

VisDynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE (9) MONTHS YEAR ENDED 31 JULY 2014

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JULY 2014 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JULY 2013 RM'000 (Audited)	CURRENT YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2014 RM'000 (Unaudited)	PRECEDING YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2013 RM'000 (Audited)
Revenue	3,959	1,990	10,843	3,209
Cost of Sales	(1,822)	(1,443)	(5,504)	(2,330)
Gross Profit	2,137	547	5,339	879
Other Operating Income	15	17	34	84
Human Resource Related Expenses	(635)	(546)	(1,786)	(1,605)
Administrative Expenses	(276)	(225)	(741)	(636)
Logistic Expenses	(8)	(38)	(29)	(45)
Selling and Distribution Expenses	(822)	(7)	(1,803)	(102)
Research and Development	(180)	139	(332)	48
Other Operating Expenses	(180)	50	(387)	(206)
Profit/(Loss) From Operations	51	(63)	295	(1,583)
Finance Cost	(15)	(16)	(25)	(39)
Profit/(Loss) Before Taxation	36	(79)	270	(1,622)
Taxation	-	-	-	-
Profit/(Loss) For The Year	36	(79)	270	(1,622)
Attributable to:				
Equity holders of the parent	36	(79)	270	(1,622)
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Year	36	(79)	270	(1,622)
Profit/(Loss) Per Share				
(i) Basic (sen)	0.04	(0.08)	0.27	(1.61)
(ii) Fully diluted (sen)	0.04	(0.08)	0.27	(1.61)

(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 STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2014

	Unaudited As At 31 JULY 2014 RM'000	Audited As At 31 OCTOBER 2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,834	5,112
Development expenditure	2,542	1,996
Goodwill on consolidation	1,576	1,576
Intangible Assets	53	51
Deferred tax asset	83	83
Total Non-Current Assets	9,088	8,818
CURRENT ASSETS		
Inventories	7,537	6,126
Trade receivables	1,338	810
Other receivables, deposits and prepayments	99	126
Fixed deposit	700	1,500
Cash and bank balances	4,130	709
Total Current Assets	13,804	9,271
TOTAL ASSETS	22,892	18,089
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	10,070	10,070
Share Premium	2,823	2,823
Warrant Reserve	2,014	2,014
Retained profits	1,632	1,362
Equity attributable to equity holders of the parent	16,539	16,269
Minority interests	-	-
TOTAL EQUITY	16,539	16,269
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	-	-
Total Non-Current Liabilities	-	-
CURRENT LIABILITIES		
Trade payables	3,557	316
Other payables and accruals	2,165	1,137
Borrowings	631	367
Total Current Liabilities	6,353	1,820
TOTAL LIABILITIES	6,353	1,820
TOTAL EQUITY AND LIABILITIES	22,892	18,089
Net assets value per share (RM)	0.16	0.16

(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 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 2014

(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 2012 (Audited)	10,070	2,823	-	2,014	3,757	18,664
Net Loss for the year					(2,395)	(2,395)
As At 31 October 2013 (Audited)	10,070	2,823	-	2,014	1,362	16,269
Net Profit for the year					270	270
As At 31 July 2014 (Unaudited)	10,070	2,823	-	2,014	1,632	16,539

(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 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 2014

	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2014 (Unaudited)	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2013 (Audited)
	RM'000	RM'000
NET PROFIT/(LOSS) BEFORE TAXATION	270	(1,622)
Adjustment for:-		
Depreciation of property, plant and equipment	333	345
Amortisation of development expenditure	-	2
Amortisation of Trademarks and Patents	7	8
Reversal/(addition) of provision and accruals	1,302	(366)
(Gain)/ Loss on foreign exchange - unrealised	46	(123)
Interest income	(34)	(83)
Interest expenses	12	27
Operating gain/(loss) before working capital changes	1,936	(1,812)
(Increase) in inventories	(1,411)	(1,090)
(Increase) / Decrease in trade and other receivables	(517)	2,362
Increase in trade and other payables	2,975	143
Cash generated for operations	2,983	(397)
Interest paid	(12)	(27)
NET CASH FROM / (FOR) OPERATING ACTIVITIES	2,971	(424)
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for development expenditure	(546)	(491)
Interest received	34	83
Proceed from disposal of fixed asset	-	-
Additional of Trademarks & Patents	(9)	(13)
Purchase of property, plant and equipment	(55)	(18)
NET CASH FOR INVESTING ACTIVITIES	(576)	(439)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of banker acceptance	614	883
Repayment of term loan	(93)	(247)
Repayment of banker acceptance	(220)	(1,233)
Repayment of HP Creditor	(38)	(36)
NET CASH FROM / (FOR) FINANCING ACTIVITIES	263	(633)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,658	(1,496)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(37)	48
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,209	5,779
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,830	4,331

