporate Governance ("MCCG") and the extent to which the Company and the subsidiaries have complied with the three (3) key principles and practices of the MCCG during the financial year ended 31 October 2021 and up to the date of this overview statement.

This overview statement is made pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Securities ("**AMLR**") with guidance drawn from Guidance Note 11 of AMLR.

The detailed application of each Practice as set out in the MCCG is disclosed in the Corporate Governance Report ("**CG Report**") which is available at the Company's website at www.vis-dynamics.com.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Strategic Aims, Values and Standards

1.1 Overview

The Board is responsible for overseeing and managing the overall performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board's key roles in charting the strategic direction, development and control of the Group includes reviewing and monitoring of matters on strategy to promote sustainability, performance, evaluation, resource allocation, standard of conduct, financial matters, succession planning, corporate disclosure, effectiveness and adequacy of the Group's system of internal controls and risk management practices.

The Board delegates and confers some of its authorities and discretion on the Chairman, Executive Directors and Management as well as on properly constituted Board Committees comprising mainly or exclusively of Non-Executive Directors which operate within clearly defined terms of reference.

The Board Committees, comprising the Audit Committee ("**AC**"), Nomination Committee ("**NC**") and Remuneration Committee ("**RC**") are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. At each Board meeting, minutes are presented to keep the Board informed. The Chairmen of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The key matters reserved for the Board's approval include the Company's business plan, capital management and investment policies, authority limits/levels, risks management practices, new businesses/projects, declaration of dividends, business continuity plan, issuance of new securities, business restructuring, expenditure above a certain limit, material acquisitions and disposition of assets.

The Board regularly reviews the strategic direction of the Company and the progress of the Company's operations, considering changes in the business and political environment and risk factors.

1.2 Chairman

The Chairman of the Company, Vincent Loh, is the Senior Independent Non-Executive Director. The Chairman leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates any discussion. Together with the other Independent Non-Executive Directors, he leads the discussion on the strategies and policies recommended by Management. He chairs the meetings of the Board and the shareholders.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Strategic Aims, Values and Standards (Cont'd)

1.3 Separation of the Positions of the Chairman and Chief Executive Officer ("CEO")

The positions of the Chairman and the CEO are held by different individuals. Vincent Loh, Senior Independent Non-Executive Director, is the Chairman whilst Choy Ngee Hoe is the CEO during the period under review.

The Board recognises the importance of having a clear separation of responsibilities of the Chairman and the CEO to promote accountability, ensure appropriate balance of roles, facilitates division of responsibilities between them so as to ensure no one individual can influence the Board's discussions and decison making. The distinct and separate roles of the Chairman and CEO ensures appropriate balance of roles, responsibilites and accountability at Board level.

The distinct roles of the Chairman and the CEO are mentioned in the Board Charter which is available at the Company's website at www.vis-dynamics.com.

1.4 Qualified and Competent Secretaries

In compliance with MCCG, the Board is supported by qualified and competent Company Secretaries. The Company Secretaries of the Company are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. The Company Secretaries have been providing guidance to the Board, particularly on corporate governance issues and compliance with relevant policies and procedures, rules and regulatory requirements and ensure good information flow within the Board, Board Committees and Management.

The Company Secretaries attend all meetings of the Board and Board Committees and ensure that all the Board and Board Committee meetings are properly convened, and that accurate and proper records of proceedings and resolutions passed were recorded and maintained in the statutory register.

The Company Secretaries also keep abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training and guide the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, AMLR, etc.

The Company Secretaries shall continue to guide the Directors on the requirements to be observed arising from new regulations and guidelines issued by the authorities.

1.5 Access to Information and Advice

All Directors may seek independent professional advice at the Company's expense on specific issues to enable them to discharge their duties, where necessary.

Board Meetings for the ensuring year are scheduled in advance before the end of the current financial year in order for the Directors to plan ahead and for full attendance at Board Meeting.

The notice of agenda together with minutes of the previous meeting and other relevant information will be circulated to the Board at least five (5) days before the meetings.

Notices on the closed periods for the trading in the Company's securities in accordance with Chapter 14 of the AMLR are served to the Directors prior to the commencement of the closed periods.

The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory, market developments and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informed decisions.

The Company Secretaries are entrusted to record the Board's deliberations, in terms of issues discussed, ensure that the deliberations at Board and Board Committee meetings are documented, and subsequently communicated to Management for appropriate actions.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Strategic Aims, Values and Standards (Cont'd)

1.5 Access to Information and Advice (Cont'd)

The minutes of the previous Board and Board Committee meetings are distributed to the Directors/Board Committees prior to the meeting for their perusal before confirmation of the minutes at the commencement of the following Board and Board Committees meeting.

To facilitate productive and meaningful deliberations, the Directors will comment or request for clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. Management provides Directors with complete and timely information prior to meetings and on going basis to enable them making informed decisions.

1.6 Board Charter

The Board Charter is reviewed regularly to ensure that it complies with the best practices and regulations and the Board Charter was last reviewed on 23 September 2021 and approved on 22 December 2021. The Board reviewed and updated the Board Charter which sets out the roles, functions, compositions, operations and processes of the Board as well as the code of conduct for Directors, to align with the AMLR, MCCG and other relevant rules and regulations.

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter, a copy of the which is available at the Company's website at www.vis-dynamics.com.

The Board Charter serves to ensure that all Board members are aware of their expanding roles and responsibilities. It sets out the strategic intent and specific responsibilities to be discharged by the Board members collectively and individually. It also regulates on how the Board conducts business in accordance with Corporate Governance principles.

The Board Charter will be reviewed when necessary and updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities.

2. Code of Ethics and Conduct

The Group is committed to achieving and monitoring high standards of behaviour at work.

The Board adhered strictly to the Code Conduct ("**the Code**") in discharging its oversight role effectively. The Board will review the Code when necessary to ensure it remains relevant and appropriate. The Code is incorporated in the Board Charter and available at the Company's website at www.vis-dynamics.com.

The Code requires Directors, Officers and Employees to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and to act in good faith in the best interests of the Group and its shareholders.

2.1 Whistleblowing Policy

The Board has adopted a Whistleblowing Policy for the Group as a measure to promote the highest standard of corporate governance. The whistleblowing policy outlines the avenues for the Directors, employees and stakeholders to raise concerns or discloses in good faith any improper conduct within the Group and to enable prompt corrective action and measures to resolve them effectively.

Any party who has reasonable belief that there is serious malpractice relating to any matter disclosed, may direct such complaint and report to the Senior Independent Non-Executive Director and the Chairman of Audit Committee in writing. Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential. The Whistleblowing Policy is incorporated in the Board Charter.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

2. Code of Ethics and Conduct (Cont'd)

2.2 Anti-Bribery and Corruption Policy

The Board was appraised and updated on the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) ("**MACC Act 2009**") especially Section 17A of the Corporate Liability Provisions. The Board had adopted an Anti-Bribery and Corruption Policy which was drafted based on the Principles detailed in the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices. The Anti-Bribery and Corruption Policy is available at the Company's website at www.vis-dynamics.com.

PART II – BOARD COMPOSITION

3. Board Composition

The Board currently consists of six (6) members, comprising three (3) Executive Directors, one (1) Senior Independent Non-Executive Director and two (2) Independent Non-Executive Directors. The present composition of the Board is in compliance with Rule 15.02 of the AMLR and MCCG as half of its members are Independent Directors whereby at least two (2) director or 1/3 of the Board of Directors of a Company, whichever is the higher, are independent directors.

The Board is aware of the importance of independence and objectivity in relation to the decision-making process and effectiveness of the Board's function. The Board, therefore, has adopted the same criteria of "independence" in tandem with the definition of "Independent Director" as prescribed by the AMLR.

The Board members are persons of high caliber and integrity, and provide a wealth of knowledge, experience and skills in the key areas of accountancy, business operations and development, finance and risk management amongst others.

3.1 Tenure of Independent Director

The NC carries out the evaluation of independence on each Independent Director annually.

The NC has undertaken a review and assessment of the level of independence of the Independent Directors during the financial year 2021 and is satisfied that they are able to discharge their responsibilities in an independent manner. The Independent Directors have also declared their independence to the Board under the annual Board evaluation process during the financial year 2021.

The Board, through the Nomination Committee, had assessed Vincent Loh and Wang Choon Seang, the two (2) Independent Directors who had served the Company for a cumulative term of more than nine (9) years but not more than twelve (12) years and, concluded that they have fulfilled the criteria under the definition of Independent Directors as stated in the AMLR, and thus, they would be able to function as check and balance and bring an element of objectivity to the Board.

Accordingly, the Board agreed with the proposed re-appointment of Vincent Loh and Wang Choon Seang as Independent Directors of the Company and will seek shareholders' approval at the forthcoming Seventeenth Annual General Meeting ("**AGM**") to retain them as Independent Directors of the Company via two-tier voting process in accordance with MCCG.

3.2 Policy of Independent Director's Tenure

The Company's Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director ("**INED**"). Upon completion of nine years, an INED may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In the event, the Board intends to retain the INED who has served the Company exceeding a cumulative term of nine (9) years, the Board will need to justify and seek shareholders' approval at the AGM through a two-tier voting process in accordance with the MCCG.

The Board has adopted a cooling off period of 3 years for a former INED to be appointed to the Board as Independent Non-Executive Director, subject to the independence assessment.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

3. Board Composition (Cont'd)

3.3 Diverse Board and Senior Management Team

The Board acknowledges the importance of diverse Board and Senior Management. The Group adhered strictly to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, in the selection of Board members and Senior Management.

The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Board has established a Diversity Policy where the Board will endeavor increase female representation on the Board and Senior Management if there are appropriate candidates available when vacancies arise.

Nonetheless, the Board shall at any point of time to have at least one female representation on the Board and Senior Management.

3.4 Nomination Committee ("NC")

The NC is responsible for assessing the adequacy and appropriateness of the board composition, identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine the skill matrix to support the strategic direction and needs of the Company.

The NC evaluates the qualification and experience of the candidate against the Board's requirements, including its Diversity Policy and where appropriate recommends to the Board for appointment.

The NC consists of exclusively Independent Non-Executive Directors with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by considering his/her skills and expertise for contribution to the Company on an ongoing basis.

Terms of Reference sets out the duties and functions of the NC can be viewed at the Company's website at www.vis-dynamics.com.

The present members of the NC of the Company are:

Chairman	:	Vincent Loh *(Senior Independent Non–Executive Director)*
Members	:	Pang Nam Ming *(Independent Non-Executive Director)*
		Wang Choon Seang *(Independent Non-Executive Director)*

During the financial year 2021, the NC held a meeting to assess performance of the Board, Board Committees and individual Directors. The NC in discharging its functions and duties, carried out the following activities during the financial year:

- evaluated the balance of skills, knowledge, experience and diversity on the Board;
- assessed the effectiveness of the Board as a whole and the contribution of each individual Director;
- reviewed and assessed the size, composition and the required mix of skills of the Board and Board Committees;
- reviewed and assessed the character, experience, integrity, competence and time commitment of each Director and the Chief Financial Officer ("**CFO**");
- reviewed the re-election and re-appointment of retiring Directors;

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

3. Board Composition (Cont'd) (Cont'd)

3.4 Nomination Committee ("NC") (Cont'd)

- assessed and evaluated the level of independence of Independent Directors;
- reviewed the terms of office and performance of the AC and each member of the AC;
- assessed financial literacy of the AC Members;
- assessed the training needs of the Directors;
- reviewed and updated the Terms of Reference of NC; and
- reviewed the succession plan of the Board.

3.5. Annual Evaluation

For financial year ended 31 October 2021, an annual assessment of the Board, Board Committees and contribution of each individual Director is carried out by the NC, with the assistance of the Company Secretaries, taking the form of comprehensive evaluation questionaries which provide the NC with an opportunity to score their opinion on a series of questions in relation to inter alia the execution and performance of the Board as a whole and the Board Committees, and to comment on procedure or any relevant matters.

The evaluation of the Board covers factors such as mix and composition of the Board, quality of the decision making, timeliness of the Board papers, internal controls, conduct of Board meetings interactions with the Management and stakeholders and effectiveness of the Chairman.

The criteria adopted for the board's performance evaluation includes board mix and composition, directors' training, independence, quality of information, board proceedings, board's roles and responsibilities, board chairman's roles and responsibilities. Annual board review was conducted by the NC to assess and evaluate the board effectiveness based on the above criteria during the financial year.

In addition, peer review of the knowledge and skill sets of fellow Directors is required to be performed by the NC based on evaluation criteria established, which includes integrity, professionalism, knowledge, performance and participation during Board meetings, contribution and board relationship. Peer review of Directors was conducted by the NC during the financial year. To further discharge its duties, the NC has assessed the performance of the CFO through performance evaluation form completed by the CFO. During the assessment, CEO was invited to comment on the CFO's performance with interview session held by NC with the CFO.

As for the performance evaluation of Board Committees, the NC assessed the performance of the Audit Committee, NC and Remuneration Committee based on the recommended evaluation criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Berhad, which includes committees' composition, contribution to the board's decision making, expertise, appointment as well as timeliness and quality of communication and minutes. Review of the performance of the Board Committees was conducted by the NC during the financial year.

Based on the above assessments, the NC was satisfied with the existing Board composition and was of the view that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and has performed competently and effectively. All assessments and evaluations carried out by the NC in the discharge of all its functions were properly documented.

The Board is of the view that its present size and composition is optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

3. Board Composition (Cont'd) (Cont'd)

3.6 Re-election of Retiring Director

In accordance with the Company's Constitution, one third of the Directors (with the exception of Alternate Director) are subject to retirement by rotation annually and all Directors shall retire from office once at least every three years.

The Directors to retire each year are the Directors who have been longest in office since their last appointment on re-election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

Pursuant to Clause 97 of the Company's Constitution, Ong Hui Peng and Pang Nam Ming are subject to retirement by rotation at the forthcoming Seventeenth AGM and they have expressed their willingness to seek for re-election at the Seventeenth AGM.

3.7 Board Commitment

Board Meetings and Attendance

The attendance record of the Directors at Board and Board Committees meetings during the financial year under review is set out as follows:

Meeting Attendance	**Board**	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**AGM**
Vincent Loh	5/5	5/5	2/2	1/1	1/1
Pang Nam Ming	5/5	5/5	2/2	1/1	1/1
Wang Choon Seang	5/5	5/5	2/2	1/1	1/1
Choy Ngee Hoe	5/5	-	-	-	1/1
Lee Chong Leng	5/5	-	-	-	1/1
Ong Hui Peng	5/5	-	-	-	1/1

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold more than five (5) directorships in public listed companies and shall notify the Chairman before accepting any new directorships.

The Director shall remain fully committed in carrying of their duties and responsibilities by:

(1) ensuring the total number of directorship held by each Directors are below the maximum number set by the Board; and

(2) the time commitment in the full attendance at the Board Meetings.

All Directors appointed to the Board have undergone the Mandatory Accreditation Programme prescribed by Bursa Securities.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

3. Board Composition (Cont'd) (Cont'd)

3.7 Board Commitment (Cont'd)

Directors' Training

During the financial year ended 31 October 2021, all the Directors have attended the following training, seminars, conferences and exhibitions to keep themselves abreast with the changes in laws and regulations, business environment and corporate governance development:

Director	Trainings/ Seminars/ Conferences
Vincent Loh	• Malaysian Code on Corporate Governance (MCCG) Revision 2021: The Evolving Role of Company Secretaries (new MCCG 2021) by Institute of Corporate Directors Malaysia (ICDM). • The Launch of the 2020 Malaysian Board Practices Review Report by ICDM. • Leadership in Financial Distress by IDCM.
Wang Choon Seang	• Seizing the Next Wave of E&E Investment into Malaysia by Malaysian Investment Development Authority (MIDA). • Malaysia National E&E Forum 2021 – Fueling the Semiconductor Renaissance by MIDA. • RMK 12: Boosting E&E Industry in Moving up the Value Chain by Ministry of International Trade and Industry (MITI). • Enhancing Malaysia-China Collaboration in the E&E Sector by Malaysia External Trade Development Corporation (MATRADE) and Industrial and Commercial Bank of China Malaysia (ICBC).
Pang Nam Ming	• 2020 Institute of Internal Auditors (IIA) Malaysia National Conference • 2021 Budget Seminar by Malaysian Institute of Accountants (MIA) • 2021 International Conference by IIA. • Ethics for Internal Auditors Workshop by IIA. • Introduction to Public Practice (E-Learning Module) by MIA. • MIA Public Practice Programme 2021 (Non-Audit) by MIA. • SSM National Conference 2021 on Governing Under New Normal by Companies Commission of Malaysia (CCM).
Choy Ngee Hoe	• Conducted Investors and Analysts Briefings organised by Rakuten.
Lee Chong Leng	• Webinar on Integrating Vision into Life Science Applications.
Ong Hui Peng	• Webinar on Zero to Hero with Axiomtek AI Suite for Smart Manufacturing.

