

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

MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FULLY VIRTUAL BASIS THROUGH LIVE-STREAMING AND ONLINE REMOTE MEETING PLANFORM 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.

Shareholders and Proxies

- As per attendance list

Directors

Mr. Vincent Loh	- Chairman/ Senior Independent Non-Executive Director
Mr. Choy Ngee Hoe	- Chief Executive Officer / Executive Director
Mr. Pang Nam Ming	- Independent Non-Executive Director
Mr. Wang Choon Seang	- Independent Non-Executive Director
Mr. Lee Chong Leng	- Chief Technical Officer/ Executive Director
Ms. Ong Hui Peng	- Executive Director

In Attendance

Ms. Peggy Chek Hong Kim	- Chief Financial Officer/ Company Secretary
Ms. Teo Mee Hui, Jess	- Company Secretary

By Invitation

Mr. Aizul Izuan Bin Abdul Hamid	- <i>Representative of Messrs Al Jafree Salihin Kuzaimi PLT, the External Auditors</i>
Ms. Chua May Lee	- <i>Representative of VisDynamics Holdings Berhad</i>
Ms. Zeenath Begum binti Mohamed Mastan	} <i>Representative(s) of TMF Administrative Services</i>
Mr. Cheng Weng Soon, Wenson	} <i>Malaysia Sdn. Bhd.</i>
Ms. Lim Min Min, Cindy	}
Ms. Tan Bee Hwa	} <i>Representative(s) of TMF Global Services (Malaysia)</i>
Ms. Yap Ying Shye, Emily	} <i>Sdn. Bhd., the Scrutineers</i>

1. CHAIRMAN

Mr Vincent Loh presided as the Chairman of the Meeting.

2. QUORUM

On behalf of the Board, the Chairman welcomed all the members present at the Meeting. Thereupon, the Secretary confirmed the presence of a quorum and the Chairman called the Meeting to order at 10:30 a.m.

3. NOTICE OF MEETING

There being no objection, the notice convening the Meeting, having been circulated earlier to all the members of the Company within the statutory period, was taken as read.

4. VOTING PROCEDURE

Before proceeding to the agenda of the Meeting, the Chairman informed the floor that:

- a) In accordance with the ACE Market Listing Requirements, all listed issuers should conduct poll voting on all proposed resolutions set out in the Notice of General Meeting. As such, the Share Registrar, Boardroom Share Registrars Sdn. Bhd., was appointed as the Poll Administrator and they would brief the shareholders on the conduct of the poll before the polling starts. TMF Global Services (Malaysia) Sdn. Bhd. was appointed as the scrutineer to validate the votes cast at the Annual General Meeting (“**AGM**”);
- b) The results of the votes would be announced at the conclusion of the Meeting, stating the total number of votes cast on the poll (together with the percentage) in favour of and against each and every resolution; and
- c) All the resolutions in the agenda shall first table to the shareholders/proxies for consideration and the questions relating to the resolutions would be answered at the Question and Answer Sessions prior to the polling.

The Poll Administrator was then invited to brief the shareholders/proxies on the procedures of e-polling.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 AND THE REPORTS OF DIRECTORS AND AUDITORS

The Audited Financial Statements together with the Reports of the Directors and Auditors for the financial year ended 31 October 2021 (“**AFS**”), having been circulated to all the members of the Company within the statutory period, were tabled before the Meeting for discussion.

It was noted that, pursuant to Sections 248 and 340(1) of the Companies Act 2016 (“**Act**”), this Agenda item would not require shareholders' approval.

The Chairman declared that the AFS for the Financial Year Ended 31 October 2021 together with the Reports of the Directors and the Auditors thereon, be received and proceeded to the next item on the Agenda.

6. ORDINARY RESOLUTION 1 - PAYMENT OF DIRECTORS' FEES

The next item on the Agenda was the approval of the payment of Directors' fees to the Directors for the Financial Year Ended 31 October 2021.

The Chairman informed the Meeting that a sum of RM228,000.00 was recommended for payment as Directors' fees for the Financial Year Ended 31 October 2021

7. ORDINARY RESOLUTION 2 - BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY

The Chairman proceeds to the next item on the Agenda, which is the proposed payment of Directors' Benefits to the Non-Executive Directors of the Company for the Financial Period from 1 April 2022 until 31 March 2023.

The Chairman informed the Meeting that a sum of RM18,000 was recommended for payment as benefits payable to the Non-Executive Directors of the Company for the aforesaid period.

