

# VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE THREE (6) MONTHS YEAR ENDED 30 APRIL 2011

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30 APRIL 2011 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 30 APRIL 2010 RM'000 (Unaudited) (Reinstate)	CURRENT YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2011 RM'000 (Unaudited)	PRECEDING YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2010 RM'000 (Unaudited) (Reinstate)
Revenue	4,425	4,531	8,885	6,061
Cost of Sales	(2,440)	(2,714)	(4,602)	(3,417)
<b>Gross Profit</b>	<b>1,985</b>	<b>1,817</b>	<b>4,283</b>	<b>2,644</b>
Other Operating Income	13	55	18	124
Human Resource Related Expenses	(607)	(450)	(1,139)	(920)
Administrative Expenses	(58)	(328)	(183)	(404)
Logistic Expenses	(15)	(13)	(39)	(46)
Selling and Distribution Expenses	(488)	(501)	(608)	(636)
Research and Development	(32)	(224)	(130)	(278)
Other Operating Expenses	(355)	(210)	(617)	(455)
<b>Profit/(Loss) From Operations</b>	<b>444</b>	<b>146</b>	<b>1,586</b>	<b>29</b>
Finance Cost	(33)	(31)	(94)	(49)
<b>Profit/(Loss) Before Taxation</b>	<b>411</b>	<b>115</b>	<b>1,492</b>	<b>(20)</b>
Taxation	-	-	-	-
<b>Profit/(Loss) For The Period</b>	<b>411</b>	<b>115</b>	<b>1,492</b>	<b>(20)</b>
<b>Attributable to:</b>				
Equity holders of the parent	411	115	1,492	(20)
Minority Interest	-	-	-	-
<b>Net Profit/(Loss) For The Period</b>	<b>411</b>	<b>115</b>	<b>1,492</b>	<b>(20)</b>
<b>Profit/(Loss) Per Share</b>				
<b>(i) Basic (sen)</b>	<b>0.61</b>	<b>0.17</b>	<b>2.22</b>	<b>(0.03)</b>
<b>(ii) Fully diluted (sen)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

(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 2011

(The figures have not been audited)

	Unaudited As At 30 APRIL 2011 RM'000	Audited As At 31 OCTOBER 2010 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,170	6,482
Development expenditure	198	122
Goodwill on consolidation	1,576	1,576
Intangible Assets	56	59
Deferred tax asset	83	83
<b>Total Non-Current Assets</b>	<b>8,084</b>	<b>8,322</b>
<b>CURRENT ASSETS</b>		
Inventories	7,252	7,485
Trade receivables	3,990	8,815
Other receivables, deposits and prepayments	141	130
Fixed deposit	-	1,330
Cash and bank balances	5,467	961
<b>Total Current Assets</b>	<b>16,850</b>	<b>18,721</b>
<b>TOTAL ASSETS</b>	<b>24,934</b>	<b>27,043</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Ordinary share capital	6,709	6,709
Share Premium	8,169	8,169
Equity Compensation Reserve	66	66
Retained profits	3,994	2,502
<b>Equity attributable to equity holders of the parent</b>	<b>18,938</b>	<b>17,446</b>
Minority interests	-	-
<b>TOTAL EQUITY</b>	<b>18,938</b>	<b>17,446</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	671	846
<b>Total Non-Current Liabilities</b>	<b>671</b>	<b>846</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,321	3,605
Other payables and accruals	1,677	2,722
Borrowings	2,327	2,424
<b>Total Current Liabilities</b>	<b>5,325</b>	<b>8,751</b>
<b>TOTAL LIABILITIES</b>	<b>5,996</b>	<b>9,597</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,934</b>	<b>27,043</b>
Net assets value per share (RM)	0.28	0.26

(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 30 APRIL 2011

(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
<b>As At 31 October 2009</b>	<b>6,709</b>	<b>8,169</b>	<b>66</b>	<b>281</b>	<b>15,225</b>
Net Profit For The Year	-	-	-	2,221	2,221
<b>As At 31 October 2010</b>	<b>6,709</b>	<b>8,169</b>	<b>66</b>	<b>2,502</b>	<b>17,446</b>
Net Profit For The Period	-	-	-	1,492	1,492
<b>As At 30 April 2011</b>	<b>6,709</b>	<b>8,169</b>	<b>66</b>	<b>3,994</b>	<b>18,938</b>