The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duties and responsibilities as Directors.

The Company Secretaries together with the Management undertake the role as the co-ordinator to manage and co-ordinate the Director's training requirement.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training related to their functions or roles to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION

4.1 Remuneration Policy

The Remuneration Committee and the Board ensure that the Company's remuneration remains supportive of the Company's corporate objectives and is in tune with the market rate and further that the remuneration packages of Directors and Senior Management are sufficiently attractive to attract and to retain persons of high caliber.

The Company's Remuneration Policy recognises the need for the Company to attract, motivate and retain qualified members of the Board and Management as well as to align the interests of the Board with the interests of the Company's shareholders. As such, the Remuneration Policy adopted by the Board embodies the following principles:

- Providing fair, consistent and competitive rewards to attract and retain high caliber executives;
- Motivating the Company's Directors and executives to achieve superior performance; and
- A remuneration framework that incorporates both short and long-term incentives linked to Company performance and total shareholders' returns.

4.2 Remuneration of Directors and Senior Management

The Remuneration Committee consists of entirely Independent Non-Executive Directors as follows:

Chairman	:	Vincent Loh *(Senior Independent Non–Executive Director)*
Members	:	Pang Nam Ming *(Independent Non-Executive Director)*
		Wang Choon Seang *(Independent Non-Executive Director)*

The Terms of Reference sets out the duties and functions of the Remuneration Committee is published on the Company's website at www.vis-dynamics.com.

The Remuneration Committee is responsible for recommending the remuneration packages of Executive Directors to the Board for its approval. Individual Directors shall abstain from decisions in respect of their individual remuneration. The Remuneration Committee recommends the Directors' fee payable to Non-Executive Directors, which are deliberated and decided at the Board before it is presented at the AGM for shareholders' approval.

The Remuneration Committee held a meeting during the financial year ended 31 October 2021 to review the proposed remuneration package of Executive Directors and director fee payable to the Non-Executive Directors, and recommended the remuneration packages and fees to the Board for approval.

The details of the Directors' remuneration for the financial year ended 31 October 2021 are as follows:

Category	Director Fees (RM '000)	Meeting Allowance (RM '000)	Salaries, Bonus and Incentive (RM '000)	Employee Provident Fund (RM '000)	Benefits-in-kind (RM '000)	Total (RM '000)
Company:-						
*Executive Directors**						
Choy Ngee Hoe	-	-	794	87	1	882
Lee Chong Leng	-	-	476	49	6	531
Ong Hui Peng	-	-	-	-	-	-
Non-Executive Directors						
Vincent Loh	84^	2	-	-	-	86
Pang Nam Ming	72^	1	-	-	-	73
Wang Choon Seang	72^	1	-	-	-	73

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

4.2 Remuneration of Directors and Senior Management (Cont'd)

Category	Director Fees (RM '000)	Meeting Allowance (RM '000)	Salaries, Bonus and Incentive (RM '000)	Employee Provident Fund (RM '000)	Benefits-in-kind (RM '000)	Total (RM '000)
Group:-						
*Executive Directors**						
Choy Ngee Hoe	-	-	794	87	1	882
Lee Chong Leng	-	-	476	49	6	531
Ong Hui Peng	-	-	271	28	36	335
Non-Executive Directors						
Vincent Loh	84^	2	-	-	-	86
Pang Nam Ming	72^	1	-	-	-	73
Wang Choon Seang	72^	1	-	-	-	73

Note:

* *The remuneration paid to the Executive Directors were in respect of their employment with the Company/ Group.*

^ *The Directors' fee of RM210,000 for the financial year ended 31 October 2020 was approved by the shareholders at the 16th AGM and paid in the financial year 2021. At the forthcoming 17th AGM, the Board recommended the Directors fee of RM228,000 for financial year ended 31 October 2021 to the shareholders for approval.*

4.3 Remuneration of Senior Management

The Group has two (2) senior management and their remuneration (comprising salary, bonus, benefits in-kind and other emoluments) for the financial year ended 31 October 2021 within the successive bands of RM50,000 are as follows:

Range of Remuneration	Number of Senior Management
Below RM50,000	-
RM50,001 to RM100,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE ("AC")

5.1 Chairman of AC

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation. The AC also undertakes to provide oversight on the risk management framework of the Group.

The AC is chaired by an Independent Non-Executive Director, who is distinct from the Chairman of the Board and all members of the AC are financially literate. The composition of the AC, including its roles and responsibilities as well as a summary of its activities carried out during financial year 2021, are set out in the AC Report on pages 38 to 40 of this Annual Report.

5.2 Policy requiring former key audit partners to observe 2-year cooling off period

The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC and the said policy has been incorporated in the Terms of Reference of the AC.

5.3 Assessment of Suitability and Independence of External Auditors

Annually, the AC also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment at the AGM. The AC would convene meeting with the External Auditors without the presence of the Executive Directors and employees of the Group as and when necessary.

As part of the AC's review processes, the AC has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the AC's assessment of Messrs. Al Jafree Salihin Kuzaimi PLT, the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for the financial year ended 2021. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming AGM.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board oversees, reviews and monitors the operations, adequacy and effectiveness of the Group's system of internal controls. The Board defines the level of risk appetite, approving and overseeing the operations of the Group's Risk Management Framework, assessing its effectiveness and reviewing any major/ significant risk facing the Group.

The AC reviews the risk management process of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and controls throughout the organisation. The AC also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks.

The Board continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

The Board has outsourced its internal audit function to a professional service firm known as, GovernAce Advisory & Solutions Sdn. Bhd. to assist the AC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. The internal audit activities are guided by the approved internal audit plans, which is on risk-based approach focusing on various processes based on risks identified.

The engaging partner and team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired.

The Internal Auditors will perform periodic testing of the internal control systems to ensure that the system is robust.

The Statement on Risk Management and Internal Control as included on pages 41 to 45 in this Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 31 October 2021.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

The Company recognises the importance of prompt and timely dissemination of information to shareholders and investors in order for these stakeholders to be able to make informed investment decisions. Hence, the Company's website has incorporated an investor relations section which provides all relevant information on the Company and it is accessible by the public.

The Company has put in place a Corporate Disclosure Policy with the objective to ensure communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws.

The Board and Management have at all time ensure timely dissemination of information on the Company's performance and other matters affecting shareholders' interests to shareholders and investors through appropriate announcement (where necessary), quarterly announcements, relevant circulars, press releases and distribution of annual reports.

PART II – CONDUCT OF GENERAL MEETINGS

The AGM is the principal forum for shareholders' dialogue, allows shareholders to review the Group's performance via the Company's annual report and pose questions to the Board for clarification.

All the Directors shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company the AGM. During the AGM, the Board encourages shareholders' participation in deliberating resolutions being proposed or on the Group's operation in general.

In line with good corporate governance practices, the notice of the AGM was issued at least 28 days before the AGM.

KEY FOCUS AREA AND PRIOTITIES ON CORPORATE GOVERANCE

During the financial year under review, the Board has leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities for its fully virtual Sixteenth AGM held on 30 March 2021, in support of the government's initiative to contain the spread of COVID-19 in Malaysia.

In addition, the Board has reviewed and updated its Board Charter and Terms of Reference of Board Committees, and adopted the following policies:

(a) Related Party Transaction and Conflict of Interest Policy and Procedures; and
(b) External Auditors' Policy and Procedures.

Going forward, the Company will continue working towards achieving high standards of corporate governance and have identified the following priorities of the Company:

1. To achieve 30% women representation in the Board;
2. To appoint additional INEDs as board's succession plan in compliance with the limitation of tenure of Independent Directors of the AMLR; and
3. To leverage on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with the shareholders.

This Corporate Governance Overview Statement was approved by the Board on 17 February 2022.

ADDITIONAL COMPLIANCE INFORMATION

(i) Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year.

(ii) Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the firm or corporation affiliated to the External Auditors by the Company and the Group for the financial year ended 31 October 2021 are as follows:

Details of Fee	Group (RM'000)	Company (RM'000)
Audit Fee	40	15
Non-Audit Fee	3	3

The Company engaged the External Auditors for the non-audit service works for review of Statement on Risk Management and Internal Control.

(iii) Material Contracts or Loans involving the interests of the Directors, Chief Executive who is not a Director or Major Shareholders

There were no material contracts or loans between the Company and its subsidiary that involve the interests of the Directors, Chief Executive who is not a Director or Major Shareholders.

(iv) Recurrent Related Party Transaction ("RRPT") of Revenue or Trading Nature

There were no shareholders' mandate obtained in respect of RRPT of Revenue or Trading Nature entered into by the Group during the financial year ended 31 October 2021.

(v) Employees' Shares Option Scheme ("ESOS")

The ESOS which was approved by the shareholders at the Extraordinary General Meeting held on 16 October 2017 and governed by the ESOS By-Laws, is the only share option scheme in existence during the financial year. The ESOS would be in force for a period of five (5) years from the date of implementation on 22 November 2017.

There were no options granted during the financial year ended 31 October 2021.

The number of ESOS Options during the financial year ended 31 October 2021 are as follows:-

	Executive Directors/ Chief Executive	Senior Management	Other Employees	Total
Number of Options granted	540,000	325,000	3,347,500	4,212,500
Number of Options exercised	540,000	-	2,819,000	3,359,000
Number of Options forfeited	-	-	196,000	196,000
Number of Options outstanding as at 31 October 2021	-	325,000	332,500	657,500

Options granted to the Directors and Senior Management

	During the financial year ended 31 October 2021	Since commencement of the ESOS on 16 October 2017
Aggregate maximum allocation in percentage	60%	60%
Actual percentage granted	20.53%	20.53%

No options were granted to the Independent Non-Executive Directors.

AUDIT COMMITTEE REPORT

The Board of Directors of Visdynamics is pleased to present the Audit Committee ("AC") Report for the financial year ended 31 October 2021.

COMPOSITION AND MEETINGS

The Committee held five (5) meetings during the financial year ended 31 October 2021 and the details of the attendance are as follows:

		Meeting Attendance
Chairman	Pang Nam Ming *(Independent Non-Executive Director)*	5 / 5
Members	Vincent Loh *(Senior Independent Non-Executive Director)*	5 / 5
	Wang Choon Seang *(Independent Non-Executive Director)*	5 / 5

The AC Chairman, Pang Nam Ming, is a member of Malaysian Institute of Accountants and fellow member of Association of Chartered Certified Accountants. Accordingly, the Company complies with Rule 15.09(1)(c) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The AC Chairman is an independent director and no alternate director had been appointed as a member of the AC. In compliance with Practice 8.1 of the Malaysian Code on Corporate Governance 2017 ("MCCG"), the AC Chairman is not the Chairman of the Board of Directors of the Company.

The meetings were conducted with the quorum of two (2) AC members and majority of the members present at the meeting were Independent Non-Executive Directors.

The meetings were appropriately structured using agendas, which were distributed together with the minutes of the previous meeting, the relevant papers and reports to the members at least five (5) days before the meetings to allows the members to have sufficient time to review the information in order to discharge their duties and responsibilities diligently and effectively in compliance with the AMLR of Bursa Securities and its Terms of Reference. The AC may inspect the minutes of the Committee at the registered office.

The AC has been given adequate resources to discharge its functions and has full and unrestricted access to and co-operation of Management. The AC also has full discretion to invite Senior Management, Chief Financial Officer, employees of the Group, External Auditors and Internal Auditors to attend and brief the members on specific issues during the AC Meeting.

In addition, the AC had meetings with the External Auditors and Internal Auditors without the presence of Management where they are given the opportunity to raise any concern or professional opinion and thus, to be able to exert its functions independently.

The Company Secretary is the Secretary of the Committee and is responsible, together with the Committee Chairman, to draft the agenda and circulating it prior to each meeting.

Annually, the term of office and performance of the AC and each of its members are being assessed by the Nomination Committee prior to recommending to the Board for notation. During the financial year 2021, the Board is satisfied that the AC has discharged its function, duties and responsibilities in accordance with the Terms of Reference of the AC.

The Terms of Reference of the AC is available on the Company's website.

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR

The work carried out by the AC in discharging its duties and functions with respect to their responsibilities during the financial year were summarised as follows:

Financial Reporting

The AC reviewed the quarterly and annual financial statements required by Bursa Securities for recommendation to the Board for approval. The review focused on changes in accounting policies and practices, major judgmental and risk areas, significant adjustments resulting from the audit, the going concern assumption and compliance with accounting standards, AMLR of Bursa Securities and other legal requirements.

The AC keeps itself apprise of changes in accounting policies and guidelines through regular updates by the External Auditors.

External Audit

The AC discussed with the External Auditors the audit plan and the report on the audit of the year-end financial statements and held three (3) private sessions with the External Auditors without the presence of Management to seek feedbacks from the External Auditors on any difficulties encountered during the audit. During the private sessions, the External Auditors are allowed to highlight major financial and control issues encountered during their audit and the AC would seek confirmation on the External Auditors' independency and objectivity and to assess competency and resources of the External Auditors.

In addition, the AC discussed and reviewed with the External Auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.

The AC reviewed and discussed the External Auditors' observation, the results of the annual audit, audit report and management letter together with management response to the findings in relation thereto.

In assessing the independence of the External Auditors, the AC had reviewed the proposed fees and expenses, including fees for non-audit services and of the opinion that the independence of the External Auditors has not been compromised based on the independent confirmation provided by the External Auditors.

The AC assessed and discussed the performance and effectiveness of the External Auditors, including the independence, objectivity and professional scepticism, communication interaction, audit finalisation, the quality of skills and capabilities of audit team, sufficient of resources and terms of engagement. The AC is satisfied with the performance of the External Auditor and recommended the audit fee payable for the Board's approval as well as recommending them to be re-appointed at the forthcoming Annual General Meeting.

Internal Audit

The AC reviewed and approved the internal audit plan proposed by the internal audit function and the adequacy of the scope, competency and resources of the internal audit function to ensure that it has necessary authority to carry out its works.

The AC reviewed and discussed the internal audit report which outlined the recommendations towards correcting areas of weaknesses and ensured that there were action plans established for the implementation of the internal audit function's recommendations. Management was invited to attend the AC meeting to provide clarification on specific issues raised in the internal audit reports. The AC monitored the implementation of action plan on the outstanding audit findings reported by the internal audit function.

The AC assisted the Board in identifying the principal risks, reviewing and assessing the effectiveness of the risk management framework and internal control systems based on the reports and recommendations from the internal audit function and report to the Board on its findings.

The AC reviewed the effectiveness and efficiency of the internal control system in place and the risk factors affecting the Company as well as the action plans taken by Management to resolve the issues to ensure adequacy of the internal control system.

Audit Committee Report (Cont'd)

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR (CONT'D)

Related Party Transactions

The AC reviewed the related party transactions entered into by the Group and any conflict of interest situation that may arise within the Group while ensured all transactions are at arms length's basis. There were no material related party transactions during the financial year.

Others

The AC has reviewed the Statement on Risk Management and Internal Control and Audit Committee Report in accordance with the AMLR of Bursa Securities and Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer, for inclusion into the Annual Report.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Company has engaged the services of an independent professional consulting firm, GovernAce Advisory & Solutions Sdn. Bhd. ("GovernAce") to provide assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Company's systems of internal control. GovernAce reports directly to the AC on its activities and its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes of the Group.

The terms of engagement of GovernAce are governed by formal engagement letter reviewed by the AC which includes engagement objectives and scope, reporting structure, internal audit methodology, independence and objectivity, authorities and responsibilities. The internal audit function carries out audit review based on the internal audit plan reviewed and approved by the AC. The internal audit function presented their findings together with the recommendations and management action plan to the AC. Besides, the AC also follow up from time to time the updates and corrective actions by Management on audited areas reported in the earlier cycle.