(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 Malaysian Financial Reporting Standard (MFRS) 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 2013.

As at the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee (“IC”) Interpretations have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group and the Company :

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities</i>
Amendments to MFRS 127	<i>Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments : Presentation –Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
Amendments to MFRS 9	<i>Financial Instruments</i>

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant effect to the financial statements of the Group and of the Company upon their initial application.

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 2014.

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 period ended 31 July 2014.

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 2014.

6. Dividends Paid

There was no dividend paid during the nine (9) months financial period ended 31 July 2014.

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 period ended 31 July 2014.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 July 2014</u>	<u>30 April 2014</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 nine (9) months financial period up to 31 July 2014:

	Current Year	Previous Year
	31 July 2014 RM'000	31 July 2013 RM'000
Malaysia	55	46
South East Asia	2,037	250
North Asia	8,320	2,785
USA	431	128
Total	10,843	3,209

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 2014.

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 2014, the Group generated revenue of RM3,959,161, an increase of RM1,969,255 from the previous corresponding quarter ended 31 July 2013 of RM1,989,906. The increase in revenue was mainly attributable to the increase in sales volume in the current quarter as compared to the previous corresponding quarter.

With the higher revenues the Group posted a profit before taxation of RM36,403 in the current quarter as compared to loss before taxation for the previous corresponding quarter ended 31 July 2013 of RM78,693.

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 RM3,959,161 as compared to the preceding quarter ended 30 April 2014 of RM3,115,710, representing an increase of RM843,451.

The Group posted a profit before taxation of RM36,403 as compared to loss before taxation of RM347,575 in the preceding quarter ended 30 April 2014.

14. Commentary on the Prospects

In view of the improved sales during these three quarters, in comparison with the previous corresponding quarters, the Board is optimistic on a better performance for this financial year 2014, as compared to the previous 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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2014	31 July 2013	31 July 2014	31 July 2013
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-

18. Status of Corporate Proposal

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

19. Group Borrowings and Debt Securities

Group borrowings as at 31 July 2014 were as follows:

<u>Short term</u>	<u>RM '000</u>
Secured	631
<u>Long term</u>	
Secured	-
TOTAL	631

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 period ended 31 July 2014.

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 2014	31 July 2014
	RM'000	RM'000
Interest Income	(15)	(34)
Other income including investment income	-	-
Interest Expense	11	12
Depreciation of Property, Plant & Equipment	111	333
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-

(Gain)/Loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Amortisation of Development Expenditure	-	-
Amortisation of Trademarks & Patents	2	7
Loss/(Gain) on Foreign Exchange-Unrealised	(18)	46
(Reversal)/Addition of Provision & Accruals	(223)	1,302
Profit on Disposal of Fixed Assets	-	-
Exceptional items	-	-

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 2014	31 July 2013	31 July 2014	31 July 2013
Net profit for the year (RM'000)	36	(79)	270	(1,622)
Weighted average number of shares in issue ('000)	100,696	100,696	100,696	100,696
Basic EPS (sen)	0.04	(0.08)	0.27	(1.61)

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 2014	31 July 2013	31 July 2014	31 July 2013
Net loss for the year (RM'000)	36	(79)	270	(1,622)
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 EPS (sen)	0.04	(0.08)	0.27	(1.61)

24. Realised and Unrealised Profits Disclosure

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

	As at 31.07.2014 RM'000	As at 30.04.2014 RM'000
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Total retained profits of the Group:		
- Realised	1,679	1,600
- Unrealised	<u>43</u>	<u>86</u>
	1,722	1,686
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>1,632</u>	<u>1,596</u>

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