

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE (6) MONTHS PERIOD ENDED 30 APRIL 2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30 APRIL 2009 RM'000	PRECEDING YEAR QUARTER ENDED 30 APRIL 2008 RM'000	CURRENT YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2009 RM'000	PRECEDING YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2008 RM'000
Revenue	877	1,257	1,413	3,312
Cost of Sales	(266)	(565)	(352)	(1,365)
Gross Profit	611	692	1,061	1,947
Other Operating Income	5	-	10	13
Administrative Expenses	(203)	(410)	(329)	(746)
Selling and Distribution Expenses	(246)	(502)	(421)	(1,036)
Research and Development	(180)	(209)	(291)	(354)
Other Operating Expenses	(196)	(88)	(313)	(266)
(Loss)/Profit From Operations	(209)	(517)	(283)	(442)
Finance Cost	(14)	(7)	(30)	(18)
(Loss)/Profit Before Taxation	(223)	(524)	(313)	(460)
Taxation	-	-	-	-
(Loss)/Profit For The Period	(223)	(524)	(313)	(460)
Attributable to:				
Equity holders of the parent	(223)	(524)	(313)	(460)
Minority Interest	-	-	-	-
Net (Loss)/Profit For The Period	(223)	(524)	(313)	(460)
(Loss)/Earning Per Share				
(i) Basic (sen)	(0.33)	(0.78)	(0.47)	(0.69)
(ii) Fully diluted (sen)	N/A	N/A	N/A	N/A

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

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 APRIL 2009

(The figures have not been audited)

	Unaudited As At 30 APRIL 2009 RM'000	Audited As At 31 OCTOBER 2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,773	5,485
Prepaid Land Lease Payment	959	964
Development expenditure	997	1,147
Goodwill on consolidation	1,576	1,576
Intangible Assets	32	25
Deferred tax asset	83	83
Total Non-Current Assets	9,420	9,280
CURRENT ASSETS		
Inventories	5,497	5,826
Trade receivables	890	2,220
Other receivables, deposits and prepayments	200	260
Tax recoverable	-	14
Fixed deposit	1,650	-
Cash and bank balances	1,439	2,062
Total Current Assets	9,676	10,382
TOTAL ASSETS	19,096	19,662
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	6,709	6,709
Share Premium	8,169	8,169
Equity Compensation Reserve	66	66
Retained profits	946	1,259
Equity attributable to equity holders of the parent	15,890	16,203
Minority interests	-	-
TOTAL EQUITY	15,890	16,203
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	1,409	282
Total Non-Current Liabilities	1,409	282
CURRENT LIABILITIES		
Trade payables	116	588
Other payables and accruals	1,270	2,214
Borrowings	411	375
Total Current Liabilities	1,797	3,177
TOTAL LIABILITIES	3,206	3,459
TOTAL EQUITY AND LIABILITIES	19,096	19,662
Net assets value per share (RM)	0.24	0.24

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

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2009

(The figures have not been audited)

	Share Capital	Share Premium	Equity Compensation Reserve	Retained Profits	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
As At 1 November 2007	6,700	8,119	89	2,752	17,660
Issue of Ordinary Shares: Pursuant to ESOS	9	50	(50)	-	9
ESOS Issuing Expense	-	-	-	-	-
Net Loss For The Year	-	-	-	(1,493)	(1,493)
FRS 2 - Share-based payment under ESOS	-	-	27	-	27
As At 31 October 2008	6,709	8,169	66	1,259	16,203
Issue of Ordinary Shares: Pursuant to ESOS	-	-	-	-	-
ESOS Issuing Expense	-	-	-	-	-
Net Loss For The Period	-	-	-	(313)	(313)
FRS 2 - Share-based payment under ESOS	-	-	-	-	-
As At 30 APRIL 2009	6,709	8,169	66	946	15,890

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

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2009

	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2009	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2008
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(313)	(460)
Adjustment for:-		
Depreciation of property, plant and equipment	307	225
Amortisation of prepaid land lease payment	6	6
Amortisation of development expenditure	80	102
Amortisation of Trademarks	2	-
Reversal of provision and accruals	(741)	(33)
Transfer from inventory to property, plant and equipment	(474)	-
FRS 2 Share Based Payment under ESOS	-	27
Loss on foreign exchange - unrealised	43	-
Interest income	(10)	(13)
Interest expenses	18	10
Operating loss before working capital changes	(1,082)	(136)
Decrease/(Increase) in inventories	328	(1,992)
Decrease in trade and other receivables	1,355	1,846
(Decrease)/Increase in trade and other payables	(659)	562
Cash generated (for)/from operations	(58)	280
Interest paid	(18)	(10)
Income Tax Paid	-	(1)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(76)	269
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal/(payment) for development expenditure	70	(157)
Interest received	10	13
Purchase of property, plant and equipment	(121)	(1,943)
NET CASH FOR INVESTING ACTIVITIES	(41)	(2,087)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loan	1,500	-
Repayment of term loan	(53)	(119)
Repayment of banker acceptance	(263)	-
Repayment of HP Creditor	(22)	(21)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	1,162	(140)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,045	(1,958)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(18)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,062	4,415
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,089	2,457

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

PART A – EXPLANATORY NOTE PURSUANT TO FRS 134

1. Accounting Policies

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the MESDAQ Market.