The activities carried out by the Internal Auditors during the financial year ended 31 October 2021 includes:

- Developed the internal audit plan;
- Internal audit review on Production and Inventory Control;
- Internal audit follow-up audit on implementation of Management's action plan addressing the audit finding;
- Issuance of reports on the results of the internal audit review, identifying key weaknesses with suggested recommendations to Management for further action; and
- Attended AC meetings to table and discuss the internal audit reports.

The relevant Management personnel were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes.

The AC had reviewed and assessed the internal audit function of the Company and is of the view that the scope, functions (including independence), competency, resources, authorities granted to the outsourced internal audit function as well as internal audit plan and processes are adequate to provide the AC with reasonable assurance that governance, risk and control structures and processes of the Group is adequate and effective and that the results of the internal audit plan, processes or investigation undertaken is adequately communicated to the AC and appropriate actions are taken on the recommendations of the Internal Auditors.

The cost incurred for the internal audit function in respect of the financial year ended 31 October 2021 amounted to RM28,620.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 41 to 45 of this Annual Report.

STATEMENT OF ALLOCATION OF EMPLOYEES' SHARES OPTION SCHEME ("ESOS")

There was no allocation of options during the financial year ended 31 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") in relation to the requirement of preparing statement of the state of risk management and internal control of the listed issuer as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines") and Malaysian Code on Corporate Governance, the Board of Directors ("the Board") of VisDynamics Holdings Berhad ("the Company") (collectively with its subsidiaries, "the Group") is pleased to present the statement on the state of risk management and internal controls of the Group for the financial year ended 31 October 2021.

BOARD RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining a sound risk management and internal control systems, to establish risk appetite of the Group and for reviewing their adequacy and effectiveness so as to safeguard all its stakeholders' interests and protecting the Group's assets.

The Board has delegated these aforementioned responsibilities to the Audit Committee ("AC") whereby the AC is assigned with the duty, through its Terms of Reference approved by the Board, to review the adequacy and effectiveness of the Company's risk management and internal control process and recommend further enhancement measures to the Board. Through the AC, the Board is kept informed of all significant financial and non-financial issues brought to the attention of the AC by the Management, the Internal Audit Function and the External Auditors.

The system of internal controls covers inter-alia, risk assessment as well as financial, operational, environmental and compliance controls. However, in view of the limitations that are inherent in any system of internal controls, the system of internal controls is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives. Accordingly, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

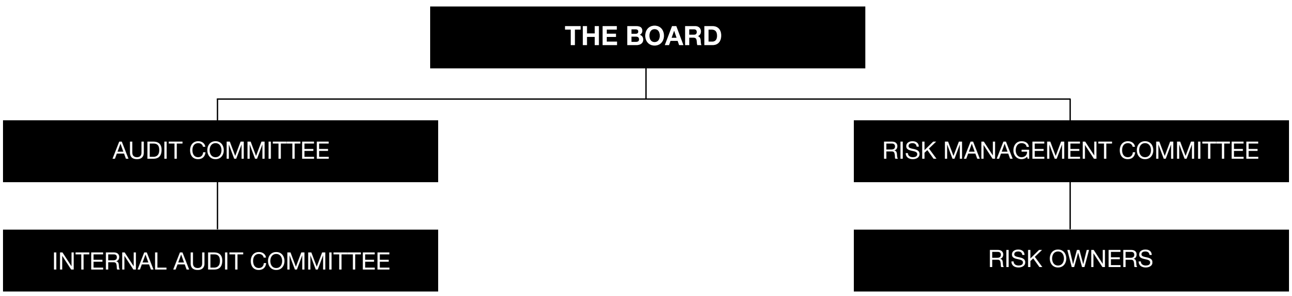
RISK MANAGEMENT

The Board recognises risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review.

The Board had put in place a Risk Management Policy, as the governance structure and processes for risk management on enterprise wide, embed the risk management practice into all level of the Group and to manage key business risks faced by the Group. The duties for the identification, evaluation and management of the key business risk are delegated to the Risk Owners.

The process of Risk Management adopted by the Board is guided by the ISO 31000:2018 – Risk Management Guidelines.

The Risk Management Policy lays down the risk management's objectives and processes established by the Board with formalised governance structure of the risk management activities of the Group established as follows:



Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT (CONT'D)

Clear roles and responsibilities of the Board, the AC, Risk Management Committee ("RMC") (headed by the Chief Executive Officer), operational management (as risk owners), and Internal Audit Function are defined in the Risk Management Policy. In particular, the roles and responsibilities of the RMC in relation to the risk management are as follows:

(a) establish a Risk Committee of the Management which is used as a forum for the following:

  (i) to formulate business rules, processes and structures to meet the Group standard policy and implementation needs;
  (ii) to implement the processes and structures;
  (iii) to ensure that processes and structures comply with risk parameters and controls;
  (iv) to initiate and conduct business within agreed risk parameters and business rules.

(b) recommend Risk Management Policy to the Board;

(c) constant monitoring to ensure Risk Management Policy is implemented accordingly; and

(d) ensuring that annual risk report is submitted accurately and in a timely manner to the Board.

In addition, the operational management team, i.e. the Heads of Departments/Divisions, is designated as risk owners within their area of expertise and operational responsibilities with the following roles and responsibilities:

(a) to manage the risks of the business processes under his/her control;
(b) to identify risks and evaluate existing controls. If controls deemed ineffective, inadequate or non-existent, to report to the RMC and assist with the development of the Management's action plans and implement these action plans; and
(c) to assist the RMC with the continuous monitoring, update of the management action plans and the status of these plans.

Systematic risk management process is stipulated in the Risk Management Policy, whereby each step of the risk identification, risk analysis, control identification, risk treatment and control activities are laid down for application by the RMC and the operational management. Risk parameters are also predetermined in accordance to the Group's risk appetite to ensure the Group is managed within tolerable expectation.

Risk analysis, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board that are stipulated in the Risk Management Policy. Based on the risk management process, key risk registers were compiled by the RMC, with relevant key risks identified and rated based on the agreed upon risk rating. The key risk registers are used for the identification of high residual risks, which is above the risk appetite of the Group that require the Management and the Board's immediate attention and risk treatment as well as for future risk monitoring.

It is important to monitor risks proactively, therefore, Management is required to review the key risk registers of key operating subsidiaries and assessment of emerging risks identified at strategic and operational level on a routine basis or on more frequent basis if circumstances required and to report to the Board on the results of the review and assessment.

At strategic level, business plans, business strategies and investment proposals with risks consideration are formulated by the Chief Executive Officer and/or Senior Management and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite. In addition, specific strategic and key operational risks are highlighted and deliberated by the AC and/or the Board during the review of the financial performance of the Group in the scheduled meetings. A Strengths, Weaknesses, Opportunities and Threats ("SWOT") Analysis was discussed during the Company Annual Strategy Meeting.

As first-line-of-defense, respective Heads of Departments/Divisions (i.e. risk owners) are responsible for managing the risks under their responsibilities. Risk owners are responsible for effective and efficient operational monitoring and management by way of maintaining effective internal controls and executing risk and control procedures on a day-to-day basis. Changes in the key operational risks or emergence of new key business risks are identified through daily operational management and controls and review of financial and operational reports by respective level of Management generated by internal management information system supplemented by external data and information collected. Respective risk owners are responsible to assess the changes to the existing operational risks and emerging risks and to formulate and implement effective controls to manage the risks. Critical and material risks are highlighted to the Risk Management Committee and/or the Senior Management for the final decision on the formulation and implementation of effective internal controls and its reporting to the Board.

Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT (CONT'D)

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the Internal Audit Function with specific audit objectives and business risks identified for each internal audit cycle based on the internal control plan approved by the AC.

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control systems is made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component as follows:

Board /Board Committees

Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

Meetings of the Board and the respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective. Business plans and business strategies are proposed by top management for the Board's review and approval, after taking risk and responses into consideration.

Organisation Structure and Authorisation Procedures

The Group has a formal organisation structure in place to ensure appropriate level of authorities and responsibilities are delegated accordingly to competent staffs in achieving operational effectiveness and efficiency. Authority limit are established within the Group to provide a clear functional framework of authority for critical control points.

Risk Assessment

Risk assessment is performed by risk owners at scheduled interval or when there is change in internal and/or business context in accordance with Risk Management Policy. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board, i.e. the risk appetite.

Policies and Procedures

The Group has documented policies and procedures of intyernal control system that are regularly reviewed and updated to ensure its relevance to support the Group's business activities in achieving the Group's business objectives.

Human Resource Policy

Comprehensive guidelines on the human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent development.

Monitoring and Review

At operational level, weekly project meetings among the key operational management staffs were held focusing on the allocation of responsibility and the monitoring of all key operational issues and projects in order to manage its operation effectively and efficiently. A set of operational and financial performance indexes was developed to act as a monitoring tool as well as to provide a basis for setting up a realistic yardstick for further improvement. In addition, monthly management meeting was scheduled to review and discuss financial performance of the Company.

Furthermore, the quarterly financial statement containing key financial results and comparison against previous results are presented to the Board for their review. Operational and financial performance report is also presented by the Chief Financial Officer during the Board's meeting for the Board to assess the operational performance and future prospect of the Group as well as the external environment to be faced by the Group ahead.

In addition to the internal audits, significant control issues highlighted by the External Auditors as part of their statutory audits and the monitoring of compliance with ISO certification carried out by internal ISO auditors as well as surveillance audit by independent consultants engaged by the Group serve as the fourth-line-of-defense.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION

The review of the adequacy and effectiveness of the Group's risk management and internal control system is outsourced to an independent professional firm, who, through the AC provides the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's systems of corporate governance, risk management and internal control. This is also to ensure that the Internal Audit Function is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

Risk-based internal audit plan in respect of the financial year ended 31 October 2021 was drafted, after taking into consideration existing and emergent key business risks identified in the key risk profile of the Group, the Senior Management's opinion and previous internal audits performed, and was reviewed and approved by the AC prior to execution.

Each internal audit cycles within the internal audit plan are specific with regard to business processes to be assessed and scopes of the internal control review. In approving the internal audit plan, the AC has also considered that the internal audit has sufficient resources and is able to access information to enable it to carry out its role effectively and the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.

The outsourced Internal Audit Function reports to the AC directly and the engagement director is an Accountant registered with Malaysian Institute of Accountants (MIA), Certified Practising Accountant with CPA Australia, Chartered Member of Institute of Internal Auditors Malaysia (CMIIA) and Certified Internal Auditor accredited by the Institute of Internal Auditors Inc. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework (IPPF) established by the Institute of Internal Auditors Inc.

As third-line-of-defense, the internal control review procedures performed by the Internal Audit Function are designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk and control structures and processes and the recommendations formulated by the Internal Audit Function are based on the root cause(s) of the internal audit observations.

The internal audit procedures applied principally consisted of process evaluations through interviews with relevant personnel involved in the process under review, review of the Standard Operating Procedures and/or process flows provided and observations of the functioning of processes in compliance with results of interviews and/or documented Standard Operating Procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance to predetermined formulation, subject to the nature of testing and verification of the samples.

During the financial year ended 31 October 2021, the Internal Audit Function has conducted the following:

- Internal audit on Production and Inventory Control.
- Internal audit follow-up review on implementation of management action plan addressing the audit findings.
- Issued reports on the results of the internal audit review, identifying weaknesses with suggested recommendations for improvements to management for further action to improve the system of internal control.
- Attended AC meetings held on March 2021 and June 2021 to table and discuss the audit reports.

Upon completion of the internal audit field work during the financial year, the internal audit reports were presented to the AC during its scheduled meetings. During the presentation, the internal audit findings and recommendations as well as management response and action plans are presented and deliberated with the members of the AC participating actively in the deliberation. Update on the status of action plans as identified in the previous internal audit report are presented at subsequent AC meeting for review and deliberation.

Based on the internal audit reviews conducted, there were no material control failures that would have resulted in any significant losses to the Group.

Statement on Risk Management and Internal Control (Cont'd)

ASSURANCE PROVIDED BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER AND CONTROLS AND REGULATION ASSESSMENT BY SENIOR MANAGEMENT

In line with the Guidelines, the Chief Executive Officer, being highest ranking executive in the Company and Chief Financial Officer, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board that the Group's risk management and internal control systems adequate and effective, in all material aspects based on internal control and risk management policy adopted by the Group.

ASSURANCE PROVIDED BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 October 2021 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal controls.

OPINION

Based on the review of the risk management process and internal control system, results of the internal audit activities, as well as the monitoring and review mechanism stipulated above coupled with the assurance provided by the Chief Executive Officer and the Chief Financial Officer, the Board believes that, in the absence of any evidence to the contrary, the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report throughout the financial year and up to and as of the date of this report.

The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The Board is committed towards maintaining an effective risk management and internal control systems throughout the Group and where necessary to put in place appropriate plans to further enhance the Group's systems of internal control.

Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

This statement is made in accordance with a resolution of the Board dated 17 February 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of the Company are required to prepare financial statements for each financial year which have been drawn up in accordance with Malaysian Financial Report Standards, International Financial Reporting Standards and the provision of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as at the end of financial year and of financial performance and cash flow of the Group and the Company for the financial year then ended.

In preparing these financial statements, the Directors have considered the following:-

- That the Group and the Company have used appropriate accounting policies, and these are applied consistently;
- That reasonable and prudent judgements and estimates were made;
- That the approved accounting standards in Malaysia have been adopted; and
- That the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and subsidiary company maintain proper accounting records which disclose with reasonable accuracy the financial positions of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

Financial Statements

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 October 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activity of the subsidiary is set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit/(loss) for the year	9,604,461	(963,438)
Attributable to:		
Owners of the Company	9,604,461	(963,438)

In the opinion of the directors, except as disclosed in Note 33 to the financial statement, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

The amount of dividends paid by the Company since 1 November 2020 were as follows:

	RM
In respect of the financial year ended 31 October 2021: Declaration and payment of final (single-tier) dividends of 1 sen per ordinary share for financial year ended 31 October 2020. This was declared on 18 February 2021 and paid on 28 May 2021.	1,740,716

ISSUE OF SHARES AND DEBENTURES

During the previous financial year, the Company issued 954,000 new ordinary shares from exercising of Employee Share Options Scheme ("ESOS")

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company except that new ordinary shares to be issued arising from the exercise of the ESOS will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the new ordinary shares.

Issued 2,485,000 new ordinary shares at an exercise price of RM0.75 each for a total cash consideration of RM1,863,750 via Exercise of Warrants.

There were no debentures issued during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Directors' Report (Cont'd)

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Choy Ngee Hoe**
Lee Chong Leng**
Ong Hui Peng (F)**
Vincent Loh
Wang Choon Seang
Pang Nam Ming
Jong Pit Fong***

***Director of the subsidiary company and not the Company
** These directors are also director of subsidiary Company

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interest of directors in office at the end of financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares			
The Company	1 November 2020	Bought	Sold	31 October 2021
Direct interest :				
Choy Ngee Hoe	46,510,429	800,000	-	47,310,429
Ong Hui Peng (F)	5,919,475	180,000	-	6,099,475
Lee Chong Leng	5,811,225	-	-	5,811,225

	Number of Options over Ordinary shares			
Share Options of the Company	1 November 2020	Granted	Exercised	31 October 2021
Ong Hui Peng (F)	180,000	-	180,000	-

	Number of Warrant 2017/2022			
Warrants	1 November 2020	Bought	Sold	31 October 2021
Choy Ngee Hoe	10,547,734	-	1,510,000	9,037,734
Ong Hui Peng (F)	724,868	-	724,800	68
Lee Chong Leng	607,806	-	607,800	6

By virtue of their shareholdings in the Company, Choy Ngee Hoe, Lee Chong Leng and Ong Hui Peng (F) are deemed to have interests in shares in the subsidiary company during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act, 2016.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Group and the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 23 to the financial statements or fixed salary of a full-time employee of the Group and the Company) by reason of a contract made by the Group and the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Report (Cont'd)

DIRECTORS' BENEFITS (CONT'D)

Neither during nor at the end of the financial year, was the Group and the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Group and the Company or any other body corporate other than those arising from the share options granted under the ESOS.

DIRECTORS' REMUNERATION

The amounts of remunerations of the directors of the Group and of the Company comprising remunerations received or receivable from the Group and the Company during the year are disclosed in the Note 23 to the financial statements.