**8. ORDINARY RESOLUTION 3
- RE-ELECTION OF DIRECTOR – MS ONG HUI PENG**

The next item on the Agenda was the re-election of Ms Ong Hui Peng as a Director of the Company.

The Chairman informed the Meeting that Ms Ong Hui Peng was subject to retirement by rotation pursuant to Clause 97 of the Company's Constitution and, being eligible, had offered herself for re-election.

The Chairman added that the profile of Ms Ong Hui Peng could be found on page 23 of the Annual Report 2021.

**9. ORDINARY RESOLUTION 4
- RE-ELECTION OF DIRECTOR – MR PANG NAM MING**

The next item on the Agenda was the re-election of Mr Pang Nam Ming as a Directors of the Company.

The Chairman informed the Meeting that Mr Pang Nam Ming was subject to retirement under Clause 97 of the Company's Constitution and, being eligible, had offered himself for re-election accordingly.

The Chairman added that the profile of Mr Pang Nam Ming could be found on page 21 of the Annual Report 2021.

**10. ORDINARY RESOLUTION 5
- RE-APPOINTMENT OF AUDITORS**

The Meeting proceeded to consider the re-appointment of Messrs Al Jafree Salihin Kuzaimi PLT as Auditors of the Company for the next financial year and the authorisation to the Directors to fix the remuneration of the Auditors.

It was noted that Messrs Al Jafree Salihin Kuzaimi PLT had expressed their willingness to continue in office.

**11. ORDINARY RESOLUTION 6
- AUTHORITY TO ISSUE AND ALLOT SHARES**

The Meeting proceeded to consider the Proposed Ordinary Resolution 6 on the Authority to Issue and Allot Shares.

The Chairman informed that the motion, if passed, would give authority and flexibility to the Directors of the Company to issue and allot not more than twenty percent (20%) of the total number of issued shares of the Company at any time. This authority, unless revoked or varied at a general meeting, would expire at the next annual general meeting of the Company.

It was noted that Bursa Malaysia Securities Berhad had, vide its letter dated 23 December 2021 extended the 20% General Mandate up to 31 December 2022. After that, the 10%

General Mandate will be reinstated. The authorisation would expire at the conclusion of the next Annual General Meeting of the Company.

**12. ORDINARY RESOLUTION 7
- PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY
THE COMPANY ("PROPOSED SHARES BUY-BACK RENEWAL")**

The Meeting then moved to consider the Proposed Ordinary Resolution 7 on the Proposed Shares Buy-Back Renewal.

The Chairman informed that the details of the Proposed Shares Buy-Back Renewal were set out in the Share Buy-Back Statement dated 28 February 2022.

**13. ORDINARY RESOLUTION 8
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR –
MR. VINCENT LOH**

The Chairman stated that the next Proposed Ordinary Resolutions 8 and 9 were to seek shareholders' approval for himself and Mr Wang Choon Seang to continue in office as an Independent Non-Executive Director who had served and exceeded a cumulative term of more than nine (9) years.

He added that the Nomination Committee had assessed the independence of himself and Mr. Wang Choon Seang, and the Board had recommended that both of them continue to act as the Independent Non-Executive Director of the Company based on the justification set out on page 113 of the Annual Report 2021.

The Shareholders were informed that the voting process for the proposed Ordinary Resolutions 8 and 9 should be carried out by two-tier voting pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, and the shareholders' vote would be cast in the following manner:

- a) Tier 1: only the large shareholder of the Company to vote; and
- b) Tier 2: shareholders other than large shareholders to vote.

The proposed resolutions 8 and 9 were deemed successful if both Tier 1 and Tier 2 votes supported the proposed resolutions.

The Meeting proceed to consider the Proposed Ordinary Resolution in relation to continuing in office of Mr. Vincent Loh as an Independent Non-Executive Director of the Company.

**14. ORDINARY RESOLUTION 9
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR
WANG CHOON SEANG**

The Meeting proceed on to the final Agenda item to consider the continuing in office of Mr Wang Choon Seang as an Independent Non-Executive Director of the Company, whose tenure of office has exceeded a cumulative term of nine years.

15. ANY OTHER ORDINARY BUSINESS

The Shareholders was informed that there was no notice of any other business to transact at this Meeting was received.

