

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE (3) MONTHS YEAR ENDED 31 JANUARY 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2010 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2009 RM'000 (Unaudited) (Reinstate)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2010 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2009 RM'000 (Unaudited) (Reinstate)
Revenue	1,529	536	1,529	536
Cost of Sales	(703)	(86)	(703)	(86)
Gross Profit	826	450	826	450
Other Operating Income	69	4	69	4
Human Resource Related Expenses	(470)	(248)	(470)	(248)
Administrative Expenses	(75)	(85)	(75)	(85)
Logistic Expenses	(33)	(52)	(33)	(52)
Selling and Distribution Expenses	(135)	12	(135)	12
Research and Development	(54)	(38)	(54)	(38)
Other Operating Expenses	(245)	(116)	(245)	(116)
Loss From Operations	(117)	(73)	(117)	(73)
Finance Cost	(18)	(16)	(18)	(16)
Loss Before Taxation	(135)	(89)	(135)	(89)
Taxation	-	-	-	-
Loss For The Period	(135)	(89)	(135)	(89)
Attributable to:				
Equity holders of the parent	(135)	(89)	(135)	(89)
Minority Interest	-	-	-	-
Net Loss For The Period	(135)	(89)	(135)	(89)
Loss Per Share				
(i) Basic (sen)	(0.20)	(0.13)	(0.20)	(0.13)
(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 JANUARY 2010

(The figures have not been audited)

	Unaudited As At 31 JANUARY 2010 RM'000	Audited As At 31 OCTOBER 2009 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,250	6,295
Prepaid Land Lease Payment	951	953
Development expenditure	148	602
Goodwill on consolidation	1,576	1,576
Intangible Assets	33	35
Deferred tax asset	83	83
Total Non-Current Assets	9,041	9,544
CURRENT ASSETS		
Inventories	6,208	5,132
Trade receivables	1,257	2,001
Other receivables, deposits and prepayments	233	197
Tax recoverable	1	15
Fixed deposit	1,380	1,283
Cash and bank balances	1,046	830
Total Current Assets	10,125	9,458
TOTAL ASSETS	19,166	19,002
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	6,709	6,709
Share Premium	8,169	8,169
Equity Compensation Reserve	66	66
Retained profits	146	281
Equity attributable to equity holders of the parent	15,090	15,225
Minority interests	-	-
TOTAL EQUITY	15,090	15,225
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	1,105	1,190
Total Non-Current Liabilities	1,105	1,190
CURRENT LIABILITIES		
Trade payables	1,347	768
Other payables and accruals	1,212	1,390
Borrowings	412	429
Total Current Liabilities	2,971	2,587
TOTAL LIABILITIES	4,076	3,777
TOTAL EQUITY AND LIABILITIES	19,166	19,002
Net assets value per share (RM)	0.22	0.23

(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 JANUARY 2010

(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 2008	6,709	8,169	66	1,259	16,203
Net Loss For The Period	-	-	-	(978)	(978)
As At 31 October 2009	6,709	8,169	66	281	15,225
Net Loss For The Period	-	-	-	(135)	(135)
As At 31 January 2010	6,709	8,169	66	146	15,090

(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 JANUARY 2010

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2010 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2009 (Unaudited)
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(135)	(89)
Adjustment for:-		
Depreciation of property, plant and equipment	238	152
Amortisation of prepaid land lease payment	3	3
Amortisation of development expenditure	10	40
Amortisation of Trademarks	1	1
Addition/(reversal) of provision and accruals	28	(572)
Transfer from inventory to property, plant and equipment	-	(474)
Development expenditure transferred to income statement	311	-
Loss on foreign exchange - unrealised	6	16
Interest income	(3)	(4)
Interest expenses	15	7
Operating profit/(loss) before working capital changes	474	(920)
(Increase)/Decrease in inventories	(1,076)	383
Decrease in trade and other receivables	712	1,453
Increase/(Decrease) in trade and other payables	369	(581)
Cash generated from operations	479	335
Interest paid	(15)	(7)
Income Tax Paid	-	-
NET CASH FROM OPERATING ACTIVITIES	464	328
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for development expenditure	(57)	(26)
Interest received	3	4
Purchase of property, plant and equipment	(4)	(87)
NET CASH FOR INVESTING ACTIVITIES	(58)	(109)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loan	(90)	(16)
Repayment of banker acceptance	-	(83)
Repayment of HP Creditor	(11)	(11)
NET CASH FOR FINANCING ACTIVITIES	(101)	(110)
NET INCREASE IN CASH AND CASH EQUIVALENTS	305	109
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	8	(3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,113	2,062
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,426	2,168

(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 2009.