(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 30 APRIL 2011

	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2011 (Unaudited)	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2010 (Unaudited)
	RM'000	RM'000
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>	<b>1,492</b>	<b>(20)</b>
Adjustment for:-		
Depreciation of property, plant and equipment	349	447
Amortisation of development expenditure	11	22
Amortisation of Trademarks and Patents	3	2
(Reversal)/Addition of provision and accruals	(1,016)	452
Development expenditure transferred to income statement	-	311
Loss on foreign exchange - unrealised	186	31
Profit on disposal of fixed asset	-	(38)
Fixed asset written off	-	210
Interest income	(18)	(11)
Interest expenses	83	41
<b>Operating profit before working capital changes</b>	<b>1,089</b>	<b>1,447</b>
Decrease/(Increase) in inventories	233	(2,672)
Decrease/(Increase) in trade and other receivables	4,780	(2,551)
(Decrease)/Increase in trade and other payables	(2,300)	2,722
<b>Cash generated from operations</b>	<b>3,803</b>	<b>(1,054)</b>
Interest paid	(83)	(41)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,720</b>	<b>(1,095)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Payment for development expenditure	(87)	(25)
Interest received	18	11
Proceed from disposal of fixed asset	-	452
Purchase of property, plant and equipment	(38)	(13)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(107)</b>	<b>425</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Drawdown of banker acceptance	3,670	956
Repayment of term loan	(151)	(182)
Repayment of banker acceptance	(3,768)	-
Repayment of HP Creditor	(23)	(22)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(272)</b>	<b>752</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,341</b>	<b>82</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>(165)</b>	<b>(1)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,291</b>	<b>2,113</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5,467</b>	<b>2,194</b>

(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 2010, 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 March 2010.

<u>Standard/Interpretation</u>	<u>Effective for the financial periods beginning on or after</u>
Amendments to FRS 1 <i>Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters</i>	1-Jan-2011
Amendments to FRS 1 <i>Additional Exemptions for First-Time Adopters</i>	1-Jan-2011
Amendments to FRS 2 <i>Group Cash-settled Share-based Payment Transactions</i>	1-Jan-2011
Amendments to FRS 7 <i>Improving Disclosure about Financial Instruments</i>	1-Jan-2011
Amendments to FRS 132 <i>Financial Instruments: Presentation</i>	1-Mar-2010
Amendments to FRSs contained in the document entitled “improvements to FRSs (2010)” FRS 1 <i>First-time Adoption of Financial Reporting Standards (revised in 2010)</i>	1-Jan-2011
FRS 3 <i>Business Combinations (revised in 2010)</i>	1-Jul-2010
FRS 127 <i>Consolidated and Separate Financial Statements (revised in 2010)</i>	1-Jul-2010
IC Interpretation 4 <i>Determining and Separate Financial Statements (revised in 2010)</i>	1-Jan-2011
IC Interpretation 12 <i>Service Concession Arrangements</i>	1-Jul-2010
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1-Jul-2010
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1-Jul-2010

IC Interpretation 18 *Transfer of Assets from Customers*

1-Jan-2011

The adoption of the new FRS and Interpretations does not have any significant impact on the financial statement of the Group and the company.

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:

	<b>As previously Reported RM'000</b>	<b>Effect of Changes in Accounting Policy RM'000</b>	<b>As Restated RM'000</b>
Property, plant and equipment	5,233	937	6,170
Prepaid land lease payment	937	(937)	-

As for FRS 139 Financial Instruments: Recognition and Measurement, the Group has performed the assessment and the financial impact is immaterial, and thus not recognized in the interim financial report:

<u>Forward Contract Amount</u>	<u>Forward Contract Rate</u>	<u>Rate@ 29/4/2011 (per BNM)</u>	<u>Financial Impact</u>
USD200,000	3.0635	2.9735	RM18,000
USD200,000	3.0395	2.9735	RM13,200
			-----
			RM31,200
			=====

## 2. Seasonal or cyclicity 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 six (6) months financial year ended 30 April 2011.

