

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE NINE (9) MONTHS PERIOD ENDED 31 JULY 2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JULY 2009 RM'000	PRECEDING YEAR QUARTER ENDED 31 JULY 2008 RM'000	CURRENT YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2009 RM'000	PRECEDING YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2008 RM'000
Revenue	648	2,414	2,061	5,727
Cost of Sales	(289)	(1,473)	(641)	(2,838)
Gross Profit	359	941	1,420	2,889
Other Operating Income	90	157	100	170
Administrative Expenses	(258)	(360)	(586)	(1,105)
Selling and Distribution Expenses	(113)	(589)	(534)	(1,625)
Research and Development	(150)	(291)	(441)	(645)
Other Operating Expenses	(209)	(53)	(522)	(320)
Loss From Operations	(281)	(195)	(563)	(636)
Finance Cost	(20)	(7)	(51)	(25)
Loss Before Taxation	(301)	(202)	(614)	(661)
Taxation	(8)	-	(8)	(1)
Loss For The Period	(309)	(202)	(622)	(662)
Attributable to:				
Equity holders of the parent	(309)	(202)	(622)	(662)
Minority Interest	-	-	-	-
Net Loss For The Period	(309)	(202)	(622)	(662)
Loss Per Share				
(i) Basic (sen)	(0.46)	(0.30)	(0.93)	(0.99)
(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 31 JULY 2009

(The figures have not been audited)

	Unaudited As At 31 JULY 2009 RM'000	Audited As At 31 OCTOBER 2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,529	5,485
Prepaid Land Lease Payment	956	964
Development expenditure	334	1,147
Goodwill on consolidation	1,576	1,576
Intangible Assets	36	25
Deferred tax asset	83	83
Total Non-Current Assets	9,514	9,280
CURRENT ASSETS		
Inventories	5,170	5,826
Trade receivables	1,082	2,220
Other receivables, deposits and prepayments	223	260
Tax recoverable	-	14
Fixed deposit	2,181	-
Cash and bank balances	581	2,062
Total Current Assets	9,237	10,382
TOTAL ASSETS	18,751	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	637	1,259
Equity attributable to equity holders of the parent	15,581	16,203
Minority interests	-	-
TOTAL EQUITY	15,581	16,203
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	1,274	282
Total Non-Current Liabilities	1,274	282
CURRENT LIABILITIES		
Trade payables	310	588
Other payables and accruals	1,140	2,214
Borrowings	446	375
Total Current Liabilities	1,896	3,177
TOTAL LIABILITIES	3,170	3,459
TOTAL EQUITY AND LIABILITIES	18,751	19,662
Net assets value per share (RM)	0.23	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 31 JULY 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	-	-	-	(622)	(622)
FRS 2 - Share-based payment under ESOS	-	-	-	-	-
As At 31 July 2009	6,709	8,169	66	637	15,581

(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 31 JULY 2009

	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2009	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2008
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(614)	(661)
Adjustment for:-		
Depreciation of property, plant and equipment	497	308
Amortisation of prepaid land lease payment	8	8
Amortisation of development expenditure	120	153
Amortisation of Trademarks	4	2
Reversal of provision and accruals	(746)	(114)
Transfer from inventory to property, plant and equipment	(899)	-
FRS 2 Share Based Payment under ESOS	-	(60)
Write off of development expenditure	-	89
Gain on disposal of investment	-	(156)
Loss on disposal of property, plant and equipment	5	-
Loss on foreign exchange - unrealised	62	-
Interest income	(17)	(27)
Interest expenses	35	13
Operating loss before working capital changes	(1,545)	(445)
Decrease/(Increase) in inventories	656	(1,782)
Decrease in trade and other receivables	1,118	2,075
Decrease in trade and other payables	(581)	(54)
Cash generated for operations	(352)	(206)
Interest paid	(35)	(13)
Income Tax Paid	(1)	(4)
NET CASH FOR OPERATING ACTIVITIES	(388)	(223)
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal/(payment) for development expenditure	48	(183)
Government grant for development expenditure received	125	-
Expenditure on Trademarks	-	(28)
Proceeds from disposal of investment	-	656
Proceeds from disposal of property, plant and equipment	5	-
Interest received	17	27
Purchase of property, plant and equipment	(132)	(2,821)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	63	(2,349)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	9
Drawdown of term loan	1,500	-
Repayment of term loan	(142)	(141)
Repayment of banker acceptance	(263)	-
Repayment of HP Creditor	(33)	(32)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	1,062	(164)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	737	(2,736)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(37)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,062	4,415
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,762	1,679