2. Seasonal or cyclical nature of interim operations

The Group’s operation is dependent on the cyclical trend of the semiconductors and electronics industries.

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 three (3) months financial period ended 31 January 2010.

4. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the three (3) months financial period ended 31 January 2010.

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 three (3) months financial period ended 31 January 2010.

6. Dividends Paid

There was no dividend paid during the three (3) months financial period ended 31 October 2010.

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 three (3) months financial period ended 31 January 2010.

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 2009.

10. Segmental Information

Sales Revenue by Geographical Market for the three (3) months financial period up to 31 January 2010:

	Current Year	Previous Year
	31 January 2010	31 January 2009
	RM'000	RM'000
Malaysia	598	63
South East Asia	325	67
North Asia	20	391
USA	586	15
Total	1,529	536

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 2010.

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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/financial year ended 31 January 2010, the Group generated a higher revenue of RM 1,529,658 an increase of RM 993,574 or approximately 185% from the previous corresponding quarter/financial year ended 31 January 2009 of RM 536,084 due to strong demand and recovery from the semiconductors and electronics industries as compared to the same quarter/financial year last year.

For the current quarter/financial year ended 31 January 2010, the Group registered a higher loss before taxation of RM 135,482 as compared to a loss before taxation for the previous corresponding quarter/financial year ended 31 January 2009 of RM 89,198 mainly due to write back of inventories and reversal of bonus provision during previous corresponding quarter/financial year.

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 1,529,658 as compared to the preceding quarter ended 31 October 2009 of RM 1,148,249, representing an increase of RM 381,409 or approximately 33%.

With the higher revenue, the Group posted a lower loss before taxation of RM 135,482 in the current quarter ended 31 January 2010 against a loss before taxation of RM 347,750 in the preceding quarter ended 31 October 2009.

14. Commentary on the Prospects

The Group is cautiously optimistic of this financial year’s performance given the recent signs of stabilizing economic indicators, particularly the semiconductor industry. However, the pickup is very much dependent on the segment of the industries that is served.

The Group will continue to stay focus in R&D and sales and marketing activities in order to remain in the forefront of our 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 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2010	31 January 2009	31 January 2010	31 January 2009
	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 31 January 2010.

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 January 2010.

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.

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21. Group Borrowings and Debt Securities

Group borrowings as at 31 January 2010 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	412
<u>Long term</u>	
Secured	1,105
TOTAL	1,517

The Groups borrowings are all in Ringgit Malaysia.

22. Off Balance Sheet Financial Instruments

As at the date of this report, the Group has the following foreign exchange contracts to sell forward USD with the licensed bank:

<u>Contract amount (USD)</u>	<u>Contract rate</u>	<u>Value date</u>
60,000	3.464	Aug 2010

The contracts were entered to hedge the export sales revenue denominated in US Dollars.

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 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 owed VRSB the balance of RM7,236.21.

The building contractor has proposed to settle with the Company and the both parties are in negotiation.

24. Dividend Payable

The Group has not recommended or declared any dividend during the current quarter and three (3) months financial year to date ended 31 January 2010.

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25. Loss Per Share (“LPS”)

25.1. Basic LPS

	Current Year Quarter	Previous Year Quarter	Current Year 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2010	31 January 2009	31 January 2010	31 January 2009
Net loss for the period (RM'000)	(135)	(89)	(135)	(89)
Weighted average number of shares in issue ('000)	67,088	67,088	67,088	67,088
Basic LPS (sen)	(0.20)	(0.13)	(0.20)	(0.13)

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 January 2010, 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 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2010	31 January 2009	31 January 2010	31 January 2009
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