Neither during nor, at the end of the financial year, was the Group and the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Group and the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

INDEMNIFYING DIRECTORS AND OFFICERS

The directors and officers of the Group and the Company are covered by Directors' and Officers' Liability Insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM9,010.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and the Company were made out, the directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses and had satisfied themselves that there are no known bad debts to be written off and that no allowance was necessary for expected credit losses; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or to provide allowance for expected credit losses made in the financial statements of the Group and the Company; or

  (ii) the values attributed to the current assets in the financial statements of the Group and the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONT'D)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SUBSIDIARY COMPANY

Details of the subsidiary company are set out in Note 5 to the financial statements.

SIGNIFICANT EVENTS

Details of significant events is disclosed in the Note 33 to the financial statements.

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

Auditors' remunerations are as follows:

	Group RM	Company RM
Al Jafree Salihin Kuzaimi PLT	40,000	15,000

There were no indemnity given to, or insurance effected for, the auditors of the Group and the Company during or at the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated

CHOY NGEE HOE
Director

LEE CHONG LENG
Director

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **CHOY NGEE HOE** and **LEE CHONG LENG**, being two of the directors of **VISDYNAMICS HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 October 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated

....

CHOY NGEE HOE
Director

....

LEE CHONG LENG
Director

Selangor, Malaysia

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **PEGGY CHEK HONG KIM** (MIA No. CA 23475), being the officer primarily responsible for the financial management of **VISDYNAMICS HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at ***Batu Caves***)
in the state of ***Selangor Darul Ehsan***)
on)

....

PEGGY CHEK HONG KIM

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISDYNAMICS HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Visdynamics Holdings Berhad, which comprise the statements of financial position as at 31 October 2021 of the Group and the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on the accompanying pages.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 October 2021, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each of the following matter, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISDYNAMICS HOLDINGS BERHAD (Cont'd) (Incorporated in Malaysia)

Key audit matters (Cont'd)

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matters
1. Revenue recognition As set out in Note 2.6(s), 19 and 30 to the financial statements, the Group's revenue for the year ended 31 October 2021 amounted to RM47,880,619 (2020: RM26,269,719) where it mainly earned from sales of machines and rendering of services. "Given its magnitude and significant volume of transactions involved, revenue recognition is identified as a key audit matter in our audit. There is a risk that revenue could be subject to misstatement, particularly in respect of the timing and amount of revenue recognised. As described in the Significant Accounting Policies in Note 2.6(s) to the financial statements, revenue is recognised upon the performance obligations that has been satisfied according to the agreed terms with the customers.	Our procedures included, amongst others: • Obtaining an understanding of the Group's relevant internal controls and testing the controls over timing and amount of revenue recognised; • Evaluating the transaction price by agreeing the invoices issued with the agreed purchase order from customers; • Evaluating whether the allocation of transactions price to the respective performance obligations; • Evaluating the appropriateness of the timing of revenue recognition based on the transfer of performance obligation of the related goods to the customer; and • Testing the recording of sales transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.
2) Inventories The carrying amount of inventories of the Group as at 31 October 2021 is RM18,733,597 (2020: RM18,081,370). As described in the significant accounting policies in Note 2.6(k) and Note 8 to the financial statements, inventories are carried at the lower of cost and net realisable value. Assessing the valuation of inventories is an area of significant judgement as there is a risk in estimating the net realizable value of the inventories, as well as assessing which items may be slow-moving or obsolete. Due to the significance of the inventories balance and the involvement of judgment and estimates in the valuation of inventories, we considered this as a key audit matter. Please refer to Note 3.2(e) for the significant accounting estimates and judgements and disclosure of inventories in Note 8 to the financial statements.	Our procedures included, amongst others: • Attending and observing the physical inventories count performed by the management to assess the existence and condition of the inventories on 1 November 2021. • Performing roll-backward procedures to ensure the completeness of the inventories to the reporting date. • Obtaining an understanding of the Group's production process and the types of costs included in the valuation of the Group's inventories; • Agreeing on a sampling basis, the costs of raw materials and labour costs to supporting documentation such as supplier invoices and payroll records, respectively; • In ascertaining the completeness of the balances of work in progress, gaining an understanding on the IT environment in relation to its recording process which involves automated controls and on sampling basis, performing testing of the completeness of the work in progress recognised in the financial statements; • Reviewing and verifying the subsequent selling price against unit cost of a sample of inventory used in the final inventory listing to ensure inventories are stated at lower of cost and net realisable value; and • Reviewing the management's assessment on the valuation of slow-moving inventories.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISDYNAMICS HOLDINGS BERHAD (Cont'd) (Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement by Directors, but does not include the financial statements of the Group and the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2021, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report 2021, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISDYNAMICS HOLDINGS BERHAD (Cont'd) (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such ddisclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AL JAFREE SALIHIN KUZAIMI PLT	**AIZUL IZUAN BIN ABDUL HAMID**
201506002872 (LLP0006652-LCA) & AF1522	NO. 03509/07/2022 J
CHARTERED ACCOUNTANTS	CHARTERED ACCOUNTANT

Dated:

Selangor, Malaysia

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	12,480,025	6,516,705	106	746
Investment in the subsidiary	5	-	-	2,999,980	2,999,980
Intangible assets	6	3,314,430	2,777,571	-	-
		15,794,455	9,294,276	3,000,086	3,000,726
Current Assets					
Short term investments	7	10,759,145	11,813,508	10,759,145	-
Inventories	8	18,733,597	18,081,370	-	-
Trade and other receivables	9	5,362,496	7,980,470	-	-
Deposits and prepayments	10	2,783,656	1,762,651	216,665	291,297
Amount due from subsidiary	11	-	-	10,327,630	20,739,758
Cash and cash equivalents	12	15,625,225	7,713,967	151,115	156,747
		53,264,119	47,351,966	21,454,555	21,187,802
Total Assets		69,058,574	56,646,242	24,454,641	24,188,528
Equity and Liabilities					
Total equity attributable to:					
Owners of the Company					
Share capital	13	23,746,833	20,869,593	23,746,833	20,869,593
Reserves	14	-	275,543	-	275,543
Retained profits/(accumulated loss)		32,466,456	24,602,711	(757,490)	1,946,664
Total Equity		56,213,289	45,747,847	22,989,343	23,091,800
Non-Current Liabilities					
Hire purchase payables	15	373,542	71,568	-	-
		373,542	71,568	-	-
Current Liabilities					
Trade and other payables	17	9,412,518	8,132,827	1,465,298	788,484
Hire purchase payables	15	38,761	74,568	-	-
Borrowings	18	-	2,156,413	-	-
Provision for taxation		3,020,464	463,019	-	308,244
		12,471,743	10,826,827	1,465,298	1,096,728
Total Liabilities		12,845,285	10,898,395	1,465,298	1,096,728
Total Equity and Liabilities		69,058,574	56,646,242	24,454,641	24,188,528

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	19	47,880,619	26,269,719	1,800,000	4,400,000
Cost of sales	20	(16,730,272)	(10,369,837)	-	-
Gross profit		31,150,347	15,899,882	1,800,000	4,400,000
Other operating income	21	489,488	497,092	177,845	58,404
Selling and marketing expenses		(8,006,673)	(4,087,840)	-	-
Administrative expenses		(4,960,705)	(3,442,023)	(2,917,815)	(2,124,758)
Other operating expenses		(769,636)	(748,626)	-	-
Research and development expenses		(5,351,965)	(5,162,699)	-	-
Profit from operation	22	12,550,856	2,955,786	(939,970)	2,333,646
Finance costs	25	(56,936)	(38,855)	-	-
Profit before taxation		12,493,920	2,916,931	(939,970)	2,333,646
Taxation	26	(2,889,459)	(471,100)	(23,468)	(308,183)
Profit/(loss) for the current year, representing net comprehensive income		9,604,461	2,445,831	(963,438)	2,025,463
Attributable to:					
Owners of the Company		9,604,461	2,445,831	(963,438)	2,025,463
		9,604,461	2,445,831	(963,438)	2,025,463
Earning per share attributable to owners of the Company (sen):					
- Basic	28	5.55	1.44		
- Diluted	28	4.97	1.44		

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021

	← Attributable to Equity Share Holder of the Company →					
		← Non-Distributable		→	Distributable	
Group	**Share capital RM**	**Warrant reserve RM**	**Discount on shares RM**	**ESOS reserve RM**	**retained profits RM**	**Total RM**
As at 31 October 2019	19,824,046	3,371,000	(3,371,000)	576,855	23,863,821	44,264,722
ESOS forfeited	-	-	-	(6,935)	-	(6,935)
Exercise of ESOS	1,045,547	-	-	(294,377)	-	751,170
Total comprehensive income for the year	-	-	-	-	2,445,831	2,445,831
Dividend paid during the year (Note 31)	-	-	-	-	(1,706,941)	(1,706,941)
As at 31 October 2020/1 November 2020	20,869,593	3,371,000	(3,371,000)	275,543	24,602,711	45,747,847
ESOS forfeited	-	-	-	-	-	-
Exercise of ESOS	1,013,490	-	-	(275,543)	-	737,947
Exercise of warrant	1,863,750	(1,676,000)	1,676,000	-	-	1,863,750
Total comprehensive income for the year	-	-	-	-	9,604,461	9,604,461
Dividend paid during the year (Note 31)	-	-	-	-	(1,740,716)	(1,740,716)
As at 31 October 2021	23,746,833	1,695,000	(1,695,000)	-	32,466,456	56,213,289

Statements Of Changes In Equity
For The Year Ended 31 October 2021 (Cont'd)

	Attributable to Equity Share Holder of the Company			
	Non-Distributable		Distributable	
Company	**Share capital RM**	**ESOS reserve RM**	**retained profits/ (accumulated loss) RM**	**Total RM**
As at 31 October 2019	19,824,046	576,855	1,628,142	22,029,043
ESOS forfeited	-	(6,935)	-	(6,935)
Exercise of ESOS	1,045,547	(294,377)	-	751,170
Total comprehensive income for the year	-	-	2,025,463	2,025,463
Dividend paid during the year (Note 31)	-	-	(1,706,941)	(1,706,941)
As at 31 October 2020/1 November 2020	20,869,593	275,543	1,946,664	23,091,800
ESOS forfeited	-	-	-	-
Exercise of ESOS	1,013,490	(275,543)	-	737,947
Exercise of warrant	1,863,750	-	-	1,863,750
Total comprehensive loss for the year	-	-	(963,438)	(963,438)
Dividend paid during the year (Note 31)	-	-	(1,740,716)	(1,740,716)
As at 31 October 2021	23,746,833	-	(757,490)	22,989,343

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash Flows from Operating Activities				
Profit/(Loss) before tax	12,493,920	2,916,931	(939,970)	2,333,646
Adjustments for:				
Amortisation of intangible assets	324,041	185,848	-	-
Depreciation of property, plant and equipment	608,247	536,756	640	640
Impairment of goodwill	157,645	-	-	-
Gain on disposal of property, plant and equipment	(84,613)	-	-	-
Property, plant and equipment written off	-	13,905	-	-
Interest expense	56,936	38,855	-	-
Unrealised loss on foreign currency exchange	20,929	212,509	-	-
Unrealised gains on short term investments	(90,639)	(219,258)	-	-
Interest on fixed deposits	(212,690)	(129,229)	(177,845)	(58,404)
Operating profit/(loss) before working capital changes	13,273,776	3,556,317	(1,117,175)	2,275,882
Increase in inventories	(652,227)	(4,248,584)	-	-
Decrease/(increase) in trade and other receivables	6,661,464	7,944,583	20,898,888	(11,194,962)
(Increase)/decrease amount due from subsidiary	-	-	(10,412,128)	5,601,677
(Decrease)/increase in trade and other payables	(2,167,961)	1,723,314	269,559	(175,740)
Cash inflows/(outflows) from operations	17,115,052	8,975,630	9,639,144	(3,493,143)
Interest paid	(56,936)	(38,855)	-	-
Taxes paid	(1,835,201)	(1,363,466)	(200,000)	(422,056)
Net cash inflows/(outflows) from operating activities	15,222,915	7,573,309	9,439,144	(3,915,199)

Statements Of Cash Flows
For The Year Ended 31 October 2021 (Cont'd)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	(6,171,683)	(1,375,989)	-	-
Addition to intangible assets	(1,018,545)	(687,872)	-	-
Interest received	212,690	129,229	177,845	58,404
Placement on short term investment	-	(10,000,000)	-	-
Withdrawal of short term investment	1,145,002	2,200,000	-	-
Proceeds from disposal of property, plant and equipment	84,729	-	-	-
Net cash (outflows)/inflows from investing activities	(5,747,807)	(9,734,632)	177,845	58,404
Cash Flows from Financing Activities				
Addition of hire purchase	(400,000)	-	-	-
Proceeds from issuance of shares resulted from exercise of ESOS	1,013,490	744,235	1,013,490	744,235
Proceeds from issuance of shares resulted from exercise of warrant	1,863,750	-	1,863,750	-
Proceeds to new portfolio investment	-	-	(10,759,145)	-
Dividend paid	(1,740,716)	(1,706,941)	(1,740,716)	(1,706,941)
Addition of banker acceptances	4,145,820	6,803,494	-	-
Repayment of banker acceptances	(6,302,233)	(6,580,081)	-	-
Repayment of hire purchase	(143,961)	(78,924)	-	-
Net cash outflows from financing activities	(1,563,850)	(818,217)	(9,622,621)	(962,706)
Net increase/(decrease) in cash mand cash equivalents	7,911,258	(2,979,540)	(5,632)	(4,819,501)
Effect of currency exchange rate changes	-	(8,289)	-	-
Cash and cash equivalents at beginning of year	7,713,967	10,701,796	156,747	4,976,248
Cash and cash equivalents at end of year	15,625,225	7,713,967	151,115	156,747
Cash and cash equivalents at end of year comprised:				
Cash and bank balances	12,604,891	3,288,560	151,115	156,747
Fixed deposits with licensed banks	3,020,334	4,425,407	-	-
	15,625,225	7,713,967	151,115	156,747

NOTES TO THE FINANCIAL STATEMENTS
31 OCTOBER 2021

1. CORPORATE INFORMATION

The Company, VisDynamics Holdings Berhad is a public listed company, incorporated and domiciled in Malaysia and is listed on the Ace Market, Bursa Malaysia Securities Berhad. The registered office of the Company is located at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur. The principal place of business of the Company is located at Lot 3844, Jalan TU 52, Kawasan Perindustrian Tasik Utama, 75450 Ayer Keroh, Melaka.

The principal activities of the Company are investment holding and provision of management services. The principal activity of the subsidiary is set out in Note 5 to the financial statements. There have been no significant changes in the principal activities of the Group during the financial year.

The consolidated financial statements of the Company and its subsidiary collectively, the Group for the year ended 31 October 2021 were authorised for issue in accordance with a resolution of the directors on _____________.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia (RM).

The preparation of financial statements in conformity with MFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and reported amounts of revenue and expenses during the reported financial period. It also requires the directors' best knowledge of current events and action, and therefore actual results may differ.

2.2 Effective for annual periods beginning on or after 1 November 2020

Adoption of new and revised MFRSs

During the financial year, the Group and the Company has adopted the following new and amended MFRSs that are mandatory for annual financial period beginning on or after 1 January 2020:

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 3 - *Definition of a Business*	1 January 2020
Amendments to MFRS 101 - *Presentation of Financial Statements*	1 January 2020
Amendments to MFRS 108 - *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2020
Amendments to MFRS 7 - *Financial Instruments Disclosures*	1 January 2020
Amendments to MFRS 9 - *Financial Instruments*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 - *Interest Rate Benchmark Reform*	1 January 2020
Amendments to MFRS 16 - *Leases (COVID-19 Related Rent Concessions)*	1 June 2020

The adoption of the new standards and amendments to standards and interpretations did not have any significant impact on the financial statements of the Group and the Company.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D)

2.3 Standards issued but not yet effective

The following standards that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Company in these financial statements:

Description	Effective dates for financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - *Interest Rate Benchmark Reform - Phase 2*	1 April 2021
Amendments to MFRS 16 - *COVID-19 Related Rent Concessions beyond 30 June 2021*	1 January 2022
Amendments to MFRS 3 - *Business Combinations (Reference to the Conceptual Framework)*	1 January 2022
Amendments to MFRS 116 - *Property, Plant and Equipment (Proceeds before Intended Use)*	1 January 2022
Amendments to MFRS 137 - *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts (Cost of Fulfilling a Contract)*	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle - MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* (Subsidiary as a first-time adopter)	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle - MFRS 9 *Financial Instruments* (Fees in the "10 Percent" Test for Derecognition of Financial Liabilities)	1 January 2022
Amendment to MFRS 101 - *Presentation of Financial Statements* (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendment to MFRS 101 - *Presentation of Financial Statements* (Disclosure of Accounting Policies)	1 January 2023
Amendment to MFRS 108 - *Accounting Policies, Changes in Accounting Estimates and Errors* (Definition of Accounting Estimates)	1 January 2023
Amendments to MFRS 10 and MFRS 128 - *Investments in Associates and Joint Venture (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*	Deferred

The Group and the Company is expected to apply the abovementioned standards beginning from the respective dates the standards become effective. The initial application of the abovementioned standards are not expected to have any material impact to the financial statements of the Group and the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D)

2.4 Basis of consolidation (Cont'd)

A subsidiary is consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Profit or loss within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisition of a subsidiary is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, is measured at fair value with the changes in fair value recognised in profit or loss or changes to other comprehensive income in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost and classsified as intangible assets, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control. No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities. No additional goodwill is recognised as a result of the combination.