#### 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 year ended 30 April 2011.

#### 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 year ended 30 April 2011.

#### 6. Dividends Paid

There was no dividend paid during the six (6) months financial year ended 30 April 2011.

#### 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 year ended 30 April 2011.

#### 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 2010.

#### 10. Segmental Information

Sales Revenue by Geographical Market for the six (6) months financial year up to 30 April 2011:

	Current Year	Previous Year
	30 April 2011 RM'000	30 April 2010 RM'000
Malaysia	376	1,496
South East Asia	105	376
North Asia	8,229	3,122
USA	175	1,067
<b>Total</b>	<b>8,885</b>	<b>6,061</b>

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 2011.

## **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 30 April 2011, the Group generated a lower revenue of RM4,425,289, a decrease of RM106,019 or approximately 2% from the previous corresponding quarter ended 30 April 2010 of RM4,531,308. The decline in revenue was principally attributable to the weakening of USD against RM, as the Group actually recorded a higher sales volume in the current quarter as compared to the previous corresponding quarter.

In spite of the lower revenue, the Group achieved a profit before taxation of RM410,484 as compared to profit before taxation for the previous corresponding quarter ended 30 April 2010 of RM115,446.

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

The Group posted a lower revenue in the current quarter of RM4,425,289 as compared to the preceding quarter ended 31 January 2011 of RM4,459,854, representing a decrease of RM34,565 or approximately 1%.

The Group posted a lower profit before taxation of RM410,484 in the current quarter ended 30 April 2011 against a profit before taxation of RM1,081,433 in the preceding quarter ended 31 January 2011, because of more sales of higher margin products in previous quarter.

## **14. Commentary on the Prospects**

Semiconductor industry expected to remain challenging, and barring any unforeseen circumstances, the Board expects the company performance to remain satisfactory.

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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 12 Months Cumulative To-Date	Previous Year 12 Months Cumulative To-Date
	30 April 2011	30 April 2010	30 April 2011	30 April 2010
	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 2011.

## 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 2011.

## 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 January 2011 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	2,327
<u>Long term</u>	
Secured	671
<b>TOTAL</b>	<b>2,998</b>

The Groups borrowings are all in Ringgit Malaysia.

## 21. 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>
200,000	3.0635	27 Jun 2011 to 23 Nov 2011
200,000	3.0395	21 Jun 2011 to 19 Oct 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

The proposal of final dividend of 0.5 sen per share tax exempt for the year ended 31 October 2010 has been approved by shareholders at the Annual General Meeting held on 21 April 2011. The final dividend was paid on 16 May 2011.

## 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
	30 April 2011	30 April 2010	30 April 2011	30 April 2010
Net profit/(loss) for the year (RM'000)	410	115	1,492	(20)
Weighted average number of shares in issue ('000)	67,088	67,088	67,088	67,088
Basic EPS/(LPS) (sen)	0.61	0.17	2.22	(0.03)

### 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
	30 April 2011	30 April 2010	30 April 2011	30 April 2010
Net profit for the year (RM'000)	410	115	1,492	N/A
Weighted average number of shares in issue ('000)	67,088	67,088	67,088	N/A
Effect of dilution ('000): ESOS	-	23	-	N/A
Adjusted weighted average number of shares in issue and issuable ('000)	67,088	67,111	67,088	N/A
Diluted EPS (sen)	0.61	0.17	2.22	N/A

## 26. Realised and Unrealised Profits/Losses Disclosure

	<b>As at 30.4.2011</b>	<b>As at 31.1.2011</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Total retained profits/ (accumulated losses) of the Group:		
- Realised	4,176	3,767
- Unrealised	<u>(92)</u>	<u>(94)</u>
	4,084	3,673
Less: Consolidation adjustments	<u>(90)</u>	<u>(90)</u>
Total Group retained profits as per consolidated accounts	<u>3,994</u>	<u>3,583</u>

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