

VisDynamicsHoldings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE (3) MONTHS YEAR ENDED 31 JANUARY 2013

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2013 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2012 RM'000 (Unaudited)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2013 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2012 RM'000 (audited)
Revenue	149	1,364	149	1,364
Cost of Sales	(158)	(659)	(158)	(659)
Gross (Loss)/ Profit	(9)	705	(9)	705
Other Operating Income	40	27	40	27
Human Resource Related Expenses	(645)	(667)	(645)	(667)
Administrative Expenses	(50)	(49)	(50)	(49)
Logistic Expenses	(4)	(7)	(4)	(7)
Selling and Distribution Expenses	(17)	(24)	(17)	(24)
Research and Development	(34)	(29)	(34)	(29)
Other Operating Expenses	(121)	(231)	(121)	(231)
(Loss)/Profit From Operations	(840)	(275)	(840)	(275)
Finance Cost	(10)	(13)	(10)	(13)
(Loss)/Profit Before Taxation	(850)	(288)	(850)	(288)
Taxation	-	-	-	-
(Loss)/Profit For The Year	(850)	(288)	(850)	(288)
Attributable to:				
Equity holders of the parent	(850)	(288)	(850)	(288)
Minority Interest	-	-	-	-
Net (Loss)/Profit For The Year	(850)	(288)	(850)	(288)
(Loss)/Profit Per Share				
(i) Basic (sen)	(0.84)	(0.29)	(0.84)	(0.29)
(ii) Fully diluted (sen)	(0.84)	(0.29)	(0.84)	(0.29)

(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 STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013

	Unaudited As At 31 JANUARY 2013 RM'000	Audited As At 31 OCTOBER 2012 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,365	5,479
Development expenditure	1,184	1,034
Goodwill on consolidation	1,576	1,576
Intangible Assets	45	46
Deferred tax asset	83	83
Total Non-Current Assets	8,253	8,218
CURRENT ASSETS		
Inventories	5,696	5,131
Trade receivables	1,228	3,039
Other receivables, deposits and prepayments	7	157
Fixed deposit	3,450	3,750
Cash and bank balances	998	2,030
Total Current Assets	11,379	14,107
TOTAL ASSETS	19,632	22,325
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	2,907	3,757
Equity attributable to equity holders of the parent	17,814	18,664
Minority interests	-	-
TOTAL EQUITY	17,814	18,664
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	40	135
Total Non-Current Liabilities	40	135
CURRENT LIABILITIES		
Trade payables	479	364
Other payables and accruals	798	1,537
Borrowings	501	1,625
Total Current Liabilities	1,778	3,526
TOTAL LIABILITIES	1,818	3,661
TOTAL EQUITY AND LIABILITIES	19,632	22,325
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 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2013

(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 2011 (Audited)	10,070	2,823	-	2,014	4,196	19,103
Net Loss for the year	-	-	-	-	(439)	(439)
As At 31 October 2012 (Audited)	10,070	2,823	-	2,014	3,757	18,664
Net Loss for the year					(850)	(850)
As At 31 January 2013 (Unaudited)	10,070	2,823	-	2,014	2,907	17,814

(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 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2013

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2013 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2012 (audited)
	RM'000	RM'000
NET LOSS BEFORE TAXATION	(850)	(288)
Adjustment for:-		
Depreciation of property, plant and equipment	117	151
Amortisation of development expenditure	2	6
Amortisation of Trademarks and Patents	1	2
Reversal of provision and accruals	(508)	(564)
Development expenditure transferred to income statement	-	-
Loss on foreign exchange - unrealised	1	83
Loss on disposal of fixed asset	-	-
Interest income	(40)	(27)
Interest expenses	6	9
Operating profit before working capital changes	(1,271)	(628)
(Increase)/Decrease in inventories	(565)	175
Decrease in trade and other receivables	1,978	906
Decrease in trade and other payables	(132)	(481)
Cash generated from operations	10	(28)
Interest paid	(6)	(9)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	4	(37)
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for development expenditure	(152)	(105)
Interest received	40	27
Purchase of property, plant and equipment	(3)	(5)
NET CASH FOR INVESTING ACTIVITIES	(115)	(83)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of banker acceptance	-	-
Repayment of term loan	(81)	(77)
Repayment of banker acceptance	(1,126)	(438)
Repayment of HP Creditor	(12)	(12)
NET CASH FOR FINANCING ACTIVITIES	(1,219)	(527)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,330)	(647)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(1)	(19)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5,779	6,551
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,448	5,885

(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 2012, 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 2012.