2.5 Subsidiary

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Summary of significant accounting policies

(a) Intangible assets

Intangible assets acquired separately are measured on initial recognition at costs. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried as cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life reviewed at least at each statement of financial position date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently of the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(a) Intangible assets (Cont'd)

Patents and Trademarks

Patents and trademarks are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying product not exceeding 10 years.

Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on developments projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can be demonstrate all of the following:

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the develop asset; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of not exceeding 5 years when the products are ready for sale or use. In the event that the expected future benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Notes To The Financial Statements (Cont'd)

31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Property, plant and equipment are stated at cost modified by the revaluation of certain property less accumulated depreciation and impairment loss, if any.

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairments. An impairment loss is recognised as an expense in the statements of comprehensive income.

Leasehold land are measured at cost less accumulated impairment losses. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful-lives of the assets as follows:

	Years
Leasehold land	99
Buildings	10 - 50
Computer equipment	3 - 5
Furniture, fitting and electrical installation	3 - 25
Motor vehicles	5
Plant and Machineries	5 - 10
Renovation	10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability, or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Current versus non-current classification

The Group and the Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(e) Financial assets

Financial assets are recognised in the statement of financial position when and only the Group and the Company become a party to the contractual provisions of the financial statements.

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables of the Group and the Company do not contain a significant financing component and therefore are measured at the transaction price determined under MFRS 15 Revenue from Contracts with Customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains or losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

<u>**Financial assets at amortised cost (debt instruments)**</u>

The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group and the Company financial assets at amortised cost includes trade and other receivables and deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(e) Financial assets (Cont'd)

(ii) Subsequent measurement (Cont'd)

Financial assets at fair value through OCI (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains or losses are recognised in statements of comprehensive income when the asset is derecognised, modified or impaired.

The Group and the Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company has no financial assets at fair value through OCI (debt instruments) at the reporting date.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of comprehensive income when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company has no financial assets at fair value through OCI (equity instruments) at the reporting date.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(e) Financial assets (Cont'd)

(ii) Subsequent measurement (Cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in statements of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statements of comprehensive income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in statements of comprehensive income. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group's and the Company's financial assets at fair value through profit or loss include short term investment.

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group and the Company has transferred substantially all the risks and rewards of the asset, or the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(e) Financial assets (Contd')

(iii) Derecognition (Cont'd)

When the Group and the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(f) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(g) Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(g) Impairment of non-financial assets (Cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and bank borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statements of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company has not designated any financial liability as at fair value through profit or loss.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(h) Financial liabilities (Cont'd)

(ii) Subsequent measurement (Cont'd)

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in statements of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statements of comprehensive income.

This category generally applies to interest-bearing loans and borrowings.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group cash management.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. Costs comprised purchase costs and costs incurred in bringing the inventories to their present location and conditions. For finished goods and work-in-progress cost consists of raw material, directes labour and appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(l) Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(n) Employee benefits

(i) Defined contribution plans

The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Short term employee benefits

Wages, salaries and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(iii) Employees' share option plans

Employees of the Group receive remunerations in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employees' share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested in irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employees' share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(o) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss and other comprehensive income over the financial period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of the related assets.

(p) Hire purchase payables

Property, plant and equipment acquired under hire purchase are capitalised and are depreciated in accordance with the policy corresponding obligations relating to the remaining capital payments are treated as liabilities. Finance charge are charged to the statement of comprehensive income over the period of the plan so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(q) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(r) Segmental information

Segmental revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), inventories, receivable, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

Segment revenue, expenses and results include transfers between segments. The prices charged on inter-segment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

Additional disclosures on each of these segments are shown in Note 30 to the financial statements including the factors used to identify the reportable segments and the measurement basis of the segment information.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(s) Revenue and other income recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Sale of goods

The Group is involved in manufacturing and trading of machines.

Revenue is recognised at point in time upon transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume rebates. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group or the ompany transfers control of a good or service at a point time unless on eof the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Revenue from rendering services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are rendered.

(iii) Interest income

Interest income is recognised using the effective interest method.

(vi) Management fees

Management fees are recognised on accrual basis.

(v) Dividend income

Dividend income is recognised when the Group right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(t) Income tax

(i) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Notes To The Financial Statements (Cont'd)
31 October 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(t) Income tax (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(u) Functional and presentation currency

(i) Functional and presentation currency

The functional currency of the Group is measured using the currency of the primary economic environment in which the Group operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the parent's functional and presentation currency.

The principal closing rates used in transaction of foreign currency amounts are as follows:

	2021 RM	2020 RM
Foreign currency		
1 Singapore Dollar	3.084	3.040
1 US Dollar	4.146	4.160

(v) Transactions and balances

Transactions is foreign currency are converted into RM at the approximate rates of exchange ruling at the transaction dates. Transactions in foreign currency are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the statement of financial position date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the profit or loss.

(w) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (Cont'd)

(x) Related party transactions

Party is considered to be related to the Group if the Group have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related party could be individuals or other entities. Terms of settlement is unsecured, interest-free and repayable on demand.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below. The Group and the Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group and the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group and the Company loans and receivables at the reporting date is disclosed in Note 9.

(b) Useful lives of property, plant and equipment and intangible assets

The cost of property, plant and equipment for the manufacture of automated test equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the automation industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. Development expenditure of completed development projects has finite useful life for 3 years.

When the recoverable amount of an intangible asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows. The carrying amount of the Group's and of the Company's property, plant and equipment and intangible assets at the reporting date is disclosed in Note 4 and Note 6 respectively.

Notes To The Financial Statements (Cont'd)
31 October 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(c) Taxation

There are certain transactions computations for which the ultimate tax determination may be different from the initial estimate. The Group recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's and of the Company's taxation for the financial year ended 31 October 2021 is disclosed in Note 26.

(d) Write down and provision for inventories

Reviews are made periodically by management on damaged, obselete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the reposting date is disclosed in Note 8.

(e) Employees' share options

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions and the carrying amounts are disclosed in Note 13, 14 and 29.

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM	Buildings RM	Plant and machineries RM	Furniture, fitting and electrical installation RM	Motor vehicles RM	Computer equipment RM	Renovation RM	Total RM
Group								
Cost								
As at 1 November 2020	991,396	4,495,038	2,492,140	1,951,761	542,678	1,897,664	100,773	12,471,450
Additions	5,868,063	-	175,133	5,810	468,650	54,027	-	6,571,683
Disposals	-	-	(1,650)	(3,600)	(331,000)	(153,377)	-	(489,627)
Reclassification	649,129	(649,129)	-	-	-	-	-	-
At 31 October 2021	7,508,588	3,845,909	2,665,623	1,953,971	680,328	1,798,314	100,773	18,553,506
Accumulated depreciation:								
As at 1 November 2020	158,113	853,607	1,182,473	1,538,999	457,522	1,719,791	44,240	5,954,745
Charge for the year	75,078	123,197	183,718	45,747	88,570	85,195	6,742	608,247
Disposals	-	-	(1,650)	(3,600)	(331,000)	(153,261)	-	(489,511)
At 31 October 2021	233,191	976,804	1,364,541	1,581,146	215,092	1,651,725	50,982	6,073,481
Net carrying amount :								
As at 31 October 2021	7,275,397	2,869,105	1,301,082	372,825	465,236	146,589	49,791	12,480,025

Notes To The Financial Statements (Cont'd)
31 October 2021

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Leasehold land RM	Buildings RM	Plant and machineries RM	Furniture, fitting and electrical installation RM	Motor vehicles RM	Computer equipment RM	Renovation RM	Total RM
Group								
Cost								
As at 1 November 2019	991,396	3,796,910	3,153,469	1,940,980	542,678	1,848,111	90,873	12,364,417
Additions	-	698,128	553,895	33,063	-	81,003	9,900	1,375,989
Write offs	-	-	(1,215,224)	(22,282)	-	(31,450)	-	(1,268,956)
At 31 October 2020	991,396	4,495,038	2,492,140	1,951,761	542,678	1,897,664	100,773	12,471,450
Accumulated depreciation:								
As at 1 November 2019	147,209	731,563	2,203,002	1,516,937	377,200	1,661,028	36,101	6,673,040
Charge for the year	10,904	122,044	181,049	44,261	80,322	90,037	8,139	536,756
Write off	-	-	(1,201,578)	(22,199)	-	(31,274)	-	(1,255,051)
At 31 October 2020	158,113	853,607	1,182,473	1,538,999	457,522	1,719,791	44,240	5,954,745
Net carrying amount :								
As at 31 October 2020	833,283	3,641,431	1,309,667	412,762	85,156	177,873	56,533	6,516,705

Notes To The Financial Statements (Cont'd)
31 October 2021

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	**Computer equipment RM**
Cost	
As at 1 November 2020	3,199
Accumulated depreciation:	
As at 1 November 2020	2,453
Charge for the year	640
At 31 October 2021	3,093
Net book value :	
As at 31 October 2021	106
As at 31 October 2020	746

Included in Group's property, plant and equipment are a building and leasehold land with carrying value of RM2,869,105 (2020: RM3,641,431) and RM7,275,397 (2020: RM833,283) respectively which have been pledged to a financial institution as security for banking facilities granted to the Group as disclosed in Note 18.

The motor vehicles of the Group acquired under hire purchase were carried at net book value of RM465,236 (2020: RM85,156) the statements of financial position.

5. INVESTMENTS IN THE SUBSIDIARY

	Company	
	2021 RM	**2020 RM**
Unquoted shares, at cost		
At 1 November/31 October	2,999,980	2,999,980

Details of the subsidiary which is incorporated in Malaysia are as follows:

Name of subsidiary	**Equity interest held 2021**	**2020**	**Principal activity**
VisDynamics Research Sdn. Bhd.	100%	100%	Manufacturer of automated test equipment

The financial statements are audited by Al Jafree Salihin Kuzaimi PLT.

Notes To The Financial Statements (Cont'd)
31 October 2021

6. INTANGIBLE ASSETS

Group Cost	As at 1.11.2020 RM	Additions RM	As at 31.10.2021 RM
Development expenditure	4,292,498	1,018,545	5,311,043
Goodwill	1,576,446	-	1,576,446
Patents and trademarks	110,792	-	110,792
	5,979,736	1,018,545	6,998,281

Accumulated amortisation/impairment	As at 1.11.2020 RM	Additions RM	As at 31.10.2021 RM
Development expenditure	3,117,209	320,358	3,437,567
Goodwill	-	157,645	157,645
Patents and trademarks	84,956	3,683	88,639
	3,202,165	481,686	3,683,851

	2021 RM	2020 RM
Net carrying amounts		
Development expenditure	1,873,476	1,175,289
Goodwill	1,418,801	1,576,446
Patents and trademarks	22,153	25,836
	3,314,430	2,777,571

(a) Development expenditure

Development expenditure includes the Gravity based system, Tray based system, Rotary tray system, Wafer based system and Supplementary equipment. The estimated useful life for development expenditure is 3 to 5 years.

(b) Goodwill

Goodwill arising from business combination is in relation to an individual cash generating unit which is the Gravity-based system. The goodwill has been impaired amounting to RM157,645 after performing the goodwill impairment asessment as at 31 October 2021.

(c) Patents and trademarks

Patents and trademarks are registered in Malaysia, Taiwan, China, Singapore and Philippines, United State of America and other countries. The estimated useful life for patents and trademarks is 5 to 10 years.

Notes To The Financial Statements (Cont'd)
31 October 2021

7. SHORT TERM INVESTMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fair value through profit or loss				
Investments in unit trust funds	10,759,145	11,813,508	10,759,145	-

This is a market fund, issued and managed in-house by a fund manager. The fund is categorized as an income based fund which provides investors regular income stream and high level of liquidity to meet cash flow requirements while maintaining capital preservation.

The average maturity period of investments is 15 days.

8. INVENTORIES

	Group	
	2021 RM	2020 RM
At cost		
Raw materials	11,393,690	9,768,662
Work in progress	3,915,776	4,656,090
Finished goods	3,424,131	3,656,618
	18,733,597	18,081,370

The raw materials consist of standard parts, fabricated parts and assembly parts. Work in progress refers to the raw materials, labor and overhead costs incurred for development of products that are still in the various stages of the production process. Finished good refers to the completed projects during the year.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade				
Third parties	5,354,280	7,972,544	-	-
Non-trade				
Third parties	8,216	7,926	-	-
Total	5,362,496	7,980,470	-	-

Notes To The Financial Statements (Cont'd)
31 October 2021

9. TRADE AND OTHER RECEIVABLES (CONT'D)

The ageing analysis of the Group's trade receivables as at the reporting date is as follows:

	Gross amount RM	Expected credit losses RM	Carrying value RM
2021			
Not past due	450,624	-	450,624
Past due:			
- less than 60 days	575,183	-	575,183
- between 61 to 120 days	1,873,669	-	1,873,669
- between 121 to 365 days	991,651	-	991,651
- more than 365 days	1,463,153	-	1,463,153
	4,903,656	-	4,903,656
	5,354,280	-	5,354,280
2020			
Not past due	3,259,670	-	3,259,670
Past due:			
- less than 60 days	474,602	-	474,602
- between 61 to 120 days	1,409,328	-	1,409,328
- between 121 to 365 days	410,524	-	410,524
- more than 365 days	2,418,420	-	2,418,420
	4,712,874	-	4,712,874
	7,972,544	-	7,972,544

Impairment for trade receivables is measured at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables includes both individual impairment for those that show objective evidence of impairment (stage 3 loss) and collective impairment (stage 2 loss). The expected credit losses is zero as the historical loss rates of its trade receivables is negligible and the directors believe this would continue to be so based on the analysis of receipts subsequent to the year end up to the date of this financial statements.

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Notes To The Financial Statements (Cont'd)
31 October 2021

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) The Group's normal trade credit terms range from 30 to 365 days (2020: 30 to 365 days). Other credit terms are assessed and approved on a case by case basis.

(b) The foreign currency exposure profile of receivables is as follows:

	Group	
	2021 RM	2020 RM
US Dollar	4,914,681	7,828,667

10. DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deposits	25,031	33,272	1,000	1,000
Prepayments	2,758,625	1,729,379	215,665	290,297
Total deposits and prepayments	2,783,656	1,762,651	216,665	291,297

11. AMOUNT OWING BY THE SUBSIDIARY

	Company	
	2021 RM	2020 RM
Non-trade balances	10,327,630	20,739,758

Amount owing by the subsidiary is unsecured, interest-free and repayable on demand.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	12,604,891	3,288,560	151,115	156,747
Fixed deposit with licensed bank	3,020,334	4,425,407	-	-
	15,625,225	7,713,967	151,115	156,747

Notes To The Financial Statements (Cont'd)
31 October 2021

12. CASH AND CASH EQUIVALENTS (CONT'D)

The Company's cash management policy is to use fixed deposits, cash and bank balances to manage cash flows to ensure sufficient liquidity to meet the Company's obligations.

a) The foreign currency exposure profile of cash and bank balances is as follows:

	Group	
	2021 RM	**2020 RM**
US Dollar	11,970,705	3,450,926

b) The weighted average effective interest rates of deposits on the statement of financial position is 1.55% (2020: 2.45%)

c) Average maturity days of deposits on the statements of financial position is as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Licensed banks	30	30	30	30

13. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares		Amount	
	2021	**2020**	**2021 RM**	**2020 RM**
Issued and fully paid-up:				
Ordinary shares:				
At 1 November	170,957,600	169,169,100	20,869,593	19,824,046
Exercise of warrant	2,485,000	-	1,863,750	-
Exercise of ESOS	954,000	1,788,500	1,013,490	1,045,547
At 31 October	174,396,600	170,957,600	23,746,833	20,869,593

During the financial year, the Company undertook the exercise below:

(a) 954,000 new ordinary shares for a total consideration of RM1,013,490 deriving from weighted average exercise price of RM0.58 from the exercise of Employee Share Option Scheme ("ESOS").

