

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE TWELVE (12) MONTHS YEAR ENDED 31 OCTOBER 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 OCTOBER 2010 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 OCTOBER 2009 RM'000 (Unaudited) (Reinstate)	CURRENT YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2010 RM'000 (Unaudited)	PRECEDING YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2009 RM'000 (Audited) (Reinstate)
Revenue	8,054	1,148	19,683	3,210
Cost of Sales	(4,032)	(604)	(10,207)	(1,245)
Gross Profit	4,022	544	9,476	1,965
Other Operating Income	11	113	88	213
Human Resource Related Expenses	(910)	(456)	(2,339)	(1,536)
Administrative Expenses	(168)	(100)	(423)	(383)
Logistic Expenses	(83)	(35)	(140)	(107)
Selling and Distribution Expenses	(704)	(78)	(2,012)	(41)
Research and Development	(267)	(104)	(771)	(267)
Other Operating Expenses	(711)	(213)	(1,487)	(736)
Profit/(Loss) From Operations	1,190	(329)	2,392	(892)
Finance Cost	(36)	(19)	(142)	(70)
Profit/(Loss) Before Taxation	1,154	(348)	2,250	(962)
Taxation	3	(8)	(29)	(16)
Profit/(Loss) For The Period	1,157	(356)	2,221	(978)
Attributable to:				
Equity holders of the parent	1,157	(356)	2,221	(978)
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Period	1,157	(356)	2,221	(978)
Profit/(Loss) Per Share				
(i) Basic (sen)	1.72	(0.53)	3.31	(1.46)
(ii) Fully diluted (sen)	1.72	N/A	3.31	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 2010

(The figures have not been audited)

	Unaudited As At 31 OCTOBER 2010 RM'000	Audited As At 31 OCTOBER 2009 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,482	7,248
Development expenditure	122	602
Goodwill on consolidation	1,576	1,576
Intangible Assets	59	35
Deferred tax asset	83	83
Total Non-Current Assets	8,322	9,544
CURRENT ASSETS		
Inventories	7,484	5,132
Trade receivables	8,815	2,001
Other receivables, deposits and prepayments	129	197
Tax recoverable	1	15
Fixed deposit	1,330	1,283
Cash and bank balances	961	830
Total Current Assets	18,720	9,458
TOTAL ASSETS	27,042	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	2,502	281
Equity attributable to equity holders of the parent	17,446	15,225
Minority interests	-	-
TOTAL EQUITY	17,446	15,225
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	849	1,190
Total Non-Current Liabilities	849	1,190
CURRENT LIABILITIES		
Trade payables	3,604	768
Other payables and accruals	2,722	1,390
Borrowings	2,421	429
Total Current Liabilities	8,747	2,587
TOTAL LIABILITIES	9,596	3,777
TOTAL EQUITY AND LIABILITIES	27,042	19,002
Net assets value per share (RM)	0.26	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 CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2010

	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2010 (Unaudited)	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2009 (Audited)
	RM'000	RM'000
NET PROFIT/(LOSS) BEFORE TAXATION	2,250	(962)
Adjustment for:-		
Depreciation of property, plant and equipment	792	719
Amortisation of development expenditure	40	160
Amortisation of Trademarks and Patents	7	5
Addition/(reversal) of provision and accruals	1,707	(158)
Allowance for doubtful debt	311	-
Development expenditure transferred to income statement	275	-
Loss on foreign exchange - unrealised	196	60
(Gain)/Loss on disposal of property, plant and equipment	(38)	5
Property, plant and equipment written off	210	-
Interest income	(25)	(28)
Interest expenses	124	51
Operating profit/(loss) before working capital changes	5,849	(148)
Increase in inventories	(2,772)	(166)
(Increase)/Decrease in trade and other receivables	(7,176)	201
Increase/(Decrease) in trade and other payables	2,460	(452)
Cash generated for operations	(1,639)	(565)
Interest paid	(124)	(51)
Income Tax Paid	(34)	(1)
NET CASH FOR OPERATING ACTIVITIES	(1,797)	(617)
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal for development expenditure	(25)	(260)
Government grant for development expenditure received	-	125
Interest received	25	28
Proceed from disposal of fixed asset	452	5
Purchase of property, plant and equipment	(41)	(148)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	411	(250)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loan	-	1,500
Repayment of term loan	(335)	(232)
Drawdown of banker acceptance	4,531	-
Repayment of banker acceptance	(2,500)	(263)
Repayment of HP Creditor	(45)	(44)
NET CASH FROM FINANCING ACTIVITIES	1,651	961
NET INCREASE IN CASH AND CASH EQUIVALENTS	265	94
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(87)	(43)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,113	2,062
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,291	2,113

(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 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 Year	-	-	-	(978)	(978)
As At 31 October 2009	6,709	8,169	66	281	15,225
Net Profit For The Year	-	-	-	2,221	2,221
As At 31 October 2010	6,709	8,169	66	2,502	17,446

(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 accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted by the Group in the audited financial statements for the year ended 31 October 2009, except for the adoption of the following new Financial Reporting Standards (“FRS”) and issues Committee Interpretations (“IC Interpretations”) effective for the financial periods beginning on or after 1 January 2010.