<u>Standard/Interpretation</u>	<u>Effective for the financial periods beginning on or after</u>
Amendments to FRS 1 - <i>Severe Hyperinflation And Removal of Fixed Dates for First-Time Adopters</i>	1-Jan-2012
Amendments to FRS 7	
- <i>Transfer of Financial Assets</i>	1-Jan-2012
- <i>Mandatory Effective Date of MFRS 9 and Transition Disclosure</i>	March 2012
Amendments to FRS 9 - <i>Mandatory Effective Date of FRS 9 and Transition Disclosures</i>	March 2012
Amendments to FRS 101 - <i>Presentation of Items of Other Comprehensive Income</i>	1-July-2012
Amendments to FRS 112 - <i>Deferred Tax : Recovery of Underlying Assets</i>	1-Jan-2012
Amendments to FRS 124 - <i>Related Party Disclosures</i>	1-Jan-2012

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 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 three (3) months financial year ended 31 January 2013.

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 year ended 31 January 2013.

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 2013.

6. Dividends Paid

There was no dividend paid during the three (3) months financial period ended 31 January 2013.

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 year ended 31 January 2013.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 Jan 2013</u>	<u>31 Jan 2012</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	5,561,000	5,561,000

10. Segmental Information

Sales Revenue by Geographical Market for the three (3) months financial period up to 31 January 2013:

	Current Year	Previous Year
	31 January 2013 RM'000	31 January 2012 RM'000
Malaysia	31	111
South East Asia	98	194
North Asia	14	1,019
USA	6	40
Total	149	1,364

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 January 2013.

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 January 2013, the Group generated revenue of RM149,447, a decrease of RM1,214,658 or approximately 89% from the previous corresponding quarter ended 31 January 2012 of RM1,364,105. The decrease in revenue was mainly attributable to the decrease in sales volume in the current quarter as compared to the previous corresponding quarter.

With the lower revenues, the Group posted a loss before taxation of RM849,740, which shows an increase in loss as compared to loss before taxation for the previous corresponding quarter ended 31 January 2012 of RM288,161.

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 RM149,447 as compared to the preceding quarter ended 31 October 2012 of RM3,706,546, representing a decrease of RM3,557,099 or approximately 96%.

With the lower revenues, the Group posted a loss before taxation of RM849,740 as compared to profit before taxation of RM165,949 in the preceding quarter ended 31 October 2012.

14. Commentary on the Prospects

In spite of the global semiconductor industry navigating difficult macroeconomic conditions in 2012, the encouraging growth led by the Americas in recent months has the industry pointed in the right direction heading into 2013. Thus, subject to the external market conditions and macroeconomic factors, we are cautiously optimistic on the improved sales for this new 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.

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 2013	31 January 2012	31 January 2013	31 January 2012
	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. 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 January 2013 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	501
<u>Long term</u>	
Secured	40
TOTAL	541

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 three (3) months financial year to date ended 31 January 2013.

22. Profit/(Loss)/ Before Taxation

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

	Current Year Quarter	Current Year 3 Months Cumulative To-Date
	31 January 2013	31 January 2013
	RM'000	RM'000
Interest Income	(40)	(40)
Interest Expense	6	6
Depreciation of Property, Plant & Equipment	117	117
Amortisation of Development Expenditure	2	2
Amortisation of Trademarks & Patents	1	1
Loss/(Gain) on Foreign Exchange-Unrealised	1	1
(Reversal)/Addition of Provision & Accruals	(508)	(508)

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

23.1. Basic EPS/(LPS)

	Current Year Quarter	Previous Year Quarter	Current Year 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2013	31 January 2012	31 January 2013	31 January 2012
Net loss for the year (RM'000)	(850)	(288)	(850)	(288)
Weighted average number of shares in issue ('000)	100,696	100,696	100,696	100,696
Basic LPS (sen)	(0.84)	(0.29)	(0.84)	(0.29)

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 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2013	31 January 2012	31 January 2013	31 January 2012
Net loss for the year (RM'000)	(850)	(288)	(850)	(288)
Weighted average number of shares in issue ('000)	100,696	100,696	100,696	100,696
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	100,696	100,696	100,696	100,696
Diluted (LPS)/ EPS (sen)	(0.84)	(0.29)	(0.84)	(0.29)

24. Realised and Unrealised Profits Disclosure

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

	As at 31.01.2013 RM'000	As at 31.10.2012 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	2,998	3,848
- unrealised	<u>(1)</u>	<u>(1)</u>
	2,997	3,847
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>2,907</u>	<u>3,757</u>

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