

Vis Dynamics Holdings Berhad

(Company No: 677095-M)

Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE (9) MONTHS YEAR ENDED 31 JULY 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JULY 2015 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JULY 2014 RM'000 (Unaudited)	CURRENT YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2015 RM'000 (Unaudited)	PRECEDING YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2014 RM'000 (Unaudited)
Revenue	2,505	3,959	8,569	10,843
Cost of Sales	(1,413)	(1,822)	(4,395)	(5,504)
Gross Profit	1,092	2,137	4,174	5,339
Other Operating Income	239	15	404	34
Human Resource Related Expenses	(745)	(635)	(2,164)	(1,786)
Administrative Expenses	(321)	(276)	(971)	(741)
Selling and Distribution Expenses	(237)	(830)	(735)	(1,832)
Research and Development	15	(180)	(145)	(332)
Other Operating Expenses	16	(180)	(205)	(387)
Profit/(Loss) From Operations	59	51	358	295
Finance Cost	(9)	(15)	(40)	(25)
Profit/(Loss) Before Taxation	50	36	318	270
Taxation	-	-	-	-
Profit/(Loss) For The Year	50	36	318	270
Attributable to:				
Equity holders of the parent	50	36	318	270
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Year	50	36	318	270
Profit/(Loss) Per Share				
(i) Basic (sen)	0.05	0.04	0.30	0.27
(ii) Fully diluted (sen)	0.05	0.04	0.30	0.27

(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 FINANCIAL POSITION AS AT 31 JULY 2015

	Unaudited As At 31 JULY 2015 RM'000	Audited As At 31 OCTOBER 2014 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,415	4,744
Development expenditure	2,050	2,275
Goodwill on consolidation	1,576	1,576
Intangible Assets	59	51
Deferred tax asset	83	83
Total Non-Current Assets	9,183	8,729
CURRENT ASSETS		
Inventories	7,256	6,965
Trade receivables	1,861	3,335
Other receivables, deposits and prepayments	248	309
Fixed deposit	3,909	2,700
Cash and bank balances	1,313	1,173
Total Current Assets	14,587	14,482
TOTAL ASSETS	23,770	23,211
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	11,070	10,070
Share Premium	4,403	2,823
Warrant Reserve	2,014	2,014
Retained profits	2,920	2,602
Equity attributable to equity holders of the parent	20,407	17,509
Minority interests	-	-
TOTAL EQUITY	20,407	17,509
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	239	-
Total Non-Current Liabilities	239	-
CURRENT LIABILITIES		
Trade payables	671	819
Other payables and accruals	2,209	2,365
Borrowings	244	2,518
Total Current Liabilities	3,124	5,702
TOTAL LIABILITIES	3,363	5,702
TOTAL EQUITY AND LIABILITIES	23,770	23,211
Net assets value per share (RM)	0.18	0.17

(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 2015

(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
Current Period To Date Ended 31 July 2015						
As at 31 October 2014 (Audited)	10,070	2,823	-	2,014	2,602	17,509
Net Profit for the year	-	-	-	-	318	318
Issued during the period	1,000	1,580	-	-	-	2,580
As At 31 July 2015 (Unaudited)	11,070	4,403	-	2,014	2,920	20,407
Corresponding Year To Date Ended 31 July 2014						
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 2015

