

VISDYNAMICS HOLDINGS BERHAD
Registration No. 200501000050 (677095-M)
(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE COMPANY'S SIXTEENTH ANNUAL GENERAL MEETING
HELD ON TUESDAY, 30 MARCH 2021 AT 10:30 A.M.**

NO.	QUESTION RAISED BY MINORITY SHAREHOLDERS WATCH GROUP/ SHAREHOLDERS/ PROXIES	RESPONSES FROM DIRECTORS/ MANAGEMENT
1.	<p>The Covid-19 pandemic has caused substantial economic disruptions globally, the Group had logistical issues to overcome as most of its customers are located overseas. Consequently, the initial enforcement of the MCO resulted in the delayed delivery to the customers then (page 5 of the AR 2020).</p> <p>What was the average time to deliver the Group's products to its customers? To what extent has delivery time improved?</p>	<p>The prevailing circumstances of the outbreak of Covid-19 did affected the delivery the Company's products to its customers due to freight cancellations and port congestion causing the increase in the transit times by double as compared to the transit time of 2 to 3 days (by air freight) and 1 to 2 weeks (by sea freight) prior to the Covid-19 pandemic.</p> <p>Despite of the increased shipment cost during the pandemic period, the Company was not affected by the additional freight cost as the cost was borne by the customers.</p>
2.	<p>The Group expects a continued build-up of potential orders in the pipeline which will enable the Group to further expand the workforce and research and development activities (page 7 of AR 2020).</p> <p>What is the Group's current book-to-bill ratio?</p>	<p>The Company's current book-to-bill ratio was greater than one (1) which indicated strong orders patterns.</p>
3.	<p>Arising from the Covid-19 pandemic or MCO, the new norm lifestyle has resulted in strong demand for products requiring semiconductor devices which the Group believes will benefit it now and for the foreseeable future (page 8 of AR 2020).</p> <p>To-date, has demand for the Group's products picked up?</p>	<p>The demand for the Group's products had picked up.</p>
4.	<p>The Group has acquired land and intends to build a new factory to cater for business expansion and longer-term growth (page 4 of AR 2020). On 17 November 2020, the Company had entered into a Sale and Purchase Agreement to acquire 3 pieces of leasehold industrial lands (page 95 of AR 2020).</p> <p>(a) What is the estimated construction cost to be incurred to build the new factory? (b) What is the estimated timeframe to construct the new factory?</p>	<p>The estimated construction cost of the new factory was budgeted at RM10 million and the construction work was estimated to be completed in a period of 1 to 2 years, based on the presumption that no further movement control order to be implemented by the Government.</p>

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5.	<p>Inventories of raw materials increase significantly to RM9.8 million (2019: RM5.5 million) (Note 8, page 80 of AR 2020).</p> <p>(a) Given the rising trend of commodity prices such as metal, aluminium, copper etc, is there any increase in raw material cost? To what extent has cost of raw materials increased?</p> <p>(b) If commodity prices continue to rise, how will it impact the Group going forward?</p>	<p>The Company's products were highly associated with manpower cost and technology, hence, the impact of the increased commodities prices on the Company's earnings was not significant as raw material cost was relatively small in the cost component of the Company's product</p>
6.	<p>Business outlook – Do you foresee the Company's financial result in the upcoming next 2 quarters will be doing better than 4th quarter of financial year 2020? Does the imposed travel restrictions affected our business activity as whole, if yes, in what degree level?</p>	<p>The financial result for the first financial quarter ended 31 January 2021 ("1Q2021 Result") would be released to the public soon, the shareholders may refer to the commentary on the prospects made by the Board in the 1Q2021 Result.</p> <p>The sales personnel and service engineer could not travel to overseas to provide their services to the customers due to travel restriction caused by Covid-19. Nonetheless, the local engineers of the agents were competent to provide support to the customer, with assistance of the service engineer virtually by phone call or tele-conferencing occasionally, to resolve the problem encountered by the customers. The Management believed that the Company would be able to benefit from this new way of service delivery in the future which could help to reduce the cost of servicing.</p>
7.	<p>As mentioned in the AR 2020, the Company intends to build a new factory to cater for business expansion. Can you share with the shareholders more regarding this new factory, (1) why this new factory is needed, is it to cater for new business opportunity or to increase capacity for existing products, (2) when the new factory expected to be operating, and (3) is there sufficient orders to keep this new factory busy?</p>	<p>The new factory was to cater for business expansion for both existing and new products. In addition, the demand for the existing major products had increased and the Company would be launching two new products in near future. The construction of new factory was expected to be completed in a period of 1 to 2 years.</p> <p>The new manufacturing facility was to improve the Company's capacity to cater for the increased demand and business prospect for new products.</p>

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8.	<p>Quoted Mr Choy's reply on the estimated cost for construction of new factory, does the RM10 million for the factory construction also include machinery required? What percentage of capacity expansion of the new factory at?</p>	<p>The estimated cost of RM10 million was mainly for construction cost of the new factory and the new factory did not required many fixture and machinery in view of the Company's business model i.e. conducting research and development activities, final assembly and testing of machine.</p> <p>The operation capacity would be increased by 100% from its existing capacity once the new factory was operating.</p>
9.	<p>(1) What are the capital expenditure and expansion plan for the next 6 to 12 months? (2) Outlook of the next coming months in view of China's intention to build and expand their own semiconductor capability. (3) What is the current order book utilisation rate?</p>	<p>The capital expenditure and expansion plan had been covered under questions raised earlier.</p> <p>In regard to the business outlook, the Management believed that the Company would benefit from the China's intention to expand their semiconductor capability in view of political position of Malaysia in the China-United States trade war.</p> <p>The current order book utilisation rate was more than 100%.</p>
10.	<p>Which industry of the Company's major end customer are in e.g. semiconductor automotive etc., and which industry the Company seeing higher growth?</p>	<p>The Company did not provide service to any specific industry user but serving the semiconductor industry in general. The Company's machine could be used by various industry users in producing their products such as automotive, household product, smartphone, computer etc.</p> <p>In addition, the supply in semiconductor market was in serious shortage now. The supply shortage would take approximately 18 months to recover and thus, the entire semiconductor market would be benefit therefrom, including the Company.</p>