16. QUESTION AND ANSWER SESSION

After tabling all the proposed resolutions on the Agenda, the Chairman invited questions from the floor and informed that the Board and Management would like to address the questions in relation to operational and financial matters of the Group raised by the Minority Shareholders Watch Group (“MSWG”) as set out in their letter dated 23 March 2022 and the shareholders received by the Company prior to the Meeting.

The questions raised by the MSWG and the shareholder(s)/proxies were addressed by the Board and Management in accordance with the discussion resume attached to the Minutes as "Appendix A."

17. POLLING

Having addressed the questions from the shareholders and proxies, the shareholders and proxies proceeded to cast their votes, and the Chairman announced an adjournment of the Meeting for 30 minutes for the purpose of counting and verifying the poll result.

After the counting of the votes cast, the Chairman called the Meeting to order and declared that, based on the poll results displayed on the screen, all resolutions tabled at the Meeting and voted upon by poll were duly passed by the Shareholders of the Company as detailed hereunder:

Resolutions	FOR		AGAINST		Outcome of Poll Results
	No. of Votes	%	No. of Votes	%	
<p><u>Ordinary Resolution 1</u></p> <p>To approve the payment of Directors’ fees to the Directors amounting to RM228,000 for the financial year ended 31 October 2021.</p>	62,296,493	99.9718	17,602	0.0282	Carried
<p><u>Ordinary Resolution 2</u></p> <p>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.</p>	62,306,993	99.9886	7,102	0.0114	Carried

Resolutions	FOR		AGAINST		Outcome of Poll Results
	No. of Votes	%	No. of Votes	%	
<u>Ordinary Resolution 3</u> To re-elect Ong Hui Peng as a Director pursuant to Clause 97 of the Company's Constitution.	62,313,995	99.9998	100	0.0002	Carried
<u>Ordinary Resolution 4</u> To re-elect Pang Nam Ming as a Director pursuant to Clause 97 of the Company's Constitution.	62,313,995	99.9998	100	0.0002	Carried
<u>Ordinary Resolution 5</u> 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.	62,313,993	99.9998	102	0.0002	Carried
<u>Ordinary Resolution 6</u> To approve the Authority to Issue and Allot Shares.	62,276,643	99.9399	37,452	0.0601	Carried
<u>Ordinary Resolution 7</u> To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company.	62,313,943	99.9998	152	0.0002	Carried
<u>Ordinary Resolution 8</u> To approve the continuing in office for Vincent Loh as an Independent Non-Executive Director.	Tier 1 (Large Holder)				
	47,310,429	100.00	0	0.0000	Carried
	Tier 2 (Other Holders)				
	15,003,566	99.9993	100	0.0007	Carried

Resolutions	FOR		AGAINST		Outcome of Poll Results
	No. of Votes	%	No. of Votes	%	
<u>Ordinary Resolution 9</u> To approve the continuing in office for Wang Choon Seang as an Independent Non-Executive Director.	Tier 1 (Large Holder)				
	47,310,429	100.00	0	0.0000	Carried
	Tier 2 (Other Holders)				
	15,003,566	99.9993	100	0.0007	Carried

18. CONCLUSION

There being no other business, the Meeting was concluded at 12:26 p.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD
 OF THE PROCEEDINGS THEREAT

VINCENT LOH
 CHAIRMAN

Dated: 29 April 2022

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

QUESTION AND ANSWER SESSION AT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, 30 MARCH 2022 AT 10:30 A.M.

QUESTIONS RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG)

Q1. Despite the supply constraints from the global semiconductor chip shortage, industry players remain optimistic because consumer demand is surging as demand for chips proliferates across all industries. (page 7 of Annual Report 2021)

(a) Will the ongoing Russia-Ukraine war further worsen the global semiconductor chip shortage?

(b) How and to what extent will the ongoing Russia-Ukraine war impact the Group?

Mr Choy Ngee Hoe (“**Mr Choy**”), the Chief Executive Officer, replied that the disruption to the supply might not be severe if the Russian-Ukraine war ended in two months. However, the wafer manufacturers might encounter disruption in raw material supply for their production if the war continues. Consequently, it might affect assembly and testing downstream in the supply chain.

Mr Choy added that the war would not have a direct impact on the Company but it would affect its customers.

Q2. The Group continues to have a healthy financial position and has received potential orders in the pipeline going forward into the new year. Thus, the Group believes it is ready to continue to expand and grow its business. (page 4 of Annual Report 2021)

(a) What are the Group’s expansion plans for the financial year ending 2022?