The interim condensed financial statements have been prepared based on accounting policies and methods of computation which are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 October 2008.

2. Seasonal or cyclicity of interim operations

Presently, the Group focuses its range of products and services to customers/end-users principally engaged in test/backend of semiconductor manufacturing. As such, generally the Group’s performance will inevitably depend heavily on the outlook and cyclical nature of the semiconductor and semiconductor equipment industry which is highly unpredictable and sensitive in nature. Furthermore, semiconductor and semiconductor equipment industry displayed seasonal pattern which was historically experiencing slowdown in activities in the first half of the Group’s financial year post festive seasons and regained its momentum and peaked in the second half of the Group’s financial year in preparation for the coming festive seasons.

3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence during the six (6) months financial period ended 30 April 2009.

4. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the six (6) months financial period ended 30 April 2009.

5. Debt and Equity Securities

There were no issuances, cancellations or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the six (6) months financial period ended 30 April 2009.

6. Dividends Paid

There was no dividend paid during the six (6) months financial period ended 30 April 2009.

7. Subsequent Material Events

There were no material events since the end of the current quarter to the date of this announcement that have not been reflected in the interim financial statements.

8. Change in the Composition of the Group

There were no changes in the composition of the Group during the six (6) months financial period ended 30 April 2009.

9. Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities and contingent assets of the Group since the last audited annual balance sheet date as at 31 October 2008.

10. Segmental Information

Sales Revenue by Geographical Market for the six (6) months financial period up to 30 April 2009:

	Current Year	Previous Year
	30 April 2009	30 April 2008
	RM'000	RM'000
Malaysia	72	316
South East Asia	75	756
North Asia	371	2,157
USA	895	83
Total	1,413	3,312

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in business as a manufacturer of automated test equipment and operates from Malaysia only.

11. Capital Commitments

There was no capital commitment for the purchase of property, plant and equipment that was not provided for in the interim financial statements as at 30 April 2009.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the MESDAQ Market

12. Performance Review

In the current quarter ended 30 April 2009, the Group generated a lower revenue of RM 877,224, a decrease of RM 380,174 or approximately 30% from the previous corresponding quarter ended 30 April 2008 of RM 1,257,398 amidst tightening of capital expenditure by customers and end-users in response to the softening in general economic condition and the present global financial crisis.

For the current quarter ended 30 April 2009, the Group registered a lower loss before taxation of RM 223,413 as compared to a loss before taxation for the previous corresponding quarter ended 30 April 2008 of RM 523,950 mainly attributable to the strategic costs reduction undertaken by the Group.

13. Commentary on Material Change in Loss before Taxation for the Quarter Reported against the Preceding Quarter

The Group posted a higher revenue in the current quarter of RM 877,224 as compared to the preceding quarter ended 31 January 2009 of RM 536,084, representing an increase of RM 341,140 or approximately 64%.

Despite the higher revenue, the Group posted a higher loss before taxation of RM 223,413 in the current quarter ended 30 April 2009 against a loss before taxation of RM 89,198 in the preceding quarter ended 31 January 2009. This was mainly due to business traveling expenses incurred for machine installation at customers’ site during the current quarter and the reversal of the overprovision of bonus for financial year ended 2008 during the preceding quarter.

14. Commentary on the Prospects

The financial crisis in the developed economies that came to light in the late third quarter of 2008 has slowed capital spending in all segments of the semiconductor market.

In response to this challenging external environment, the Group has practised prudent cash management and undertaken strategic costs reduction while maintaining the functional and performance levels expected by customers. More importantly, the Group will continue to undertake key technology enhancement projects so that the Group can remain in the forefront of the semiconductor equipment market.

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15. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in any public document and hence, is not applicable.

16. Qualification of Audit Reports

The audited financial statements of the Company and its subsidiary, VisDynamics Research Sdn Bhd (“VRSB”), for the preceding financial years were reported without any qualification.