(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 ACE 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 nine (9) months financial period ended 31 July 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 nine (9) months financial period ended 31 July 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 nine (9) months financial period ended 31 July 2009.

6. Dividends Paid

There was no dividend paid during the nine (9) months financial period ended 31 July 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 nine (9) months financial period ended 31 July 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 nine (9) months financial period up to 31 July 2009:

	Current Year	Previous Year
	31 July 2009 RM'000	31 July 2008 RM'000
Malaysia	668	955
South East Asia	118	1,582
North Asia	372	3,097
USA	903	93
Total	2,061	5,727

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 31 July 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 31 July 2009, the Group generated a lower revenue of RM 648,242, a decrease of RM 1,765,822 or approximately 73% from the previous corresponding quarter ended 31 July 2008 of RM 2,414,064 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 31 July 2009, the Group registered a higher loss before taxation of RM 300,922 as compared to a loss before taxation for the previous corresponding quarter ended 31 July 2008 of RM 201,768 mainly due to lower revenue generated during the current quarter.

As compared to the previous corresponding financial year to date, the Group posted a lower revenue of RM 2,061,549 in the current financial year to date ended 31 July 2009, a decrease of RM 3,664,932 or 64% from the previous corresponding financial year to date ended 31 July 2008 of RM 5,726,481 due to the downturn in the semiconductor industry as mentioned above.

The Group posted a loss before taxation of RM 613,533 in the current financial year ended 31 July 2009, a decrease of RM 47,397 or 7% as compared to a loss before taxation for the previous corresponding quarter ended 31 July 2008 of RM 660,930.

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

The Group posted a lower revenue in the current quarter of RM 648,242 as compared to the preceding quarter ended 30 April 2009 of RM 877,224, representing a decrease of RM 228,982 or approximately 26%.

With the lower revenue, the Group posted a higher loss before taxation of RM 300,922 in the current quarter ended 31 July 2009 against a loss before taxation of RM 223,413 in the preceding quarter ended 30 April 2009.

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.

The Group expects the current conditions to continue to remain challenging. However, 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. The Group continues to spend on R&D eventhough revenue has decreased in order to prepare itself to be ready and competitive for the impending recovery of the semiconductor industry.

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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2009	31 July 2008	31 July 2009	31 July 2008
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	8	-	8	1
Deferred taxation	-	-	-	-
	8	-	8	1

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 31 July 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 31 July 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 31 July 2009 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	446
<u>Long term</u>	
Secured	1,274
TOTAL	1,720

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

As at the date of this announcement, the Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

24. Dividend Payable

The Group has not recommended or declared any dividend during the current quarter and nine (9) months financial year to date ended 31 July 2009.

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25. Loss Per Share (“LPS”)

25.1. Basic LPS

	Current Year Quarter	Previous Year Quarter	Current Year 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2009	31 July 2008	31 July 2009	31 July 2008
Net loss for the period (RM'000)	(309)	(202)	(622)	(662)
Weighted average number of shares in issue ('000)	67,088	67,082	67,088	67,060
Basic LPS (sen)	(0.46)	(0.30)	(0.93)	(0.99)

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 31 July 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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2009	31 July 2008	31 July 2009	31 July 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