	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2015 (Unaudited)	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2014 (Unaudited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	318	270
Adjustment for:-		
Depreciation of property, plant and equipment	349	333
Amortisation of development expenditure	201	-
Amortisation of Trademarks and Patents	6	7
Addition/(Reversal) of provision and accruals	286	1,302
Gain on foreign exchange - unrealised	(121)	46
Interest income	(68)	(34)
Interest expenses	29	12
Operating gain before working capital changes	1,000	1,936
(Increase)/Decrease in inventories	(290)	(1,411)
Decrease/(Increase) in trade and other receivables	1,575	(517)
(Decrease)/Increase in trade and other payables	(595)	2,975
Cash generated for operations	1,690	2,983
Interest paid	(29)	(12)
NET CASH FROM OPERATING ACTIVITIES	1,661	2,971
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal of development expenditure	23	(546)
Interest received	68	34
Proceed from disposal of fixed asset	-	-
Additional of Trademarks & Patents	(14)	(9)
Purchase of property, plant and equipment	(1,021)	(55)
NET CASH FOR INVESTING ACTIVITIES	(944)	(576)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of banker acceptance	1,505	614
Drawdown of HP Creditor	293	-
Repayment of term loan	-	(93)
Repayment of banker acceptance	(3,823)	(220)
Repayment of HP Creditor	(10)	(38)
Proceeds received from Private Placement	2,580	-
NET CASH FROM/ (FOR) FINANCING ACTIVITIES	545	263
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,262	2,658
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	87	(37)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,873	2,209
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,222	4,830

(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 2014.

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 November 2014

Amendments to MFRS 5	<i>Non- current Assets Held for Sale and Discontinued Operations</i>
Amendments to MFRS 7	<i>Financial Instruments Disclosure</i>
Amendments to MFRS 9	<i>Financial Instruments</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements</i>
Amendments to MFRS 11	<i>Joint Agreements</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities</i>
Amendments to MFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to MFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment</i>
Amendments to MFRS 119	<i>Employee Benefits</i>
Amendments to MFRS 127	<i>Separate Financial Statements</i>
Amendments to MFSR 128	<i>Investments in Associates and Joint Ventures</i>
Amendments to MFRS 134	<i>Interim Financial Reporting</i>
Amendments to MFRS 138	<i>Intangible Assets</i>
Amendments to MFRS 141	<i>Agriculture</i>

The Group and the Company will adopt the above pronouncements (if applicable) 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

Subject to Note 5, 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 2015.

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 2015.

5. Debt and Equity Securities

On 22 April 2015, the Group completed private placement of 10,000,000 new ordinary shares of RM0.10 each in the Company to independent third party investors at issue price of RM0.27 per share for a total consideration of RM2,700,000.

6. Dividends Paid

There was no dividend paid during the nine (9) months financial period ended 31 July 2015.

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 2015.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 July 2015</u>	<u>31 October 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 2015 :

	Current Year	Previous Year
	31 July 2015	31 July 2014
	RM'000	RM'000
Malaysia	148	55
South East Asia	1,400	2,037
North Asia	6,602	8,320
USA	419	431
Total	8,569	10,843

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 2015.

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 2015, the Group generated revenue of RM2,505,372, a decrease of RM1,453,789 from the previous corresponding quarter ended 31 July 2014 of RM3,959,161. The decrease in revenue was due to the decrease in sales of machines in the current quarter as compared to the previous corresponding quarter.

In spite of the decrease in sales, the Group posted a profit before taxation of RM49,551 in the current quarter as compared to the profit before taxation for the previous corresponding quarter ended 31 July 2014 of RM36,403, mainly due to unrealized forex gain resulted from the strengthening of USD, decrease in Selling &

Distribution expenses due to lower sales and service commission, and also R&D grant received from the government in the current quarter.

The Group generated total revenue of RM8,569,193 for the nine months period ended 31 July 2015, posting a decrease of RM2,273,983 from the previous corresponding period ended 31 July 2014 of RM10,843,176. The decrease in revenue in this current period was mainly due to decrease in sales of machines as compared to previous corresponding period.

Profit before taxation of the Group for the nine months period ended 31 July 2015 registered at RM318,120 as compared to profit before taxation of RM270,262 in the previous corresponding financial period ended 31 July 2014 which represents an increase in profit of RM47,858. The increase in profit in this current period was mainly attributed by R&D Grant received from government.

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 RM2,505,372 as compared to the preceding quarter ended 30 April 2015 of RM2,790,497, representing a decrease of RM285,125.

However, the Group posted a profit before taxation of RM49,551 as compared to loss before taxation of RM413,222 in the preceding quarter ended 30 April 2015. This was mainly attributed by R&D Grant received from government in this current quarter.

