

VisDynamicsHoldings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE (9) MONTHS YEAR ENDED 31 JULY 2012

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JULY 2012 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JULY 2011 RM'000 (Unaudited)	CURRENT YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2012 RM'000 (Unaudited)	PRECEDING YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2011 RM'000 (audited)
Revenue	3,900	3,724	6,040	12,609
Cost of Sales	(2,382)	(2,234)	(3,633)	(6,836)
Gross Profit	1,518	1,490	2,407	5,773
Other Operating Income	28	9	91	27
Human Resource Related Expenses	(663)	(612)	(2,025)	(1,751)
Administrative Expenses	(112)	(134)	(310)	(316)
Logistic Expenses	(19)	(14)	(39)	(53)
Selling and Distribution Expenses	(250)	(65)	(290)	(674)
Research and Development	-	21	69	(108)
Other Operating Expenses	(94)	(155)	(452)	(772)
(Loss)/Profit From Operations	408	540	(549)	2,126
Finance Cost	(29)	(23)	(56)	(117)
(Loss)/Profit Before Taxation	379	517	(605)	2,009
Taxation	-	-	-	-
(Loss)/Profit For The Period	379	517	(605)	2,009
Attributable to:				
Equity holders of the parent	379	517	(605)	2,009
Minority Interest	-	-	-	-
Net (Loss)/Profit For The Period	379	517	(605)	2,009
(Loss)/Profit Per Share				
(i) Basic (sen)	0.38	0.77	(0.60)	2.99
(ii) Fully diluted (sen)	0.38	0.77	(0.60)	2.99

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

VisDynamicsHoldings Berhad

(Company No: 677095-M)
Incorporated in Malaysia

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2012

	Unaudited As At 31 JULY 2012 RM'000	Audited As At 31 OCTOBER 2011 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,586	5,850
Development expenditure	842	294
Goodwill on consolidation	1,576	1,576
Intangible Assets	48	53
Deferred tax asset	83	83
Total Non-Current Assets	8,135	7,856
CURRENT ASSETS		
Inventories	6,963	5,760
Trade receivables	3,444	2,405
Other receivables, deposits and prepayments	32	143
Fixed deposit	2,852	5,613
Cash and bank balances	1,506	938
Total Current Assets	14,797	14,859
TOTAL ASSETS	22,932	22,715
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	10,070	10,070
Share Premium	2,823	2,823
Equity Compensation Reserve	2,014	2,014
Retained profits	3,591	4,196
Equity attributable to equity holders of the parent	18,498	19,103
Minority interests	-	-
TOTAL EQUITY	18,498	19,103
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	225	499
Total Non-Current Liabilities	225	499
CURRENT LIABILITIES		
Trade payables	1,615	592
Other payables and accruals	1,110	1,692
Borrowings	1,484	829
Total Current Liabilities	4,209	3,113
TOTAL LIABILITIES	4,434	3,612
TOTAL EQUITY AND LIABILITIES	22,932	22,715
Net assets value per share (RM)	0.18	0.19

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

VDynamicsHoldings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 2012

(The figures have not been audited)

	Share Capital	Share Premium	Share Option Reserve	Warrant Reserve	Retained Profits	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As At 31 October 2010	6,709	8,169	66	-	2,502	17,446
Net Profit For The Period	-	-	-	-	2,029	2,029
Exercise of ESOS	4	26	-	-	-	30
Dividend paid during the period	-	-	-	-	(335)	(335)
Employees' Share Option Scheme Cost	-	-	(66)	-	-	(66)
Issuance of Bonus Issue	3,357	(3,357)	-	-	-	(0)
Issuance of Warrant	-	(2,015)	-	2,014	-	(1)
As At 31 October 2011	10,070	2,823	-	2,014	4,196	19,103
Net Loss For The Period	-	-	-	-	(605)	(605)
As At 31 July 2012	10,070	2,823	-	2,014	3,591	18,498

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial statements)

VisDynamicsHoldings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 2012

	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2012 (Unaudited)	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2011 (audited)
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(605)	2,009
Adjustment for:-		
Depreciation of property, plant and equipment	445	524
Amortisation of development expenditure	17	17
Amortisation of Trademarks and Patents	5	4
(Reversal)/Addition of provision and accruals	(571)	(997)
Development expenditure transferred to income statement	-	-
Loss on foreign exchange - unrealised	23	171
Profit on disposal of fixed asset	2	-
Interest income	(91)	(27)
Interest expenses	43	102
Employees' Share Option Scheme Cost	-	(40)
Operating profit before working capital changes	(732)	1,763
(Increase)/Decrease in inventories	(1,203)	747
(Increase)/Decrease in trade and other receivables	(938)	3,774
Increase/(Decrease) in trade and other payables	1,009	(2,365)
Cash generated from operations	(1,864)	3,919
Interest paid	(43)	(102)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(1,907)	3,817
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for development expenditure	(564)	(105)
Interest received	91	27
Proceed from disposal of fixed asset	2	-
Purchase of property, plant and equipment	(184)	(51)
NET CASH FOR INVESTING ACTIVITIES	(655)	(129)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend Paid	-	(335)
Drawdown of banker acceptance	1,090	4,109
Repayment of term loan	(235)	(226)
Repayment of banker acceptance	(438)	(5,285)
Repayment of HP Creditor	(36)	(35)
Proceeds from issuance of shares	-	4
NET CASH FOR FINANCING ACTIVITIES	381	(1,768)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,181)	1,920
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(12)	(138)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	6,551	2,291
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,358	4,073

(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 2011, 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 2011.