(b) What are the Group’s estimated capital expenditure for financial year ending 2022?

Mr Choy informed that the Company’s business model does not require large capital expenditure. The main capital expenditure for the financial year 2022 was the construction cost of the new manufacturing plant, which would have doubled in floor size compared to its existing plant.

Mr Choy added that the construction of the new plant was delayed due to the COVID-19 pandemic and that the construction work was expected to be completed by year 2023.

In addition, the Company had budgeted RM15 million for the construction of the new plant and anticipated that the total cost to increase due to a shortage in labour supply and construction materials.

QUESTIONS RECEIVED FROM THE SHAREHOLDERS PRIOR TO THE MEETING

The following questions were raised by Chew Chee Yang:

Q3. (a) Aware that the Company mainly involves test handler for semiconductor machine. I would like to know if those machines are mainly involved in what type of chip? For example, the size of the chips, those chips will be utilised in what kind of industry? Automotive? 5G communication? Smartphone?

(b) What will be the main growth catalyst for VIS in the next two years?

Mr Choy replied that:

- (a) The Company involved in the manufacturing of semiconductor machine that do not focus on specific industry users but serve the semiconductor industry in general. The Company's customers cover users from different industries such as communication, automotive, power management, etc.

Due to an increase in Internet of Things (IoT) penetration in daily lives, as well as energy savings to address the energy crisis, there was still plenty of room for semiconductors to grow. In Malaysia, the use of technology was not that advanced as compared to China. Thus, the Malaysian market was still at the beginning stage of its big growth.

The following questions were raised by Pak Jing Shen:

Q4. (a) Please elaborate on the new plant expansion progress, reason for the delay, and estimation to complete.

(b) Reasons for quarterly revenue unstable.

(c) Current order book and plant utilisation rate.

(d) Prospects in Quarter Report is too general. Can you explain how VIS can benefit from the uptrend of the global semiconductor outlook?

Mr Choy replied that:

- (a) This question has been addressed earlier under Question 2.
- (b) The Company's products were priced at approximately RM1 million per machine. The sale of each single unit of machine would have a significant impact on the revenue reported in the financial statements and, thus, trigger large movements in reported revenue quarter on quarter.

In addition, the revenue in the last quarter and first quarter of the year would likely be reduced due to the festive season i.e. Christmas and Chinese New Year, whereby most of the customers would be away on leave resulting delay in the delivery of products.

- (c) The Board could not reveal its order book due the timeline to deliver the order might vary depending on the customer's request and hence, the order book could not be used as a guide to determine the revenue.

In addition, the Company had entered into a non-disclosure agreement with its customers, and thus, the information contained in such an order could not be revealed.

The Company had achieved the maximum plant utilisation rate. Thus, the Company would expedite the construction of a new plant to increase its production capacity.

- (d) The Company was a niche player in the semiconductor market, focusing on test and tape and reel areas. The annual sales of automated test equipment (ATE) in the global semiconductor market were ranging between USD2-5 billion whereas the annual sales of the Company were only ranging from USD10-15 million. Thus, the Company would continue to benefit from the uptrend of the global semiconductor market.

The following question was raised by Teh Bee Gaik:

Q5. Since the US imposed economic sanctions on Russia in February 2022, did any of the Group's customers cancel or defer their purchase orders?

Mr Choy replied that Russia was a small player in the global semiconductor market as Russia was not involved in manufacturing semiconductor products but nevertheless supplied raw materials to the semiconductor market. Thus, the Company was not affected by the economic sanctions imposed on Russia.

The following question was raised by Teh Kian Lang:

Q6. Business outlook and overview in the next 3 to 6 months?

Mr Choy replied that the outlook for the semiconductor industry and the high technology industry was expected to be good. However, the supply chain shortage would be expected to continue if the Russian-Ukraine war was prolonged.

The following question was raised by Mohd Ridzuan Bin Othman:

Q7. Can VIS tell me about the 5 years strategy business?

On the 5-years strategy business, Mr Choy informed that the mission and vision of the Company were to continue to be a niche player in the market and strive to maintain its position as a top performer therefrom.

Meanwhile, the Company's strategy would have to go along with the trends in the semiconductor industry, such as miniaturisation of portable devices, industry 4.0, artificial intelligence (AI) and machine learning. The Company anticipated commendable sales growth over the next 3 to 5 years.

