

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE TWELVE (12) MONTHS YEAR ENDED 31 OCTOBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 OCTOBER 2011 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 OCTOBER 2010 RM'000 (Unaudited)	CURRENT YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2011 RM'000 (Unaudited)	PRECEDING YEAR TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2010 RM'000 (audited)
Revenue	3,044	8,054	15,653	19,683
Cost of Sales	(1,861)	(4,032)	(8,697)	(10,207)
Gross Profit	1,183	4,022	6,956	9,476
Other Operating Income	41	11	68	88
Human Resource Related Expenses	(838)	(910)	(2,590)	(2,339)
Administrative Expenses	(123)	(168)	(439)	(423)
Logistic Expenses	(11)	(83)	(64)	(140)
Selling and Distribution Expenses	(269)	(704)	(943)	(2,012)
Research and Development	17	(267)	(91)	(771)
Other Operating Expenses	43	(711)	(729)	(1,487)
Profit/(Loss) From Operations	43	1,190	2,168	2,392
Finance Cost	(22)	(36)	(138)	(142)
Profit/(Loss) Before Taxation	21	1,154	2,030	2,250
Taxation	-	3	-	(29)
Profit/(Loss) For The Period	21	1,157	2,030	2,221
Attributable to:				
Equity holders of the parent	21	1,157	2,030	2,221
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Period	21	1,157	2,030	2,221
Profit/(Loss) Per Share				
(i) Basic (sen)	0.02	1.72	2.02	3.31
(ii) Fully diluted (sen)	0.02	1.72	2.02	3.31

(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 2011

	Unaudited As At 31 OCTOBER 2011 RM'000	Audited As At 31 OCTOBER 2010 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,850	6,482
Development expenditure	294	122
Goodwill on consolidation	1,576	1,576
Intangible Assets	53	59
Deferred tax asset	83	83
Total Non-Current Assets	7,856	8,322
CURRENT ASSETS		
Inventories	5,760	7,485
Trade receivables	2,405	8,815
Other receivables, deposits and prepayments	143	130
Fixed deposit	5,613	1,330
Cash and bank balances	938	961
Total Current Assets	14,859	18,721
TOTAL ASSETS	22,715	27,043
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	10,070	6,709
Share Premium	2,823	8,169
Equity Compensation Reserve	2,014	66
Retained profits	4,196	2,502
Equity attributable to equity holders of the parent	19,103	17,446
Minority interests	-	-
TOTAL EQUITY	19,103	17,446
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	496	846
Total Non-Current Liabilities	496	846
CURRENT LIABILITIES		
Trade payables	592	3,605
Other payables and accruals	1,692	2,722
Borrowings	832	2,424
Total Current Liabilities	3,116	8,751
TOTAL LIABILITIES	3,612	9,597
TOTAL EQUITY AND LIABILITIES	22,715	27,043
Net assets value per share (RM)	0.19	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 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 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
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
Net Profit For The Period	-	-	-	2,030	2,030
Exercise of ESOS	4	-	-	-	4
Dividend Payable during the period	-	-	-	(336)	(336)
Employees' Share Option Scheme Cost	-	26	(66)	-	(40)
Issuance of Bonus Issue	3,357	(5,372)	-	-	(2,015)
Warrant Reserve	-	-	2,014	-	2,014
As At 31 October 2011	10,070	2,823	2,014	4,196	19,103

(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 12 MONTHS FINANCIAL YEAR ENDED 31 OCTOBER 2011

	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2011 (Unaudited)	TWELVE (12) MONTHS CUMULATIVE TO-DATE 31 OCTOBER 2010 (audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	2,030	2,250
Adjustment for:-		
Depreciation of property, plant and equipment	688	792
Amortisation of development expenditure	22	40
Amortisation of Trademarks and Patents	5	7
(Reversal)/Addition of provision and accruals	(1,003)	1,707
Allowance for doubtful debt	-	311
Development expenditure transferred to income statement	-	275
Loss on foreign exchange - unrealised	(35)	196
Loss/(Profit) on disposal of fixed asset	1	(38)
Fixed asset written off	-	210
Interest income	(66)	(25)
Interest expenses	120	124
Employees' Share Option Scheme Cost	(40)	-
Issuance of Bonus Issue & Warrants	(2)	-
Operating profit before working capital changes	1,720	5,849
Decrease/(Increase) in inventories	1,725	(2,772)
Decrease/(Increase) in trade and other receivables	6,474	(7,176)
(Decrease)/Increase in trade and other payables	(3,023)	2,460
Cash generated from operations	6,896	(1,639)
Interest paid	(120)	(124)
Income tax paid	-	(34)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	6,776	(1,797)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Payment for development expenditure	(194)	(25)
Interest received	66	25
Proceed from disposal of fixed asset	2	452
Purchase of property, plant and equipment	(60)	(41)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(186)	411
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend Paid	(335)	-
Drawdown of banker acceptance	4,546	4,531
Repayment of term loan	(303)	(335)
Repayment of banker acceptance	(6,140)	(2,500)
Repayment of HP Creditor	(46)	(45)
Proceeds from issuance of shares	4	-
NET CASH (FOR)/ FROM FINANCING ACTIVITIES	(2,274)	1,651
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,316	265
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(56)	(87)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,291	2,113
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,551	2,291