<u>Standard/Interpretation</u>	<u>Effective for the financial periods beginning on or after</u>
Amendments to FRS 1 <i>First-time adoption of Financial Reporting Standard</i> and FRS 127 <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1-Jan-2010
Amendments to FRS 2 <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1-Jan-2010
Amendments to FRS 132 <i>Financial Instruments: Presentation</i>	1-Jan-2010
Amendments to FRS 139 <i>Financial Instruments: Recognition and Measurement</i> , FRS 7 <i>Financial Instruments: Disclosures</i> and IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1-Jan-2010
Amendments to FRSs contained in the document entitled “ <i>Improvements to FRSs (2009)</i> ”	1-Jan-2010
FRS 4 <i>Insurance Contracts</i>	1-Jan-2010
FRS 7 <i>Financial Instruments: Disclosures</i>	1-Jan-2010
FRS 8 <i>Operating Segments</i>	1-Jan-2010
FRS 101 <i>Presentation of Financial Statements</i> (revised in 2009)	1-Jan-2010
FRS 123 <i>Borrowing Costs</i>	1-Jan-2010
FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1-Jan-2010
IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1-Jan-2010
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1-Jan-2010

IC Interpretation 11 FRS 2 *Group and Treasury Share Transactions* 1-Jan-2010

IC Interpretation 13 *Customer Loyalty Programmes* 1-Jan-2010

IC Interpretation 14 FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction* 1-Jan-2010

The adoption of the new FRS and Interpretations does not have any significant impact on the financial statement of the Group and the company, except for FRS 117 *Leases*.

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance lease and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provision of the amendment.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	As previously Reported RM'000	Effect of Changes in Accounting Policy RM'000	As Restated RM'000
Property, plant and equipment	6,295	953	7,248
Prepaid land lease payment	953	(953)	-

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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year ended 31 October 2010.

6. Dividends Paid

There was no dividend paid during the twelve (12) months financial year 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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year up to 31 October 2010:

	Current Year	Previous Year
	31 October 2010 RM'000	31 October 2009 RM'000
Malaysia	2,072	691
South East Asia	629	354
North Asia	12,920	423
USA	4,062	1,742
Total	<u>19,683</u>	<u>3,210</u>

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.

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

12. Performance Review

In the current quarter ended 31 October 2010, the Group generated a higher revenue of RM 8,054,033 an increase of RM 6,905,784 or approximately 601% from the previous corresponding quarter ended 31 October 2009 of RM 1,148,249 due to strong demand and recovery from the semiconductors and electronics industries as compared to the same quarter of last year.

On the back of this revenue, the Group achieved a profit before taxation of RM 1,154,159 against loss before taxation for the previous corresponding quarter ended 31 October 2009 of RM 347,750.

As compared to the previous corresponding financial year to date, the Group posted a higher revenue of RM 19,683,070 in the current financial year to date ended 31 October 2010, an increase of RM 16,473,272 or 513% from the previous corresponding financial year to date ended 31 October 2009 of RM 3,209,798.

The Group posted a profit before taxation of RM 2,249,629 in the current financial year ended 31 October 2010, as compared to a loss before taxation for the previous corresponding financial year ended 31 October 2009 of RM 961,283.

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

The Group posted a higher revenue in the current quarter of RM 8,054,033 as compared to the preceding quarter ended 31 July 2010 of RM 5,568,070, representing an increase of RM 2,485,963 or approximately 45%.

With the higher revenue, the Group posted a profit before taxation of RM 1,154,159 in the current quarter ended 31 October 2010 against a profit before taxation of RM 1,115,505 in the preceding quarter ended 31 July 2010.

14. Commentary on the Prospects

After a record high in revenue and profitability during this financial year 2010, and barring any unforeseen circumstances which will negatively affect the semiconductors and electronics industries, the Board expects the performance to remain strong and satisfactory.

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 2010	31 October 2009	31 October 2010	31 October 2009
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	(3)	8	29	16
Deferred taxation	-	-	-	-
	(3)	8	29	16

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 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 October 2010.

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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 October 2010 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	2,421
<u>Long term</u>	
Secured	849
TOTAL	3,270

The Groups borrowings are all in Ringgit Malaysia.

22. Off Balance Sheet Financial Instruments

As at the date of this announcement, 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>
260,000	3.1073	15 Nov 2010 to 14 Feb 2011
300,000	3.1165	14 Jan 2011 to 12 May 2011

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

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

Subject to the shareholders' approval at the forthcoming Annual General Meeting, the directors proposed a final dividend of 0.5 sen per share tax exempt for the year ended 31 October 2010 at an entitlement date to be determined later.

25. Earnings/(Loss) Per Share (“EPS/LPS”)

25.1. Basic EPS/(LPS)

	Current Year Quarter	Previous Year Quarter	Current Year 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2010	31 October 2009	31 October 2010	31 October 2009
Net profit/(loss) for the year (RM'000)	1,157	(356)	2,221	(978)
Weighted average number of shares in issue ('000)	67,088	67,088	67,088	67,088
Basic EPS/(LPS) (sen)	1.72	(0.53)	3.31	(1.46)

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.

	Current Year Quarter	Previous Year Quarter	Current Year 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	31 October 2010	31 October 2009	31 October 2010	31 October 2009
Net profit for the year (RM'000)	1,157	N/A	2,221	N/A
Weighted average number of shares in issue ('000)	67,088	N/A	67,088	N/A
Effect of dilution ('000): ESOS	-	N/A	-	N/A
Adjusted weighted average number of shares in issue and issuable ('000)	67,088	N/A	67,088	N/A
Diluted EPS (sen)	1.72	N/A	3.31	N/A