QUESTION RAISED BY SHAREHOLDERS/ PROXIES DURING THE MEETING

The following questions were raised by Chew Chee Yang:

Q8. (a) Dear Management, may I know the current lock down in China will it affect company business?

(b) Dear Management, how often do we come out the new machine? Is Evo 5 the latest machine we have?

Mr Choy replied that:

- (a) The Company has been building business networks and fostering good business partnerships in China and Taiwan. Hence, the pandemic would not have a big impact on the Company. Nonetheless, the lock down and pandemic did affect the operations of the Company during the launch of the new products as the local engineers were not able to travel overseas.
- (b) Evo 5 was considered a mature product and the Management would continue to keep it in the product range.

The following questions were raised by Andy Yap Keat Min:

Q9. (a) Any plan to increase frequency of dividend payout?

(b) Why is the VIS market share in Malaysia comparably low than Malaysia ATE player? Any potential new customer in Malaysia?

(c) The company inventory remains high in VIS. What is the main reason for the elevated inventory?

(d) What is the Company forecast and sales target for 2022?

(e) What is the main driver for lower YoY on last quarter result?

(f) What is VIS advantages on technology as VIS heavily invested in R&D?

(g) Is VIS machine customise to customer fit or standard machine?

(h) The annual revenue/sales for VIS is low compare to the peers in Malaysia. Any plan to boost the revenue?

Mr Choy replied that:

(a) The Company had declared a dividend of 1.5 sen per share in respect of the financial year 2021 with a total dividend pay-out of approximately RM2.5 million, which represents 10% of the available cash of approximately RM10 million. The dividend rate for financial year 2021 has increased by 50% as compared to the financial year 2020 of 1.0 sen per share.

The Company would need to reserve the cash for the construction of the new plant and expansion. The Board aimed to increase the quantum of the dividend payments rather than the frequency in the future.

(b) Malaysia was not a big player in the semiconductor sector. The high value-added and large volume customers were from Taiwan, China, and the Philippines. Nonetheless, the Company has been the leading supplier for major players in the assembly and test equipment (ATE) industry. The Company's market share was not small for the Malaysia market.

ATE involved various aspects such as tester, test handler, visual, mechanical, etc. and the Company only involved in a small part of the ATE market as mentioned earlier.

(c) The elevated inventory went along with the rise in sales. Nevertheless, the Company has been improving its inventory management and has been striving to keep the inventory level low.

(d) This question was addressed earlier in Question 3(b).

(e) The lower Year-on-Year result reported in the last financial quarter result was mainly due to the provision of incentives to the employees as per the Company's incentive scheme in the last financial quarter. Moving forward, the Company would allocate the incentive payment at the end of each financial quarter instead of the financial year end.

(f) The Company was ahead of its competitors in Malaysian market attributed by its investment in research and development activity.

- (g) The Company's machines could be customised based on the customer's needs, which was the Company's competitive advantage as compared to its competitors.
- (h) The Company was only a niche firm in the industry and has grown organically in the past few years. The Company had attempted to expand by merger and acquisition but was unsuccessful. Nevertheless, the Company was not considered small in view of its product coverage in the market.

The following questions were raised by Lau Chuan Hooi:

Q10. (a) May I know, what is the Company's future outlook?

(b) How much is the impact due to Covid-19?

(c) Will the Board consider giving door gift such as e-voucher or e-wallets for those participating in this AGM as a token of appreciation?

Mr Choy replied that:

- (a) This question was addressed earlier in Question 6.
- (b) The COVID-19 pandemic, had a significant impact on the Company's expansion plan and the construction of a new factory due to restrictions imposed by the Government and a short supply of foreign workers for the construction work.

On the contrary, the COVID-19 pandemic has had a positive impact on the Company's business as the demand for the Company's products increased in tandem with the increase in demand for 3C (Computer, Communication, and Consumer Electronics) products during the pandemic.

- (c) There would not have any door gifts for this AGM.

The following question was raised by Looi Boon Ping:

Q11. What is the action plan to improve the Company flow for 2022 and what is the most difficult issue on operation whether on logistic, procurement or any other issues?

Mr Choy informed that the shipping cost for one unit of machine had increased to between RM25,000 and RM30,000 as compared to RM5,000 prior to the pandemic. The increased shipping cost were borne by the customer.

Having considered that there might be a delay in delivery time due to lockdown, some customers would order ahead of their needs.

The following question was raised by Ang Jian-Heng:

Q12. When will the new plant be commissioned and start contributing to the revenue of the Group?