14. RESERVES

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
ESOS compensation reserve	-	275,543	-	275,543

The Employee Share Option Scheme ("ESOS") reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the reserve is transferred to share capital. When the share options expire, the amount from the reserve is transferred to retained earnings.

ESOS is disclosed in Note 29 to the financial statements.

15. HIRE PURCHASE PAYABLES

	Group	
	2021 RM	2020 RM
Future minimum finance lease payments:		
- Not later than 1 year	142,916	79,146
- More than 1 year	297,738	73,446
	440,654	152,592
Less: Future finance charges	(28,351)	(6,456)
	412,303	146,136
Represented by:		
- Not later than 1 year	38,761	74,568
- More than 1 year	373,542	71,568
	412,303	146,136

Effective interest rate on the hire purchase payables for the year is 2.41% to 3.79% (2020: 2.38% to 2.41%). The interest rate is fixed at the inception of the lease liabilities arrangements.

16. DEFERRED TAX LIABILITIES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 November	-	-	-	-
Transfer from/(to) profit or loss (Note 26)	-	-	-	-
At 31 October	-	-	-	-

Deferred tax assets of the Company have not been recognised in respect of the following items:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other temporary differences	2,198,527	1,602,210	303,144	822,817

Effective from year of assessment 2019 as announced in the Malaysia Annual Budget 2019, the unutilised tax losses of the Company as at 31 March 2019 and thereafter will only be available for carry forward for a period of seven (7) consecutive years. Upon expiry of the seven (7) years, the unutilised tax losses will be disregarded.

Notes To The Financial Statements (Cont'd)
31 October 2021

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade				
Third parties	2,539,281	3,140,628	-	-
Non-trade				
Accruals	1,968,665	2,257,134	181,975	221,253
Provisions	4,839,544	2,658,592	1,263,205	549,563
Third parties	65,028	76,473	20,118	17,668
	9,412,518	8,132,827	1,465,298	788,484

(a) The Company's normal trade credit term granted ranges from 30 to 120 days (2020: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) All short-term payables are measured at undiscounted amounts because the effect of discounting is immaterial.

(c) The currency exposure profile of payables is as follows:

	Group	
	2021 RM	2020 RM
US Dollar	132,766	168,221
Singapore Dollar	297,084	674,873

18. BORROWINGS

	Group	
	2021 RM	2020 RM
Bankers' acceptance	-	2,156,413

The purpose of borrowing is to finance imports and local purchases of goods related to business. The weighted average of interest rate is NIL (2020: 3.09%) with maturity date less than a year.

The bank borrowing is secured by:

(a) by a corporate guarantee from the Company; and

(b) by way of a fixed charge over the leasehold land and building together with a factory erected thereon as disclosed in Note 4 to financial statements.

Notes To The Financial Statements (Cont'd)
31 October 2021

19. REVENUE

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Sales of goods	47,880,619	26,239,186	-	-
Rendering of services	-	30,533	-	-
Dividend received	-	-	-	800,000
Management fee	-	-	1,800,000	3,600,000
	47,880,619	26,269,719	1,800,000	4,400,000
Timing of revenue recognition				
- at a point in time	2,669,832	2,120,382	1,800,000	4,400,000
- over time	45,210,787	24,149,337	-	-
	47,880,619	26,269,719	1,800,000	4,400,000

20. COST OF SALES

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Allocation of direct overhead and labour	(610,399)	(456,738)	-	-
Direct costs	17,025,630	10,555,188	-	-
Freight charges	77,477	89,590	-	-
Inventories scrap	237,564	181,797	-	-
	16,730,272	10,369,837	-	-

21. OTHER OPERATING INCOME

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Gain on disposal of property, plant and equipment	84,613	-	-	-
Dividend on short-term investment	4,235	-	-	-
Generation of solar panel	97,311	114,563	-	-
Interest on fixed deposits	212,690	129,229	155,515	58,404
Unrealised gains on short term investments	90,639	219,258	22,330	-
Realised gain on foreign currency exchange	-	28,535	-	-
Utilisation of government grant	-	5,507	-	-
	489,488	497,092	177,845	58,404

Notes To The Financial Statements (Cont'd)
31 October 2021

22. PROFIT FROM OPERATIONS

Profit from operations has been arrived after charging/(crediting):

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
After charging/(crediting):				
Amortisation of intangible assets	324,041	185,848	-	-
Auditors' remuneration	40,000	40,000	15,000	15,000
Depreciation of property,plant and equipment	608,247	536,756	640	640
Impairment of goodwill	157,645	-	-	-
Property, plant and equipment written off	-	13,906	-	-
Loss/(Gain) on foreign currency exchange:				
- Realised	141,098	(28,535)	-	-
- Unrealised	20,929	212,509	-	-
Directors' remuneration (Note 23)	3,148,735	2,159,171	2,350,884	1,653,007
Staff costs (Note 24)	6,431,867	4,970,985	365,978	217,265

23. DIRECTORS' REMUNERATIONS

Aggregate amount of remunerations received and receivable by the Directors of the Company during the financial year are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Non-executive Directors' fee	210,000	210,000	210,000	210,000
Executive Directors:				
Bonus	106,870	106,600	81,807	79,920
Defined contribution plan	421,678	260,094	290,239	208,689
Salaries	1,029,681	1,022,284	743,361	739,964
Other emoluments	1,380,506	558,472	1,025,477	414,464
	2,938,735	1,947,450	2,140,884	1,443,037
	3,148,735	2,157,450	2,350,884	1,653,037

24. STAFF COSTS

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Defined contribution plan	777,172	512,291	46,667	29,755
Other staff related expenses	1,933,090	972,875	203,271	75,680
Salaries and wages	3,721,605	3,485,819	116,040	115,830
	6,431,867	4,970,985	365,978	221,265

Notes To The Financial Statements (Cont'd)
31 October 2021

25. FINANCE COSTS

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Interest on bankers' acceptance	46,808	30,697	-	-
Interest on hire purchase	10,128	8,158	-	-
	56,936	38,855	-	-

26. TAXATION

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Income tax expenses				
- current year	3,000,476	463,019	-	308,244
- (over)/under provision in prior year	(111,017)	8,081	23,468	(61)
	2,889,459	471,100	23,468	308,183

The significant differences between the tax expense and accounting profit multiplied by statutory tax rate are due to the tax effects arising from the following items:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Profit before tax	12,493,920	2,916,931	(939,970)	2,333,646
Tax at statutory tax rate of 24%	2,601,424	700,063	(225,593)	560,075
Non-deductible for tax purpose	383,337	144,060	52,700	12,169
Income not subject to tax	(127,401)	(248,480)	-	(264,000)
Under/(Over) provision in prior year	(111,017)	8,081	23,468	(61)
Utilisation of deferred tax assets not recognised	(73,678)	(132,624)	-	-
Deferred tax assets not recognised	216,794	-	172,893	-
Effective tax expense	2,889,459	471,100	23,468	308,183

Subject to the agreement by Inland Revenue Board, the Group's has no unutilised capital allowances and unabsorbed tax losses which are available for setting off against future taxable profit.

Notes To The Financial Statements (Cont'd)
31 October 2021

27. RELATED PARTY DISCLOSURES

27.1 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly, including any director of the entity.

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Short term employees benefits	5,060,256	3,096,737	2,383,555	1,643,059
Defined contribution plans	814,204	432,904	336,906	238,443
	5,874,460	3,529,641	2,720,461	1,881,502

27.2 Related Party Transactions

The following related party balances as at the year end and the corresponding prior year end:

	Company 2021 RM	Company 2020 RM
Management fee receivable from the subsidiary	1,800,000	3,600,000
Amount owing by the subsidiary	10,327,630	20,739,758

28. EARNINGS PER SHARE ("EPS")

Basic EPS

	2021	2020
Net profit for the year (RM)	9,604,461	2,445,831
Weighted average number of shares in issue ('000)	173,182	169,688
Basic EPS (sen)	5.55	1.44

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.

	2021	2020
Net profit for the year (RM'000)	9,604	2,445
Weighted average number of shares used in the calculation of Basic Earnings per share ('000)	173,182	169,688
Adjustment for incremental shares from assumed exercise of ESOS ('000)	471	152
Adjustment for incremental shares from assumed exercise of WARRANT ('000)	19,515	-
Weighted average number of ordinary shares at 31 October ('000)	193,168	169,840
Diluted EPS (sen)	4.97	1.44

28. EARNING PER SHARE ("EPS") (CONT'D)

Basic EPS (based on enlarged number of issued shares)

	2021	2020
Net profit for the year (RM'000)	9,604	2,445
Number of shares in issue ('000)	174,397	170,958
Basic EPS (sen)	5.51	1.43

29. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 16 October 2017, the shareholders at the Extraordinary General Meeting have approved the establishment of ESOS of up to 10% of the total number of issued share of the Company at any point in time to be granted to the eligible directors and employees of VHB and its subsidiary company.

The salient terms of ESOS are as follows:

(a) Total number of new Shares which may be made available and/or issued under ESOS shall not be more than 10% of the total number of issued Shares (excluding treasury shares) at any one time as referred to in By-Law 5 hereof.

(b) Subject to the compliance of the terms and conditions herein contained, the ESOS shall come in force on the Effective Date for a period of five (5) years commencing from the Effective Date.

(c) The Company may at any time during the duration of the ESOS through a resolution by the Board terminate the ESOS without further sanctions, approvals and/or authorisations (unless otherwise required by the relevant authorities of Listing Requirements) and shall immediately announce to Bursa Securities the:

   (i) effective date of termination of the ESOS;

   (ii) number of Options exercised of VHB Shares vested (if any);

   (iii) reasons for termination of the ESOS.

(d) In the case of an Eligible Person, he/she will be eligible if at the date of the Offer, the following eligibility criteria are fulfilled:

   (i) he/she has attained the age of at least 18 years and is not an undischarged bankrupt; and/or

   (ii) if an employee, he/she is in the employment of any corporation within the VHB Group, who has been confirmed in service and has not served a notice to resign nor received a notice of termination; and/or

   (iii) if a director. He/she is appointed and remains appointed as a director of any corporation within the Group; and/or

   (iv) is under such categories and criteria that the ESOS Committee may from time to time decide as its absolute discretion.

(e) The basis for determining the aggregate number of new VHB shares is that may be offered under the ESOS and /or to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, inter alia, the performance, contribution, employment grade, seniority and /or length of service to the Group by Eligible Person and/or such other matters.

(f) The five (5) days volume weighted average market price of the VHB Shares is as quoted on Bursa Securities immediately preceding the Offer Date, with a discount not more than 10%.

Notes To The Financial Statements (Cont'd)
31 October 2021

29. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

On 2 July 2018, the Company granted 4,212,500 ESOS to eligible directors and employees of the Company and its subsidiary. 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 50% of the total number of options granted may be exercised after the first anniversary of the offering and shall remain exercisable for the duration of 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:

	Group/Company	
	2021	**2020**
Fair value at grant date (RM)	0.28	0.28
Market price at exercisable date (RM)	1.49	0.44
Exercise price (RM)	0.42	0.42
Expected volatility (%)	48	52
Expected life (years)	5 years	5 years
Risk-free interest rate (%)	1.94	1.95

Movement in the number of share options and the exercise price are as follows:

	Group/Company	
	2021	**2020**
	Number of shares	
At 1 November	1,611,500	3,435,000
Eligible to exercise during the year	4,212,500	4,212,500
Exercised during the previous year	(2,405,000)	(616,500)
ESOS forfeited during the year	-	(35,000)
ESOS forfeited during the previous year	(196,000)	(161,000)
Exercised during the year	(954,000)	(1,788,500)
Option exercisable At 31 October 2021	657,500	1,611,500

During the financial year, 954,000 (2020: 1,788,500) share options were exercised at Nil (2020: 35,000) shares options were forfeited during the year. The weighted average share price at the date of exercise was RM1.02 (2020: RM0.58).

30. SEGMENTAL REPORTING

The Group has two (2) segments as follows:

Manufacturing : Manufacturing of automated test equipment

Others : Investment holding and provision of management services

Segment performance is evaluated based on segment profit before tax and is measured consistently with profit or loss in the consolidated financial statements.

	Group	
	2021 RM	2020 RM
Revenue by geographical market:		
Malaysia	3,492,578	1,553,644
South East Asia	6,851,214	3,529,849
North Asia	37,424,437	21,167,043
USA	100,745	19,183
Others	11,645	-
	47,880,619	26,269,719

	Manufacturing RM	Investment RM	Elimination RM	Total RM
Group				
2021				
Revenue:				
External revenue	47,880,619	-	-	47,880,619
Inter segment revenue	-	1,800,000	(1,800,000)	-
	47,880,619	1,800,000	(1,800,000)	47,880,619
Results:				
Segments results	13,179,183	(1,117,815)	-	12,061,368
Finance costs	(56,936)	-	-	(56,936)
Other operating income	311,643	177,845	-	489,488
Profit before tax	13,433,890	(939,970)	-	12,493,920
Tax expense	(2,865,991)	(23,468)	-	(2,889,459)
Profit/(loss) attributable to equity holders of the Company	10,567,899	(963,438)	-	9,604,461
Other information				
Segment assets	56,512,742	24,454,641	(11,908,809)	69,058,574
Segment liabilities	21,573,137	1,465,298	(10,193,150)	12,845,285
Capital expenditure	7,590,228	-	-	7,590,228
Depreciation	607,607	640	-	608,247

Notes To The Financial Statements (Cont'd)
31 October 2021

30. SEGMENTAL REPORTING (CONT'D)

	Manufacturing RM	Investment RM	Elimination RM	Total RM
Group				
2020				
Revenue:				
External revenue	26,269,719	-	-	26,269,719
Inter segment revenue	-	4,400,000	(4,400,000)	-
	26,269,719	4,400,000	(4,400,000)	26,269,719
Results:				
Segments results	183,452	2,275,242	-	2,458,694
Finance costs	(38,855)	-	-	(38,855)
Other operating income	438,688	58,404	-	497,092
Profit before tax	583,285	2,333,646	-	2,916,931
Tax expense	(162,917)	(308,183)	-	(471,100)
Profit attributable to equity holders of the Company	420,368	2,025,463	-	2,445,831
Other information				
Segment assets	54,621,006	24,188,528	(22,163,292)	56,646,242
Segment liabilities	30,541,425	1,096,728	(20,739,758)	10,898,395
Capital expenditure	2,063,770	-	-	2,063,770
Depreciation	536,116	640	-	536,756

31. DIVIDENDS

Dividends paid by the Company are as follows:

	Sen per share	Total amount RM
2021		
Final single-tier dividend	1	1,740,716

	Sen per share	Total amount RM
2020		
Final single-tier dividend	1	1,706,941

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each item of financial instruments:

(a) Cash and bank balances and other short term receivables

The carrying amounts approximated their fair values due to the relatively short term maturity of these instruments.

(b) Short term bank borrowings and other current liabilities

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

(c) Hire purchase obligation

The fair value of hire purchase payables are determined by discounting the relevant values cash flows using current interest rates similar types of instruments. There is no material difference between their fair values and the carrying values of these liabilities as at the statement of financial position date.

(d) Amount due from subsidiary

The Company does not anticipate the carrying amount recorded at the reporting date to be significantly different from the value that would eventually be received or settled. This amount is unsecured, interest fee and receivable on demand.

(e) Contingent liability

The nominal amount and net fair value of financial instruments not recognised in the statement of financial position of the Company are as follows:

	Nominal Amount		Net Fair Value Amount	
	2021 RM	2020 RM	2021 RM	2020 RM
Corporate guarantees	16,400,000	16,400,000	-	-

The fair value of contingent liabilities is expected to be minimal as the subsidiary is expected to be able to repay the banking facilities.