<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 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
IC Interpretation 4 <i>Determining and Separate Financial Statements</i> (revised in 2010)	1-Jan-2011
IC Interpretation 18 <i>Transfer of Assets from Customers</i>	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.

2. Seasonal or cyclical 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 nine (9) months financial year ended 31 July 2012.

4. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the nine (9) months financial year ended 31 July 2012.

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 nine (9) months financial period ended 31 July 2012.

6. Dividends Paid

There was no dividend paid during the nine (9) months financial period ended 31 July 2012.

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 nine (9) months financial year ended 31 July 2012.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 Jul 2012</u>	<u>31 Jul 2011</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	5,561,000	6,361,000

10. Segmental Information

Sales Revenue by Geographical Market for the nine (9) months financial period up to 31 July 2012:

	Current Year	Previous Year
	31 July 2012 RM'000	31 July 2011 RM'000
Malaysia	177	862
South East Asia	448	218
North Asia	5,297	11,236
USA	118	293
Total	6,040	12,609

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 July 2012.

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 July 2012, the Group generated revenue of RM3,900,291, an increase of RM176,748 or approximately 5% from the previous corresponding quarter ended 31 July 2011 of RM3,723,543. The increase in revenue was mainly attributable to the increase in sales volume in the current quarter as compared to the previous corresponding quarter.

Despite the increase in revenue in current quarter ended 31 July 2012, the Group posted a profit before taxation of RM378,314, which shows a decrease as compared to profit before taxation for the previous corresponding quarter ended 31 July 2011 of RM516,792 as service commission expenses were incurred for current quarter's sales as compared to nil for previous corresponding quarter.

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 RM3,900,291 as compared to the preceding quarter ended 30 April 2012 of RM775,730, representing an increase of RM3,124,561 or approximately 403%.

With higher revenue in the current quarter, the Group posted a profit before taxation of RM378,314 as compared to a loss before taxation of RM694,792 in the preceding quarter ended 30 April 2012.

14. Commentary on the Prospects

Although the semiconductor industry continues to remain soft, the Company has received orders that are expected to translate into satisfactory revenue in the coming quarter. However, in view of the continue slowdown in the semiconductor industry and uncertainty in the global economy, the financial performance of the company during the financial year is not expected to exceed the previous financial 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.

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17. Tax Expense

Taxation comprises the following:

In respect of:-	Current Year Quarter	Previous Year Quarter	Current Year 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2012	31 July 2011	31 July 2012	31 July 2011
	RM'000	RM'000	RM'000	RM'000
	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. Status of Corporate Proposal and Utilisation of Proceeds

18.1. Status of Corporate Proposal Proposed and Not Complete

There was no corporate proposal announced but not completed as at the date of this announcement.

18.2. 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.

19. Group Borrowings and Debt Securities

Group borrowings as at 31 July 2012 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	1,484
<u>Long term</u>	
Secured	225
TOTAL	1,709

The Groups borrowings are all in Ringgit Malaysia.

20. 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.

21. Dividend Payable

The Group has not recommended or declared any dividend during the current quarter and nine (9) months financial year to date ended 31 July 2012.

22. Profit/(Loss)/ Before Taxation

Profit/(loss) before taxation is stated after charging/(crediting) :-

	Current Year Quarter	Current Year 9 Months Cumulative To- Date
	31 July 2012	31 July 2012
	RM'000	RM'000
Interest Income	(28)	(91)
Interest Expense	25	43
Depreciation of Property, Plant & Equipment	136	445
Amortisation of Development Expenditure	6	17
Amortisation of Trademarks & Patents	2	5
(Gain)/Loss on Foreign Exchange-Unrealised	(43)	23
(Reversal)/Addition of Provision & Accruals	(25)	(571)
Profit on Disposal of Fixed Assets	-	2

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

23.1. Basic EPS/(LPS)

	Current Year Quarter	Previous Year Quarter	Current Year 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2012	31 July 2011	31 July 2012	31 July 2011
Net (loss)/profit for the year (RM'000)	379	517	(605)	2,009
Weighted average number of shares in issue ('000)	100,696	67,131	100,696	67,131
Basic (LPS)/EPS (sen)	0.38	0.77	(0.60)	2.99

23.2. 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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2012	31 July 2011	31 July 2012	31 July 2011
Net (loss)/profit for the year (RM'000)	379	517	(605)	2,009
Weighted average number of shares in issue ('000)	100,696	67,131	100,696	67,131
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	100,696	67,131	100,696	67,131
Diluted (LPS)/ EPS (sen)	0.38	0.77	(0.60)	2.99

24. Realised and Unrealised Profits Disclosure

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

	As at 31.07.2012	As at 30.04.2012
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	3,658	3,323
- unrealised	<u>23</u>	<u>(20)</u>
	3,681	3,303
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits/ (accumulated losses) as per consolidated accounts	<u>3,591</u>	<u>3,213</u>

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