(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 January 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>Share-based payment</i>	1-Jul-2010
Amendments to FRS 2 <i>Group Cash-settled Share-based Payment Transactions</i>	1-Jan-2011
Amendments to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1-Jul-2010
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 FRS 138 <i>Intangible Assets</i>	1-Jul-2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1-Jul-2010
Amendments to IC Interpretation 14 <i>Prepayments of a Minimum Funding Requirement</i>	1-Jul-2011
Amendments to FRSs contained in the document entitled “improvements to FRSs (2010)”	1-Jan-2011
FRS 1 <i>First-time Adoption of Financial Reporting Standards (revised in 2010)</i>	
FRS 3 <i>Business Combinations (revised in 2010)</i>	1-Jul-2010

FRS 117 (<i>Amendments</i>) <i>Leases</i>	1-Jan-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 <i>Transfer of Assets from Customers</i>	1-Jan-2011
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1-Jul-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.

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	4,919	931	5,850
Prepaid land lease payment	931	(931)	-

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 twelve (12) months financial year ended 31 October 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 twelve (12) months financial year ended 31 October 2011.

5. Debt and Equity Securities

During the twelve (12) months financial year ended 31 October 2011,

- (i) Company’s additional 42,600 new ordinary shares of RM0.10 each were issued pursuant to VIS-Employees’ Share Option Scheme and granted listing and quotation.
- (ii) Bonus issue of 33,565,100 new ordinary shares of RM0.10 each in VHB (Bonus share on the basis of one (1) bonus share for every two (2) existing VHB shares held) were issued pursuant to the Bonus Issue and were listed and quoted on the ACE market.
- (iii) Issuance of 50,347,650 free warrants in VHB (Warrants on the basis of one (1) warrant for every two (2) ordinary shares of RM0.10 each in VHB after the Bonus Issue) were listed and quoted on the ACE market.

6. Dividends Paid

There was a final dividend of 0.5 sen per share tax exempt for the year ended 31 October 2010 being paid on 16 May 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 twelve (12) months financial year ended 31 October 2011.

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9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 Oct 2011</u>	<u>31 Oct 2010</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	6,361,000	6,361,000

10. Segmental Information

Sales Revenue by Geographical Market for the twelve (12) months financial year up to 31 October 2011:

	Current Year	Previous Year
	31 October 2011	31 October 2010
	RM'000	RM'000
Malaysia	1,308	2,072
South East Asia	1,776	629
North Asia	12,242	12,920
USA	327	4,062
Total	15,653	19,683

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 31 October 2011, the Group generated lower revenue of RM3,044,011, a decrease of RM5,010,022 or approximately 62% from the previous corresponding quarter ended 31 October 2010 of RM8,054,033. The decline in revenue was mainly attributable to the decrease in sales volume in the current quarter as compared to the previous corresponding quarter in response to the slowdown in semiconductor industry.

With the lower revenues, the Group achieved a profit before taxation of RM20,596 as compared to profit before taxation for the previous corresponding quarter ended 31 October 2010 of RM1,154,159.

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 RM3,044,011 as compared to the preceding quarter ended 31 July 2011 of RM3,723,543, representing a decrease of RM679,532 or approximately 18%.

The Group achieve a relative lower profit before taxation of RM20,596, against a profit before taxation of RM516,792 in the preceding quarter ended 31 July 2011, mainly due to the lower revenue and also inventory scrap performed during the current quarter.

14. Commentary on the Prospects

Semiconductor industry expected to remain soft and coupled with the uncertainty of the global economy, we do not expect to meet any significant sales during the coming two quarters. However, with the strong financial position and cash flow position, we can take advantage of the upturn in demand in the second half of the year.

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 2011	31 October 2010	31 October 2011	31 October 2010
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	-	(3)	-	29
Deferred taxation	-	-	-	-
	-	(3)	-	29

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 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 31 October 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 October 2011 were as follows:

<u>Short term</u>	<u>RM ‘000</u>
Secured	832
<u>Long term</u>	
Secured	496
TOTAL	1,328

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>
250,000	3.1885	15 Feb 2012 to 13 June 2012

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 final dividend of 0.5 sen per share tax exempt for the year ended 31 October 2010 approved by shareholders at the Annual General Meeting held on 21 April 2011 was paid subsequently 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 9 Months Cumulative To-Date
	31 October 2011	31 October 2010	31 October 2011	31 October 2010
Net profit/(loss) for the year (RM'000)	21	1,157	2,030	2,221
Weighted average number of shares in issue ('000)	100,696	67,088	100,696	67,088
Basic EPS/(LPS) (sen)	0.02	1.72	2.02	3.31

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 year 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 2011	31 October 2010	31 October 2011	31 October 2010
Net profit for the year (RM'000)	21	1,157	2,030	2,221
Weighted average number of shares in issue ('000)	100,696	67,088	100,696	67,088
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	100,696	67,088	100,696	67,088
Diluted EPS (sen)	0.02	1.72	2.02	3.31

26. Realised and Unrealised Profits Disclosure

The realised and unrealised profits of the Group are as follows:

	<u>As at 31.10.2011</u> <u>RM'000</u>	<u>As at 31.07.2011</u> <u>RM'000</u>
Total retained profits of the Group:		
- Realised	4,090	4,250
- unrealised	<u>207</u>	<u>15</u>
	4,297	4,265
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits/ (accumulated losses) as per consolidated accounts	<u>4,207</u>	<u>4,175</u>

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