17. Tax Expense

Taxation comprises the following:

	Current Year Quarter	Previous Year Quarter	Current Year 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2009	30 April 2008	30 April 2009	30 April 2008
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-

The effective tax rate of the Group is lower than the statutory tax rate due to Pioneer Status granted to VRSB under the Promotion of Investments Act, 1986. Under Pioneer Status incentive granted to its subsidiary, 100% of the subsidiary’s statutory income from pioneer activities is exempted from income tax for a period of five (5) years, commencing from 1 June 2003. The Pioneer Status was further extended for another five (5) years commencing from 1 June 2008 to 31 May 2013 which was approved by Ministry of International Trade and Industry via its letter dated 14 October 2008.

18. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments or properties during the current quarter and year to date ended 30 April 2009.

19. Purchase and Disposal of Quoted and marketable securities

There was no purchase or disposal of quoted and marketable securities during the current quarter and year to date ended 30 April 2009.

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20. Status of Corporate Proposal and Utilisation of Proceeds

20.1. Status of Corporate Proposal Proposed and Not Complete

There was no corporate proposal announced but not completed as at the date of this announcement.

20.2. Utilisation of Proceeds

As at the date of this announcement, the proceeds raised from the public issue of the Company of RM11.022 million have been fully utilised.

21. Group Borrowings and Debt Securities

Group borrowings as at 30 April 2009 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	411
<u>Long term</u>	
Secured	1,409
TOTAL	1,820

The Groups borrowings are all in Ringgit Malaysia.

22. Off Balance Sheet Financial Instruments

As at the date of this announcement, the Group has no off balance sheet financial instrument of any kind.

23. Changes in Material Litigation Since the Last Annual Balance Sheet Date

In November 2008, VRSB initiated a legal proceeding against its ex-employee (“the Defendant”) for breach of Confidentiality Agreement entered between the ex-employee and VRSB dated 12 October 2006 (“the Legal Proceeding”). Writ of summon for the Legal Proceeding have been registered with the High Court in Melaka on 26 November 2008 and the writ of summon was served on the Defendant on 11 December 2008 (“the Writ of Summon”).

In the Writ of Summon, VRSB has applied, inter alia, for the judgments on the following claims:

- 1) injunction to prohibit the Defendant from direct involvement or through service or agent or whatsoever, within two (2) years from 30 September 2008 from working with Vitrox Corporation Berhad and/or any of its subsidiaries and/or its associated companies with immediate effect;

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23. Changes in Material Litigation Since the Last Annual Balance Sheet Date (Cont’d)

- 2) injunction to prohibit the Defendant from direct involvement or through service or agent or whatsoever, directly or indirectly within two (2) years from 30 September 2008:
 - i) carry on or be engaged or employed in any business in any South-East-Asia countries which compete with any business carried on by VRSB as at the date of termination;
 - ii) be a consultant or employee or officer in any executive, sales, marketing, research or technical support capacity in any business in any South-East-Asia countries which competes with business carried on by the Company at the time of termination.
- 3) Specific damages of RM 96,777.50;
- 4) General damages in respect of breach of contract by the Defendant; and
- 5) Full indemnification of legal costs.

The Defendant has acknowledged breaching the Confidentiality Agreement and agreed to pay half of the legal costs incurred. Hence, the case has been settled and pending for the filing of Notice of Discontinuance.

24. Dividend Payable

The Group has not recommended or declared any dividend during the current quarter and six (6) months financial year to date ended 30 April 2009.

25. Loss Per Share (“LPS”)

25.1. Basic LPS

	Current Year Quarter	Previous Year Quarter	Current Year 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2009	30 April 2008	30 April 2009	30 April 2008
Net loss for the period (RM'000)	(223)	(524)	(313)	(460)
Weighted average number of shares in issue ('000)	67,088	66,997	67,088	66,997
Basic LPS (sen)	(0.33)	(0.78)	(0.47)	(0.69)

26. Loss Per Share (“LPS”) (Cont’d)

25.2. Diluted EPS

The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the period for the dilutive effect of all potential ordinary shares in relation to the outstanding ESOS in existence.

For current quarter and current financial year to date ended 30 April 2009, 67,600 outstanding options granted to certain employees have anti-dilutive potential and hence no diluted earnings per share is reported.

	Current Year Quarter	Previous Year Quarter	Current Year 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2009	30 April 2008	30 April 2009	30 April 2008
Net profit for the period (RM'000)	N/A	N/A	N/A	N/A
Weighted average number of shares in issue ('000)	N/A	N/A	N/A	N/A
Effect of dilution ('000): ESOS	N/A	N/A	N/A	N/A
Adjusted weighted average number of shares in issue and issuable ('000)	N/A	N/A	N/A	N/A
Diluted EPS (sen)	N/A	N/A	N/A	N/A

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