(f) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in market rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining prudent mix of short and long term deposits. While interest rate exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contacts or other derivatives instruments for trading or speculative purposes.

Notes To The Financial Statements (Cont'd)
31 October 2021

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(f) Interest rate risk (Contd.)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets				
Fixed deposits with licensed banks	3,020,334	4,425,407	-	-
Short term investment	10,759,145	11,813,508	10,759,145	-
Financial liabilities				
Hire purchase payables	(412,303)	(146,136)	-	-
Borrowings	-	(2,156,413)	-	-
	13,367,176	13,936,366	10,759,145	-

(g) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the United States Dollar (USD).

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on the carrying amounts as at the end of the reporting period were:

	Group/Company	
	2021 RM	2020 RM
USD		
Trade and other receivables (Note 9)	4,914,681	7,828,667
Cash and cash equivalents (Note 12)	11,970,705	3,450,926
	16,885,386	11,279,593

A sensitivity analysis has been performed on the outstanding foreign currency monetary items as at year end.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Covid-19 outbreak

Prior to the financial year end, the World Health Organization ("WHO") had declared Covid-19 as a pandemic on 11 March 2020 and there has since been growing concerns on the effects of the Covid-19 pandemic globally. On 18 March 2020, the Government of Malaysia imposed a Movement Control Order ("MCO") which involves movement restrictions and closure of all government and private premises. The Covid-19 pandemic has significantly disrupted many businesses operations around the world. As for the Group, the impact on business operations have not been direct consequences of the Covid-19 outbreak, but a result of the measure taken by the government Malaysia to contain it. As the outbreak continues to evolve subsequent to the financial year, it is challenging to predict the full extent and duration of its impact on business and the economy.

Up to the date of these financial statements, the Group has seen an impact of Covid-19 outbreak on the Group's revenue, earnings, cash flows and financial condition. At this juncture, it is not possible to estimate the full impact of the outbreak's short-term and long-term effects or the Government's varying efforts to combat the outbreak and support businesses.

However, there is an uncertainty about the length and severity of Government or regulatory intervention which could have unexpected impact. A prolonged economic downturn could also lead to further Government or regulatory intervention and more adverse outcomes to the Group's business.

The Group will continue to monitor the development of these events and have implemented measures to mitigate the impact of Covid-19 to the Group's business, including prudent management of its cash flows on the operating, investing and financing activities.

(b) Acquisition of 3 pieces of leasehold industrial lands ("Lands").

On 17 November 2020, the Company had entered into a Sale and Purchase Agreement ("SPA") with Metacorp Properties Sdn. Bhd. ("The Seller") to purchase three (3) lots No. 10079, 10080 and 10081 under title No. HM 2845, 2846 and 2847, Mukim of Bukit Katil, District of Melaka Tengah, State of Melaka.

The Lands were bought at a lower purchase price of RM35 per square feet as compared to market price of RM45 per square feet for the industrial land located in the vicinity of the Lands. The total consideration was paid amounting to RM6,284,342 (Lot 10079 : RM2,526,772 , Lot 10080 : RM2,071,297 and Lot 10081 : RM1,686,273).

The Company intends to construct a new corporate office cum factory on the Lands to cater for the expansion plan. The construction of the new corporate office cum factory will be subject to the approval to be obtained from Kebenaran Merancang Melaka for planning, utilities and environment matters, Invest Melaka for engineering and architectural works matters and Pejabat Daerah and Tanah Melaka Tengah for surveyor and amalgamation matters.

34. CAPITAL COMMITMENTS

Capital commitment as at the end of the financial year is as follows:

	Group	
	2021 RM	2020 RM
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements:		
- Approved but not contracted for	10,000,000	-

Other than above, the Group and the Company has no other capital commitment as at the end of the financial year.

LIST OF PROPERTIES
AS AT 31 OCTOBER 2021

Description	Corporate and manufacturing plant
Location	Lot 3844, Jalan TU 52, Kawasan Perindustrian Tasik Utama Ayer Keroh, 75450 Melaka.
Land area	6,690 square metres
Tenure	Leasehold (99 years) expiring on 29 March 2097
Net book value as at 31/10/2021	RM 3,691,484
Date of acquisition	20 February 2007

Description	Corporate and manufacturing plant
Location	LOT 10079, Jalan TU 61, Kawasan Perindustrian Tasik Utama Ayer Keroh, 75450 Melaka.
Land area	6,707 square metres
Tenure	Leasehold (99 years) expiring on 29 March 2097
Net book value as at 31/10/2021	RM 2,597,340
Date of acquisition	17 November 2020

Description	Corporate and manufacturing plant
Location	LOT 10080, Jalan TU 61, Kawasan Perindustrian Tasik Utama Ayer Keroh, 75450 Melaka.
Land area	5,498 square metres
Tenure	Leasehold (99 years) expiring on 29 March 2097
Net book value as at 31/10/2021	RM 2,126,915
Date of acquisition	17 November 2020

Description	Corporate and manufacturing plant
Location	LOT 10081, Jalan TU 61, Kawasan Perindustrian Tasik Utama Ayer Keroh, 75450 Melaka.
Land area	4,476 square metres
Tenure	Leasehold (99 years) expiring on 29 March 2097
Net book value as at 31/10/2021	RM 1,728,764
Date of acquisitio	17 November 2020

ANALYSIS OF SHAREHOLDINGS
AS AT 20 JANUARY 2022

Total Number of Issued Shares	:	174,536,650
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF SECURITIES HELD IN RESPECT OF ORDINARY SHARES

CATERGORY	NO OF HOLDRES	%	NO OF SHARES	%
Less than 100	114	2.92	4,849	-
100 - 1,000	614	15.70	404,848	0.23
1,001 - 10,000	2,094	53.55	10,836,174	6.21
10,001 - 100,000	948	24.25	29,729,625	17.03
100,001 to less that 5% of issued shares	139	3.55	86,250,725	49.42
5% and above of issued shares	1	0.03	47,310,429	27.11
TOTAL	**3,910**	**100.00**	**174,536,650**	**100.00**

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

NO	NAME OF DIRECTORS	NO OF SHARES	%
1	CHOY NGEE HOE	47,310,429	27.11
2	LEE CHONG LENG	5,811,225	3.33
3	ONG HUI PENG	6,099,475	3.49
4	VINCENT LOH	-	-
5	WANG CHOON SEANG	-	-
6	PANG NAM MING	-	-

LIST OF SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUNSTANTIAL SHAREHOLDINGS

NO	NAME OF SUBSTANTIAL SHAREHOLDER	NO OF SHARES	%
1	CHOY NGEE HOE	47,310,429	27.11

Analysis Of Shareholdings (Cont'd)

As At 20 January 2022

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS
(Without aggregating the securities from different securities account belonging to the same Depositors)

NO.	NAME	NO. OF SHARES	%
1	CHOY NGEE HOE	47,310,429	27.11
2	ONG HUI PENG	6,099,475	3.49
3	LEE CHONG LENG	5,811,225	3.33
4	CHAN HENG SOON	5,500,225	3.15
5	JONG PIT FONG	4,699,625	2.69
6	CH'NG PAED WEE	4,694,625	2.69
7	CHONG CHOY FOONG	4,100,000	2.35
8	TEO LEONG KHOON	4,093,725	2.35
9	AMANAHRAYA TRUSTEES BERHAD PUBLIC EMERGING OPPORTUNITIES FUND	3,352,200	1.92
10	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SANG CHOOI FUN (MY0311)	3,055,000	1.75
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA EQUITY GROWTH FUND (427458)	2,000,000	1.15
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	1,964,500	1.13
13	DELON LEE KEAN YIP	1,893,800	1.09
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA DIVIDEND INCOME FUND (412723)	1,800,000	1.03
15	LEE WAI CHIN	1,698,100	0.97
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)	1,219,600	0.70
17	MOHD RAZALI BIN ABDUL RAHMAN	1,125,000	0.64
18	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	1,107,800	0.63
19	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPTIMAL EQUITY FUND	1,008,000	0.58
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC INDUSTRY GROWTH FUND (N14011930270)	938,000	0.54
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW THIAN HOCK (E-KLC)	870,000	0.50
22	PUBLIC INVESTMENT BANK BERHAD CLEARING FOR PUBLIC MUTUAL BERHAD	800,000	0.46
23	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	770,800	0.44
24	CHONG WEN TAT	710,050	0.41
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAP CHEE WAI	615,600	0.35
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KAF VISION FUND	600,000	0.34
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG LI THEN (PENANG-CL)	600,000	0.34
28	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	580,600	0.33
29	AMANAHRAYA TRUSTEES BERHAD PUBLIC E-ISLAMIC FLEXI ALLOCATION FUND	570,000	0.33
30	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG WAI PING (M)	568,000	0.33
	TOTAL	110,156,379	63.12

ANALYSIS OF WARRANT HOLDINGS
AS AT 20 JANUARY 2022

Type of Securities	:	Warrants 2017/2022
Date of Expiry	:	16 November 2022
Exercise Right	:	Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at an exercise price of RM 0.75
Voting Right	:	The holder of warrants is not entitled to any voting rights

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF SECURITIES HELD IN RESPECT OF WARRANTS

CATERGORY	NO OF HOLDRES	%	NO OF WARRANTS	%
Less than 100	472	33.29	21,482	0.05
100 - 1,000	159	11.21	75,100	0.19
1,001 - 10,000	407	28.70	2,155,405	5.44
10,001 - 100,000	336	23.70	11,720,554	29.56
100,001 to less that 5% of issued warrants	42	2.96	13,122,825	33.09
5% and above of issued warrants	2	0.14	12,557,734	31.67
TOTAL	**1,418**	**100.00**	**39,653,100**	**100.00**

DIRECTORS' WARRANTS HOLDINGS AS PER THE REGISTER OF DIRECTORS' WARRANTS HOLDINGS

NO	NAME OF DIRECTORS	NO OF WARRANTS	%
1	CHOY NGEE HOE	9,037,734	22.79
2	LEE CHONG LENG	6	0
3	ONG HUI PENG	68	0
4	VINCENT LOH	-	-
5	WANG CHOON SEANG	-	-
6	PANG NAM MING	-	-

Analysis Of Warrant Holdings (Cont'd)

As At 20 January 2022

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS
(Without aggregating the securities from different securities account belonging to the same Depositors)

NO.	NAME	NO. OF WARRANTS	%
1	CHOY NGEE HOE	9,037,734	22.79
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	3,520,000	8.88
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (SRB/PMS)	1,920,000	4.84
4	LEE BOON GIAP	1,436,300	3.62
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KEAN BOON	811,600	2.05
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED ADZMAN BIN MOHAMED SURA	687,000	1.73
7	LEE YONG CHIA	595,000	1.50
8	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	520,000	1.31
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHAMED ADZMAN BIN MOHAMED SURA	476,400	1.20
10	KONG KOK CHOY	400,000	1.01
11	YEW NIEN ZHENG	400,000	1.01
12	WONG YOON CHEE	395,300	1.00
13	LEE YONG CHIA	320,000	0.81
14	CHOW KWOK ZHI	306,000	0.77
15	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BOON CHAI	301,500	0.76
16	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE YOUTH CHEAN	300,000	0.76
17	MOHD RAZALI BIN ABDUL RAHMAN	281,250	0.71
18	YONG YEE YIN	260,000	0.66
19	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOREEN GAN YIN YI	250,000	0.63
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD UKASHAH BIN MD ZUBI	200,000	0.50
21	LIM CHOW LIN TERANCE	197,500	0.50
22	WONG DING NEN	188,000	0.47
23	KOK CHANG CHEE	170,000	0.43
24	SZE HAK TUAN	170,000	0.43
25	YIP YUH LING	161,500	0.41
26	KOW CHUN GUAN	160,000	0.40
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW SOO CHIN (USJ 9-CL)	156,625	0.39
28	LIEW WEI LUN	150,000	0.38
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT LEONG AH NGOW @ LEONG YOKE CHOONG(E-SPG)	150,000	0.38
30	RAYMOND CHA KAR SIANG	140,000	0.35
	TOTAL	24,061,709	60.68

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of VisDynamics Holdings Berhad will be conducted on a **fully virtual basis through live-streaming and online remote meeting platform provided by Boardroom Share Registrars Sdn. Bhd. via https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC D6A357657)** on Wednesday, 30 March 2022 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering the following businesses:

A G E N D A

ORDINARY BUSINESS

1. To receive the Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 31 October 2021. ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees to the Directors amounting to RM228,000 for the financial year ended 31 October 2021. ***Ordinary Resolution 1***

3. To approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company amounting to RM18,000 for the period from 1 April 2022 until 31 March 2023. ***Ordinary Resolution 2***

4. To re-elect the following Directors who retire in accordance with Clause 97 of the Constitution of the Company and being eligible, offer themselves for re-election:

   a. Ong Hui Peng ***Ordinary Resolution 3***
   b. Pang Nam Ming ***Ordinary Resolution 4***

5. To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

SPECIAL BUSINESS

6. To consider and if thought fit, pass the following Ordinary Resolution, with or without modification:

   Authority to Issue and Allot Shares

   "THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." ***Ordinary Resolution 6***

7. To consider and if thought fit, pass the following Ordinary Resolution, with or without modification:

   Proposed Renewal of Authority for Purchase of Own Shares by the Company

   "THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

   (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of its total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
   (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits; and

Notice Of Seventeenth Annual General Meeting (Cont'd)

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or transfer the shares under employee share scheme or as purchase consideration.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991 of Malaysia, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends or transfer the shares under employee share scheme or as purchase consideration) in accordance with the Constitution of the Company and the requirements and/or guidelines of ACE Market Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities." ***Ordinary Resolution 7***

8. To consider and if thought fit, pass the following Ordinary Resolution, with or without modification:

Continuing in Office as Independent Non-Executive Director – Vincent Loh

"THAT authority be and is hereby given to Vincent Loh, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company." ***Ordinary Resolution 8***

9. To consider and if thought fit, pass the following Ordinary Resolution, with or without modification:

Continuing in Office as Independent Non-Executive Director – Wang Choon Seang

"THAT authority be and is hereby given to Wang Choon Seang, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company." ***Ordinary Resolution 9***

10. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

PEGGY CHEK HONG KIM (MIA 23475)
SSM PC NO.: 202008003139
TEO MEE HUI (MAICSA 7050642)
SSM PC NO.: 202008001081
Company Secretaries

Kuala Lumpur
Dated this 28th day of February 2022

Notice Of Seventeenth Annual General Meeting (Cont'd)

NOTES:-

1. Shareholders and proxies will have to register to attend the Seventeenth Annual General Meeting ("17TH AGM") remotely by using the Remote Participation and Voting Facilities according to the procedures as set out in the Administrative Details.

2. For the purpose of determining a member who shall be entitled to attend this 17TH AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 62 of the Company's Constitution to issue a General Meeting Record of Depositors as at 21 March 2022. Only a depositor whose name appears on the Record of Depositors as at 21 March 2022 shall be entitled to attend the said meeting and to speak or vote thereat.

3. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote for him/her. The member may attend and vote in person at the meeting after lodging the proxy form but however such attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.

4. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the Meeting by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) forty-eight (48) hours before the Meeting. You proxy(ies) on revocation would not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.

5. A member shall be entitled to appoint at least one (1) and up to two (2) proxies to attend at the meeting. Where a member appoints more than one (1) proxy, the proxies shall not be valid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing (in common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

8. The instrument appointing a proxy must be deposited at the Company's Share Registrars' Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTE:

1. Item 1 of the Agenda - Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 31 October 2021

   The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Sections 248 and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

2. Items 2 & 3 of the Agenda – Directors' Fees and Benefits

   Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agree that the shareholders' approval shall be sought at the Seventeenth Annual General Meeting ("17TH AGM") on the Directors' remuneration in two (2) separate resolutions as below:-

   - Resolution 1 on payment of Directors' fees for the financial year ended 31 October 2021; and
   - Resolution 2 on payment of Directors' benefits for the financial period from 1 April 2022 until 31 March 2023 ("Relevant Period")

   The payment of the Directors' fees for the financial year ended 31 October 2021 will only be made if the proposed Resolution 1 has been passed at the 17TH AGM pursuant to Clause 105 of the Company's Constitution and Section 230(1) of the Companies Act 2016.

Notice Of Seventeenth Annual General Meeting (Cont'd)

The estimated total amount of the Directors' benefits for the Relevant Period comprises of meeting allowance payable to the Non-Executive Directors which only be accorded based on actual attendance of meetings by the Non-Executive Directors.

