

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE TWELVE (12) MONTHS YEAR ENDED 31 OCTOBER 2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 OCTOBER 2009 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 OCTOBER 2008 RM'000 (Unaudited)	CURRENT YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2009 RM'000 (Unaudited)	PRECEDING YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2008 RM'000 (Audited)
Revenue	1,148	3,584	3,210	9,311
Cost of Sales	(604)	(2,143)	(1,245)	(4,983)
Gross Profit	544	1,441	1,965	4,328
Other Operating Income	113	3	213	297
Administrative Expenses	(381)	(944)	(967)	(1,662)
Selling and Distribution Expenses	(181)	(1,048)	(715)	(2,673)
Research and Development	(211)	(210)	(652)	(834)
Other Operating Expenses	(213)	(31)	(736)	(905)
Loss From Operations	(329)	(789)	(892)	(1,449)
Finance Cost	(19)	(10)	(70)	(42)
Loss Before Taxation	(348)	(799)	(962)	(1,491)
Taxation	(8)	-	(16)	(2)
Loss For The Year	(356)	(799)	(978)	(1,493)
Attributable to:				
Equity holders of the parent	(356)	(799)	(978)	(1,493)
Minority Interest	-	-	-	-
Net Loss For The Year	(356)	(799)	(978)	(1,493)
Loss Per Share				
(i) Basic (sen)	(0.53)	(1.19)	(1.46)	(2.23)
(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 OCTOBER 2009

(The figures have not been audited)

	Unaudited As At 31 OCTOBER 2009 RM'000	Audited As At 31 OCTOBER 2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,295	5,485
Prepaid Land Lease Payment	953	964
Development expenditure	602	1,147
Goodwill on consolidation	1,576	1,576
Intangible Assets	35	25
Deferred tax asset	83	83
Total Non-Current Assets	9,544	9,280
CURRENT ASSETS		
Inventories	5,131	5,826
Trade receivables	1,846	2,220
Other receivables, deposits and prepayments	214	260
Tax recoverable	-	14
Fixed deposit	1,283	-
Cash and bank balances	830	2,062
Total Current Assets	9,304	10,382
TOTAL ASSETS	18,848	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	281	1,259
Equity attributable to equity holders of the parent	15,225	16,203
Minority interests	-	-
TOTAL EQUITY	15,225	16,203
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	1,190	282
Total Non-Current Liabilities	1,190	282
CURRENT LIABILITIES		
Trade payables	768	588
Other payables and accruals	1,236	2,214
Borrowings	429	375
Total Current Liabilities	2,433	3,177
TOTAL LIABILITIES	3,623	3,459
TOTAL EQUITY AND LIABILITIES	18,848	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 YEAR ENDED 31 OCTOBER 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 Year	-	-	-	(978)	(978)
FRS 2 - Share-based payment under ESOS	-	-	-	-	-
As At 31 October 2009	6,709	8,169	66	281	15,225

(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 YEAR ENDED 31 OCTOBER 2009

	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2009 (Unaudited)	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2008 (Audited)
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(962)	(1,491)
Adjustment for:-		
Depreciation of property, plant and equipment	708	409
Amortisation of prepaid land lease payment	11	11
Amortisation of development expenditure	160	197
Amortisation of Trademarks	5	3
(Reversal)/addition of provision and accruals	(158)	139
Transfer from inventory to property, plant and equipment	(860)	-
FRS 2 Share Based Payment under ESOS	-	27
Write off of development expenditure	-	114
Deposit written off	-	9
Development expenditure transferred to income statement	-	145
Equipment written off	-	430
Loss/(gain) on disposal of property, plant and equipment	5	(2)
Gain on disposal of investment	-	(156)
Loss/(gain) on foreign exchange - unrealised	60	(128)
Interest income	(28)	(4)
Interest expenses	51	27
Operating loss before working capital changes	(1,008)	(270)
Decrease/(Increase) in inventories	694	(265)
Decrease in trade and other receivables	201	1,410
(Decrease)/increase in trade and other payables	(452)	180
Cash generated (for)/from operations	(565)	1,055
Interest paid	(51)	(27)
Income Tax Paid	(1)	10
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(617)	1,038
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for development expenditure	(260)	(192)
Government grant for development expenditure received	125	-
Proceeds from disposal of investment	-	656
Proceeds from disposal of property, plant and equipment	5	6
Interest received	28	4
Purchase of property, plant and equipment	(148)	(4,000)
NET CASH FOR INVESTING ACTIVITIES	(250)	(3,526)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	9
Drawdown of term loan	1,500	124
Repayment of term loan	(232)	(281)
Drawdown of banker acceptance	-	263
Repayment of banker acceptance	(263)	-
Repayment of HP Creditor	(44)	(43)
NET CASH FROM FINANCING ACTIVITIES	961	72
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	94	(2,416)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(43)	63
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,062	4,415
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,113	2,062