14. Commentary on the Prospects

In the Board’s view, the results for this financial year are unlikely to exceed that of previous year’s due to the global economic slowdown. However, the Board believes in the Group’s long term prospects with the introduction of new product models.

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 2015	31 July 2014	31 July 2015	31 July 2014
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-

Subject to the agreement of the Inland Revenue Board, the Company does not provide income tax expenses as there are sufficient unabsorbed business losses and available capital allowances to offset against the taxable income.

18. Status of Corporate Proposal and Utilisation of Proceeds

18.1 Status of Corporate Proposal Proposed and Not Complete

On 28 April 2015, the Company has entered into a Heads of Agreement (“HOA”) with the ultimate controlling shareholders of PT. Cipta Srigati Lestari (“CSL”) to negotiate exclusively with the intention to finalise and enter into the relevant definitive agreements within sixty (60) days from the date of the HOA.

The corporate proposals contemplated to be undertaken by VHB pursuant to the HOA comprises the following :-

- 1) Proposed reverse take-over of the Company by CSL to be satisfied by the issuance of new ordinary shares (“Consideration Shares”);
- 2) Proposed fund raising via issuance of new shares;
- 3) Proposed offer for sale of part of the Consideration Shares by the CSL Vendors; and
- 4) Proposed management buy-out by the current management of the Company.

The parties to the Heads of Agreement had on 23 June 2015 mutually agreed to further extend the deadline for the execution of the relevant definitive agreements for a further period of four (4) months to 28 October 2015 for the finalisation of the terms of the Proposals.

18.2 Utilisation of Proceeds

The utilisation of proceeds raised from private placement completed on 22 April 2015 is as follow:-

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'000	RM'000		RM'000	%	
Working Capital	1,230	837	Within 12 months	0	0%	-
Business Expansion	1,350	161	Within 12 months	0	0%	-
Expenses for the Private Placement	120	120	Within 1 month	0	0%	-
Total	2,700	1,118		0	0%	

19. Group Borrowings and Debt Securities

Group borrowings as at 31 July 2015 were as follows:

<u>Short term</u>	<u>RM '000</u>
Hire purchase payables	48
Bankers acceptances	196
<u>Long term</u>	
Hire purchase payables	239
TOTAL	483

The Groups borrowings are all secured and 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 2015.

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 2015	31 July 2015
	RM'000	RM'000
Interest Income	32	68
Other income including investment income	-	-
Interest Expense	5	29
Depreciation of Property, Plant & Equipment	122	349
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	79	201
Amortisation of Trademarks & Patents	3	6
(Gain)/Loss on Foreign Exchange-Unrealised	(145)	(121)
(Reversal)/Addition of Provision & Accruals	299	286
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 2015	31 July 2014	31 July 2015	31 July 2014
Net profit for the year (RM'000)	50	36	318	270
Weighted average number of shares in issue ('000)	110,695	100,696	104,395	100,696
Basic (LPS)/EPS (sen)	0.05	0.04	0.30	0.27

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 2015	31 July 2014	31 July 2015	31 July 2014
Net profit for the year (RM'000)	50	36	318	270
Weighted average number of shares in issue ('000)	110,695	100,696	104,395	100,696
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	110,695	100,696	104,395	100,696
Diluted (LPS)/EPS (sen)	0.05	0.04	0.30	0.27

24. Realised and Unrealised Profits Disclosure

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

	As at 31.07.2015 RM'000	As at 31.10.2014 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	2,762	2,565
- Unrealised	<u>248</u>	<u>127</u>
	3,010	2,692
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>2,920</u>	<u>2,602</u>

25. Derivatives

As at the end of this quarter, the Group has the following foreign exchange contract to sell forward USD with the licensed bank:-

Foreign Exchange Contract	Total Contract/Notional Value (RM'000)	Total Fair Value (RM'000)
Less than 1 year	2,065,525	2,078,630

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