In determining the estimated total amount of the Directors' benefits, the Board considered various factors including the number of scheduled meetings for the Board and Board Committee as well as number of Directors involved in these meetings, which include the additional Non-Executive Directors to be appointed to the Board to align with the Malaysian Code on Corporate Governance and Listing Requirements.

3. Item 6 of the Agenda – Authority to Issue and Allot Shares

The Company has at last Annual General Meeting, obtained a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued share of the Company (excluding treasury shares) at any point of time ("20% General Mandate") by 31 December 2021. Effective from 1 January 2022, the 20% General Mandate will be reinstated back to a 10% limit according to Rule 6.01(1) of the ACE Market Listing Requirements ("10% General Mandate").

This 20% General Mandate will expire at the conclusion of this Annual General Meeting. The previous 20% General Mandate was not utilised and accordingly no proceed was raised.

As part of Bursa Securities' continuous support to listed corporation in these trying and challenging times amid the covid-19 pandemic, Bursa Securities has via its letter dated 23 December 2021 extended the 20% General Mandate up to 31 December 2022.

The Board would like to procure approval for the 20% General Mandate from its shareholders at the 17TH AGM of the Company.

The purpose to seek the 20% General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting merely for such purpose. The 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares, for purpose of funding its business plans, current and/or future investment project(s), working capital, repayment of borrowings and/or acquisitions.

The 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares **until 31 December 2022** and thereafter, the 10% General Mandate will be reinstated. This authorisation will expire at the conclusion of next Annual General Meeting of the Company.

After having considered all aspects of the 20% General Mandate, the Board is of the opinion that the adoption of the 20% General Mandate would be in the best interest of the Company and its shareholders, on the following basis:

- The interest of the Company as well as its long-term shareholders should be in congruence on the issue of long-term sustainability of the Company as only a business operation with healthy and sufficient working capital could generate positive returns to the Company and its shareholders.

- Given the outbreak of the COVID-19 pandemic and the subsequent imposition of the Movement Control Order (MCO) or Pelan Pemulihan Negara (PPN) by the Malaysian Government to contain the COVID-19, the economy of the Country has been severely affected. The additional fund-raising flexibility through the 20% General Mandate will enable the Company, should it required to do so, to meets its funding requirements for working capital and operational expenditure, expeditiously and efficiently, without burdening the shareholders with a separate general meeting during this challenging period.

4. Item 7 of the Agenda – Proposed Renewal of Authority to Purchase of Own Shares by the Company

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of its total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company.

For further information, please refer to the Share Buy-Back Statement dated 28 February 2022.

Notice Of Seventeenth Annual General Meeting (Cont'd)

5. Items 8 and 9 of the Agenda – Continuance in Office as Independent Non-Executive Directors

The Board has assessed the independence of Vincent Loh and Wang Choon Seang, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and recommended them to continue act as an Independent Non-Executive Directors of the Company based on the following justifications:

a. they fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, they would be able to bring an element of objectivity to the Board;

b. they have been with the Company for more than 9 years and were familiar with the Company's business operations;

c. They have vast and diverse range of experiences and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;

d. they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and

e. they have continued to exercise their due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in the interest of the Company and shareholders.

The Board considered Vincent Loh and Wang Choon Seang to be independent based on the above justifications and recommended them to be retained as Independent Non-Executive Directors of the Company.

ADMINISTRATIVE DETAILS OF THE 17TH ANNUAL GENERAL MEETING ("17TH AGM")

Date & Time	**:**	**Wednesday, 30 March 2022 at 10:30 a.m.**
Meeting Venue:	**:**	**https://meeting.boardroomlimited.my** (Domain Registration No. with MYNIC D6A357657)
Mode of Communication	**:**	**1. Shareholders may pose questions during live streaming at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC D6A357657)** **2. Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2021 commencing from 28 February 2022 and in any event no later than 10:30 a.m., Monday, 28 March 2022 via Boardroom's website at https://investor.boardroomlimited.com using the same user ID and password provided in Step 2 below, and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions").**

A. FULLY VIRTUAL MEETING

1. In support of the Government of Malaysia's (the Government) ongoing efforts to contain the spread of the Coronavirus (COVID-19) and the Government's advice of social distancing and not having mass gatherings, the Company would like to leverage on technology advancement by conducting the 17TH AGM of the Company on a **fully virtual basis through Remote Participation and Electronic Voting ("RPEV") facilities** provided by Boardroom Share Registrars Sdn. Bhd.

2. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 if the online platform is located in Malaysia. The Main Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and in accordance with Clause 59 of the Company's Constitution, which allows a general meeting to be held at more than one (1) venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to speak and vote at the general meeting.

   With the RPEV facilities, this will facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue, which is advantageous given the current circumstances relating to COVID-19 and best health practices.

3. The Company will be using Boardroom's LUMI AGM solution which is available on the designated link at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC D6A357657).

B. GENERAL MEETING RECORDS OF DEPOSITOR

1. Only shareholders whose names appear in the General Meeting Record of Depositors as at 21 March 2022 shall be entitled to attend, speak and vote at the Meeting of the Company or appoint proxy(ies) on his/ her behalf.

C. REMOTE PARTICIPATION AND ELECTRONIC VOTING

1. Shareholders are encouraged to go online, participate, and vote at the 17TH AGM via remote participation. Please follow the steps listed in Note D below on how to request for login ID and password.

2. Please note that this option is available to (i) individual members; (ii) corporate shareholder; (iii) Authorised Nominee; and (iv) Exempt Authorised Nominee.

Administrative Details of the 17TH Annual General Meeting ("17TH AGM") (Cont'd)

D. REGISTRATION FOR REMOTE PARTICIPATION AND ELECTRONIC VOTING

1. If you choose to participate in the meeting online, you will be able to view a live webcast of the Meeting, ask the board questions and submit your votes in real time whilst the meeting is in progress.

2. Kindy follow the steps below on how to request for login ID and password.

Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)
[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2. Submit request for Remote Participation user ID and password.]

a. Access website https://investor.boardroomlimited.com.
b. Click <<**Register**>> to sign up as a user.
c. Complete registration and upload softcopy of MyKAD (front and back) or Passport in JPEG or PNG format.
d. Please enter a valid email address and wait for Boardroom's email verification.
e. Your registration will be verified and approved within one business day and an email notification will be provided.

Step 2 – Submit Request for Remote Participation User ID and Password
[Note: The registration for remote access will be opened on 28 February 2022.

Individual Members
- Login to https://investor.boardroomlimited.com using your user ID and password above.
- Select "**VIRTUAL MEETING**" from main menu and select the correct Corporate Event "**VISDYNAMICS HOLDINGS BERHAD SEVENTEENTH (17TH) VIRTUAL ANNUAL GENERAL MEETING**".
- Read and agree to the terms & conditions.
- Enter your CDS Account and thereafter submit your request.

Corporate Shareholders
- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.
- Corporate shareholder must also provide a copy of Corporate Representative's MyKad (Front and Back) in JPEG or PNG format as well as his/her email address.

Authorised Nominee and Exempt Authorised Nominee
- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Form of Proxy to submit the request.
- **Authorised nominee and exempt authorised nominee** must also provide a copy of the Proxy Holder's MyKad (Front and Back) in JPEG or PNG format as well as his/her email address.

a. You will receive a notification from Boardroom that your request has been received and is being verified.
b. Upon system verification against the AGM's Record of Depositories, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
c. You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
d. Please note that the closing time to submit your request is at 10:30 a.m. on 28 March 2022 (48 hours before the commencement of the 17TH AGM).

Step 3 – Login to Virtual Meeting Portal
[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

a. The Virtual Meeting portal will be opened for login starting at 9:30 a.m. on 30 March 2022, one (1) hour before the commencement of the 17TH AGM.
b. Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting portal. (Refer to Step 2 (c) above)
c. The steps will also guide you how to view live web cast, ask questions and vote.
d. The live webcast will end and the Messaging window will be disabled the moment the Chairman announces the closure of the 17TH AGM.
e. Thereafter, you can logout from Virtual Meeting Portal.

Administrative Details of the 17TH Annual General Meeting ("17TH AGM") (Cont'd)

E. APPOINTMENT OF PROXY

1. A Shareholder entitled to participate and vote at the Meeting is entitled to appoint proxy(ies) to participate and vote in his/her stead. If you are not able to participate in the 17TH AGM remotely, you are encourage to appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Form of Proxy.

2. You may download the Form of Proxy from the Company's website at http://www.vis-dynamics.com/eng/index.php/investor-relations/agm.

3. The Form of Proxy must be deposited at the office of the Share Registrars, at 11th Floor, Menara Symphony, No. 5, Jalan Prof.Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com which is free and available to all individual shareholders (in accordance with the step below) not less than forty-eight (48) hours before the time appointed for holding of the Meeting or at any adjournment thereof.

Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)
[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2. Submit request for Remote Participation user ID and password.]

a. Access website https://investor.boardroomlimited.com.
b. Click <**Register**>> to sign up as a user.
c. Complete registration and upload softcopy of MyKAD (front and back) or Passport in JPEG or PNG format.
d. Please enter a valid email address and wait for Boardroom's email verification.
e. Your registration will be verified and approved within (1) one business day and an email notification will be provided.

Step 2 – e-Proxy Lodgement

a. Login to https://investor.boardroomlimited.com using your email address and password to login.
b. Go to "**E-PROXY LODGEMENT**" and browse the Meeting List for "**VISDYNAMICS HOLDINGS BERHAD SEVENTEENTH (17TH) VIRTUAL ANNUAL GENERAL MEETING**" and click "**APPLY**".
c. Read the Terms and Conditions and confirm the Declaration.
d. Enter CDS account number and the total number of securities held.
e. Select your proxy – either the Chairman of the Meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
f. Indicate your voting instructions – For, Against, Abstain or otherwise your proxy(ies) will decide your vote.
g. Review and confirm your proxy(ies) appoinment.
h. Click submit.
i. Download or print the eProxy form acknowledgement.

4. If you wish to participate in the Meeting yourself, please do not submit any Form of Proxy for the Meeting. **You will not be allowed to participate in the Meeting together with a proxy appointed by you**.

5. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the Meeting by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) forty-eight (48) hours before the Meeting. You proxy(ies) on revocation would not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.

F. PROCEDURE OF THE 17TH AGM

1. The Login User Guide for participation, posing questions and voting at the 17TH AGM, will be emailed to you together with your remote access user ID and password once your registration has been approved.

2. No recording or photography of the Meeting proceedings is allowed without the prior written permission of the Company.

3. You must ensure that you are connected to the internet at all times in order to participate and vote when the 17TH AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

Administrative Details of the 17TH Annual General Meeting ("17TH AGM") (Cont'd)

G. PARTICIPATION THROUGH LIVE WEBCAST AND QUESTION AT THE 17TH AGM

1. The participants will be able to view the Company's presentation or slides via the live webcast.

2. The Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by shareholders which are related to the resolutions to be tabled at the 17TH AGM, as well as financial performance/ prospect of the Company, to the extent where time permits. In the event the Board is unable to respond to your questions during the 17TH AGM, you may email your questions to chek.hk@vis-dynamics.com after the Meeting.

H. VOTING PROCEDURE AT THE 17TH AGM

1. The voting will be conducted by poll in accordance with Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-Voting). The Company has also appointed TMF Global Services (Malaysia) Sdn. Bhd. as scrutineers to verify the poll results

2. During the Meeting, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

3. For the purposes of the 17TH AGM, e-Voting will be carried out via personal smart mobile phones, tablets or personal computer/laptops.

4. There are 2 methods for members and proxies who wish to use their personal voting device to vote remotely. The methods are:-

   - Use QR Scanner Code given to you in the email; OR
   - Go to the website with URL https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC D6A357657).

5. You may proceed to cast your votes on each of the proposed resolution to be tabled at the 17TH AGM as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

6. The Scrutineers will verify the poll result reports upon the closing of the poll session by the Chairman. Scrutineers will announce the results thereafter, and the Chairman will declare whether the resolutions put to the vote were successfully carried or not.

I. VOUCHERS / GIFTS

No vouchers or gifts will be given to the participants of the 17TH AGM.

J. ANNUAL REPORT AND/OR SHARE BUY-BACK STATEMENT

The Annual Report 2021 and the Share Buy-Back Statement are available on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com under company announcements of VisDynamics Holdings Berhad as well as the Company's website at http://www.vis-dynamics.com/eng/index.php/investor-relations/agm.

K. ENQUIRY

Should you have any enquiry prior to the Meeting or if you wish to request for technical assistance to participate the Meeting, please contact Boardroom during office hours:-

Help Desk
Boardroom Share Registrars Sdn. Bhd.
Tel: +603 7890 4700
Fax: +603 7890 4670
Email: BSR.Helpdesk@boardroomlimited.com

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VISDYNAMICS HOLDINGS BERHAD
[Registration No. 200501000050 (677095-M)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of Shares Held	

*I/We ....*NRIC No./Passport No./Company No. ……………………..........…

of ....

being a Member(s) of **VISDYNAMICS HOLDINGS BERHAD [Registration No. 200501000050 (677095-M)]**, hereby appoint

Name	Address	NRIC / Passport No.	Proportion of Shareholdings (%)
*And/or (delete as appropriate)			

or failing *him/her, * the Chairman of the Meeting as *my/our proxy(ies), to vote for *me/us on *my/our behalf at the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Company to be conducted on a fully virtual basis through live-streaming and online remote platform provided by Boardroom Share Registrars Sdn. Bhd. via https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC D6A357657) on Wednesday, 30 March 2022 at 10:30 a.m. or at any adjournment thereof.

If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "or failing him/her, the Chairman of the Meeting" and insert the name(s) of the person(s) desired.

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint more than one proxy and wish them to vote differently this should be specified.

My/our proxy/proxies is/are to vote as indicated below:

No	Resolutions		For	Against
1.	To approve the payment of Directors' fees of RM228,000 for the financial year ended 31 October 2021.	Ordinary Resolution 1		
2.	To approve the payment of Directors' benefit payable to the Non-Executive Directors of the Company amounting to RM18,000 for the period from 1 April 2022 until 31 March 2023.	Ordinary Resolution 2		
3.	To re-elect Ong Hui Peng as a Director pursuant to Clause 97 of the Company's Constitution.	Ordinary Resolution 3		
4.	To re-elect Pang Nam Ming as a Director pursuant to Clause 97 of the Company's Constitution.	Ordinary Resolution 4		
5.	To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as the Auditors of the Company until conclusion of next Annual General Meeting and authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6.	To approve the Authority to Issue and Allot Shares.	Ordinary Resolution 6		
7.	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company.	Ordinary Resolution 7		
8.	To approve the continuing in office for Vincent Loh as an Independent Non-Executive Director.	Ordinary Resolution 8		
9.	To approve the continuing in office for Wang Choon Seang as an Independent Non-Executive Director.	Ordinary Resolution 9		

* Delete if not applicable.

Signed this...…......................... day of ……….................... 2022

……………….…….………..........…….
Signature / Common Seal of Shareholder

FOLD THIS FLAP FOR SEALING

Notes:

1. Shareholders and proxies will have to register to attend the Seventeenth Annual General Meeting ("17TH AGM") remotely by using the Remote Participation and Voting Facilities according to the procedures as set out in the Administrative Details.
2. For the purpose of determining a member who shall be entitled to attend this 17TH AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 62 of the Company's Constitution to issue a General Meeting Record of Depositors as at 21 March 2022. Only a depositor whose name appears on the Record of Depositors as at 21 March 2022 shall be entitled to attend the said meeting and to speak or vote thereat.
3. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote for him/her. The member may attend and vote in person at the meeting after lodging the proxy form but however such attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
4. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the Meeting by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) forty-eight (48) hours before the Meeting. You proxy(ies) on revocation would not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.
5. A member shall be entitled to appoint at least one (1) and up to two (2) proxies to attend at the meeting. Where a member appoints more than one (1) proxy, the proxies shall not be valid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing (in common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the Company's Share Registrars' Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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stamp

VISDYNAMICS HOLDINGS BERHAD
c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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VisDynamics
Registration No. 200501000050 (677095-M)

Lot 3844, Jalan TU 52,
Kawasan Perindustrian Tasik Utama,
Ayer Keroh, 75450 Melaka, Malaysia.

Tel : 606-2323023
Fax: 606-2323600
www.vis-dynamics.com