(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 cyclical nature 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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year ended 31 October 2009.

6. Dividends Paid

There was no dividend paid during the twelve (12) months financial year ended 31 October 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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year up to 31 October 2009:

	Current Year	Previous Year
	31 October 2009	31 October 2008
	RM'000	RM'000
Malaysia	691	1,830
South East Asia	354	2,184
North Asia	423	5,143
USA	1,742	154
Total	3,210	9,311

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 October 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 October 2009, the Group generated a lower revenue of RM 1,148,249 a decrease of RM 2,436,154 or approximately 68% from the previous corresponding quarter ended 31 October 2008 of RM 3,584,403 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 October 2009, the Group registered a lower loss before taxation of RM 347,750 as compared to a loss before taxation for the previous corresponding quarter ended 31 October 2008 of RM 799,094 mainly due to the write down of inventories, property, plant and equipment and development expenditure during the previous quarter.

As compared to the previous corresponding financial year to date, the Group posted a lower revenue of RM 3,209,798 in the current financial year to date ended 31 October 2009, a decrease of RM 6,101,086 or 66% from the previous corresponding financial year to date ended 31 October 2008 of RM 9,310,884 due to the downturn in the semiconductor industry as mentioned above.

The Group posted a loss before taxation of RM 961,283 in the current financial year ended 31 October 2009, a decrease of RM 529,741 or 36% as compared to a loss before taxation for the previous corresponding financial year ended 31 October 2008 of RM 1,491,024 mainly due to write back of inventories and also cost cutting measures undertaken by the Group during the current financial year ended 31 October 2009.

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 1,148,249 as compared to the preceding quarter ended 31 July 2009 of RM 648,242, representing an increase of RM 500,007 or approximately 77%.

The Group posted a higher loss before taxation of RM 347,750 in the current quarter ended 31 October 2009 against a loss before taxation of RM 300,922 in the preceding quarter ended 31 July 2009.

14. Commentary on the Prospects

Anticipating the improvement of the global economy and the semiconductor industry, R&D activities and sales and marketing activities are invested continuously to impress customers with unprecedented product performance.

Based on enquiries from customers and research reports of the industry, it appears that the market for the automated test equipment system is gradually improving.

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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2009	31 October 2008	31 October 2009	31 October 2008
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	8	-	16	1
Deferred taxation	-	-	-	-
	8	-	16	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 October 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 October 2009.

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 October 2009 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	429
<u>Long term</u>	
Secured	1,190
TOTAL	1,619

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

VRSB is currently having a dispute with the building contractor over the issue of Liquidated and Ascertained Damages (LAD).

In October 2009, VRSB has issued a letter of demand to the building contractor for LAD claims of RM168,000. By offsetting the sum of RM160,763.79 owed by VRSB to the building contractor, the building contractor was demanded to pay the balance of RM7,236.21.

Currently the building contractor proposed to settle with the Company and both parties are under negotiation.

24. Dividend Payable

The Group has not recommended or declared any dividend during the current quarter and twelve (12) months financial year to date ended 31 October 2009.

25. Loss Per Share (“LPS”)

25.1. Basic LPS

	Current Year Quarter	Previous Year Quarter	Current Year 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2009	31 October 2008	31 October 2009	31 October 2008
Net loss for the year (RM'000)	(356)	(799)	(978)	(1,493)
Weighted average number of shares in issue ('000)	67,088	67,088	67,088	67,067
Basic LPS (sen)	(0.53)	(1.19)	(1.46)	(2.23)

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 October 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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2009	31 October 2008	31 October 2009	31 October 2008
Net profit for the year (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