Mr Choy replied that the delay in commissioning the new plant would not have an adverse impact on the Company's sales revenue. The new plant was expected to be commissioned in 2023.

The following questions were raised by Au Yang Leong Kiat:

- Q13. (a) What is the expected sales order for the FY2022?**
(b) What is the outlook for the next coming few years?
(c) Any plan for corporate exercise to enlarge the liquidity of the shares?
(d) Notice that the Company rely minimum on foreign workers, with the newly implementation of minimum wages, what is the impact to the Company?

Mr Choy's reply as follows:

- (a) The Board was unable to reveal the expected sales order as mentioned earlier.
- (b) This question was addressed earlier in Question 6.
- (c) The Board has no plan to undertake a corporate exercise to increase the liquidity of the Company's shares at this juncture.
- (d) The implementation of the new rate of minimum wages would not impact the Company in view of the nature of the Company's business operations in the high technology industry, with the high calibre talents of the industry.

The following question was raised by Tan Saw Yap:

- Q14. Any corporate exercise – bonus issue or bonus issue of warrant or right issue?**

Mr Choy informed that the Company has no intention of undertaking any corporate exercise at this juncture.

The following question was raised by Kan Chee Kong:

- Q15. Thanks for answering questions patiently. Are there any offers from bigger companies to buy VisDynamics?**

Mr Choy replied that there were offers for acquisition received from other companies. However, the Company had declined offers as the Management was confident in its ability to perform well on its own.

The following questions were raised by Loh Jia Ying:

- Q16. (a) Is the order momentum for FY22 thus far even stronger than FY21? Are there any disruptions in recent months that has prevented the smooth delivery of the machines (materials shortages, freight, etc.)?**
- (b) How many months of inventories does the Company keep on average?**
- (c) Can the Company share more details on the plan to move into manufacturing of wafer level machines as mentioned earlier?**
- (d) What is the biggest risk that the Company see in the short to medium term apart from those caused by the war?**
- (e) What is the latest number of employees and how many more does the Company plan to hire? Any noticeable increase in staff turnover and strategy to retain talent?**

Mr Choy replied that:

- (a) The Management anticipated that the order momentum for the financial year 2022 would be relatively stronger as compared to the financial year 2021.

There were no disruptions in the delivery of the products to its customers in recent months as the Company had adapted to the new norm of business operations after the COVID-19 pandemic.

- (b) The inventory level would depend on the order. The Management has been improving the efficiency of the inventory management by implementing a Just-in-Time inventory system.
- (c) The Board unable to share the information on the new venture in wafer machine at this juncture and would provide relevant information in due course.
- (d) The Company did not foresee any significant risks that would have adversely impacted the Company' business in the short to medium term. the Company has sufficient cash in hand, which enables the Company to survive for another two years with zero sales.
- (e) The number of staff at the Company has increased by 10% to 110 staff as compared to last year. The Company's aim was to achieve greater efficiency with a minimum number of staff as the Company was operating in the industry that was short of calibre talents such as engineers, mechanical and software engineers.

The Company valued the employee as an asset and had implemented various employee benefit programmes to retain their talents, such as provision of medical leave without medical certification.

The following questions were raised by Hong Lee Fen:

Q17. (a) Besides tape and reel machine, does VIS focus on other niche products? Have these products already been commercialised and being sold or still in the progress of development in few years plan. If yes, what is the target market and potential revenue?

(b) For the tape and reel machine, what are the major competitors of VIS and from which regions. Do the Company apply competitive pricing on these niche products?

(c) What is the percentage for allocation of the Company's revenue to be invested on the budget for Research & Development ("R&D") in coming years?

(d) About the technology, do your niche machine Tape and Reel, it is involved AI technology? Do you have your own AI domain of your machine? Is it necessary to go for AI technology for tape and reel machine?

Mr Choy's reply as follows:

- (a) The market for tape and reel machines in the global market was not exhausted yet, and the Company would continue to be in the tape and reel machine market, which was the Company's expertise. Nonetheless, the Company would continue to explore new market.
- (b) There were two competitors in the tape and reel machine market in the global market. The Company did not compete on price, and the Company's product was priced at a premium.

- (c) The Company had allocated 20% of the revenue for research and development activities.
- (d) AI Development necessitates a massive amount of useful data. As such, AI technology was not applicable to niche products. The Company was focused on machine learning instead of AI technology.