

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 THREE (3) MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2016 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2015 RM'000 (Audited)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2016 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2015 RM'000 (Audited)
Revenue	4,214	3,273	4,214	3,273
Cost of Sales	(2,368)	(1,637)	(2,368)	(1,637)
Gross Profit	1,846	1,636	1,846	1,636
Other Operating Income	172	235	172	235
Human Resource Related Expenses	(841)	(707)	(841)	(707)
Administrative Expenses	(424)	(357)	(424)	(357)
Selling and Distribution Expenses	(238)	(137)	(238)	(137)
Research and Development	(144)	33	(144)	33
Other Operating Expenses	(115)	-	(115)	-
Profit/(Loss) From Operations	256	703	256	703
Finance Cost	(15)	(21)	(15)	(21)
Profit/(Loss) Before Taxation	241	682	241	682
Taxation	-	-	-	-
Profit/(Loss) For The Year	241	682	241	682
Attributable to:				
Equity holders of the parent	241	682	241	682
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Year	241	682	241	682
Profit/(Loss) Per Share				
(i) Basic (sen)	0.22	0.68	0.22	0.68
(ii) Fully diluted (sen)	0.22	0.68	0.22	0.68

(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 JANUARY 2016

	Unaudited As At 31 JANUARY 2015 RM'000	Audited As At 31 OCTOBER 2015 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,208	5,298
Development expenditure	1,919	1,976
Goodwill on consolidation	1,576	1,576
Intangible Assets	55	57
Deferred tax asset	83	83
Total Non-Current Assets	8,841	8,990
CURRENT ASSETS		
Inventories	8,996	7,761
Trade receivables	3,462	639
Other receivables, deposits and prepayments	133	169
Fixed deposit	2,778	3,819
Cash and bank balances	1,382	1,400
Total Current Assets	16,751	13,788
TOTAL ASSETS	25,592	22,778
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	11,070	11,070
Share Premium	4,403	4,403
Warrant Reserve	2,014	2,014
Retained profits	2,177	1,936
Equity attributable to equity holders of the parent	19,664	19,423
Minority interests	-	-
TOTAL EQUITY	19,664	19,423
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	221	233
Total Non-Current Liabilities	221	233
CURRENT LIABILITIES		
Trade payables	2,984	580
Other payables and accruals	2,015	1,943
Borrowings	708	599
Total Current Liabilities	5,707	3,122
TOTAL LIABILITIES	5,928	3,355
TOTAL EQUITY AND LIABILITIES	25,592	22,778
Net assets value per share (RM)	0.18	0.18

(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 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2016

(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 January 2016						
As at 31 October 2015 (Audited)	11,070	4,403	-	2,014	1,936	19,423
Net Profit for the year	-	-	-	-	241	241
Issued during the period	-	-	-	-	-	-
As At 31 January 2016 (Unaudited)	11,070	4,403	-	2,014	2,177	19,664
Corresponding Year To Date Ended 31 January 2015						
As at 31 October 2014 (Audited)	10,070	2,823	-	2,014	2,602	17,509
Net Profit for the year					682	682
As At 31 January 2015 (Audited)	10,070	2,823	-	2,014	3,284	18,191

(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 3 MONTHS FINANCIAL YEAR ENDED 31 JANUARY 2016

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2016 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2015 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	241	682
Adjustment for:-		
Depreciation of property, plant and equipment	138	113
Amortisation of development expenditure	116	61
Amortisation of Trademarks and Patents	2	2
Addition/(Reversal) of provision and accruals	735	(137)
Loss/(Gain) on foreign exchange - unrealised	115	(67)
Interest income	(27)	(121)
Interest expenses	12	17
Operating gain before working capital changes	1,332	550
(Increase)/Decrease in inventories	(1,236)	(307)
(Increase)/Decrease in trade and other receivables	(2,918)	1,414
Increase/(Decrease) in trade and other payables	1,774	(599)
Cash generated (for)/ from operations	(1,048)	1,058
Interest paid	(12)	(17)
NET CASH (FOR)/ FROM OPERATING ACTIVITIES	(1,060)	1,041
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal of development expenditure	(59)	(212)
Interest received	27	121
Purchase of property, plant and equipment	(47)	(210)
NET CASH FOR INVESTING ACTIVITIES	(79)	(301)
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES		
Drawdown of banker acceptance	422	935
Repayment of banker acceptance	(313)	(1,924)
Repayment of HP Creditor	(12)	(4)
NET CASH FROM/ (FOR) FINANCING ACTIVITIES	97	(993)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,042)	(253)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(17)	45
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5,219	3,873
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,160	3,665

(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 2015.

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 2016

Amendments to MFRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations-Amendment to MFRS5 (Annual Improvements to MFRSs 2012-2014 Cycle)</i>
Amendments to MFRS 7	<i>Financial Instruments Disclosure-Amendment to MFRS7 (Annual Improvements to MFRSs 2012-2014 Cycle)</i>
Amendments to MFRS 9	<i>Financial Instruments</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements-Investment Entities: Applying the Consolidation Exception (Amendments to MFRS10, MFRS12 and MFRS 128)</i>
Amendments to MFRS 11	<i>Joint Agreements-Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS11)</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities-Investment Entities: Applying the Consolidation Exception (Amendments to MFRS10, MFRS12 and MFRS 128)</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-Disclosure Initiative (Amendments to MFRS 101)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment-Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS116 and MFRS138)</i>
Amendments to MFRS 119	<i>Employee Benefits-Amendment to MFRS5 (Annual Improvements to MFRSs 2012-2014 Cycle)</i>

Amendments to MFRS 127	<i>Separate Financial Statements-Equity Method in Separate Financial Statements (Amendments to MFRS127)</i>
Amendments to MFSR 128	<i>Investments in Associates and Joint Ventures-Investment Entities: Applying the Consolidation Exception (Amendments to MFRS10, MFRS12 and MFRS 128)</i>
Amendments to MFRS 134	<i>Interim Financial Reporting-Amendment to MFRS134 (Annual Improvements to MFRSs 2012-2014 Cycle)</i>
Amendments to MFRS 138	<i>Intangible Assets-Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS116 and MFRS138)</i>
Amendments to MFRS 141	<i>Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)</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 nature 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 2016.

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 period ended 31 January 2016.

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 2016.

6. Dividends Paid

There was no dividend paid during the three (3) months financial period ended 31 January 2016.

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 period ended 31 January 2016.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 January 2016</u>	<u>31 October 2015</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 2016:

	Current Year	Previous Year
	31 January 2016	31 January 2015
	RM'000	RM'000
Malaysia	62	44
South East Asia	1,395	92
North Asia	2,698	2,731
USA	59	406
Total	4,214	3,273

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 2016.

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 2016, the Group generated revenue of RM 4,214,173, an increase of RM940,849 from the previous corresponding quarter ended 31 January 2015 of RM3,273,324. The increase in revenue was due to the increase in sales of machines in the current quarter as compared to the previous corresponding quarter.

In spite of the increase in sales, the Group posted a profit before taxation of RM241,060 in the current quarter as compared to the profit before taxation for the previous corresponding quarter ended 31 January 2015 of RM681,791, mainly due to unrealized forex loss resulting from the weakening of USD, higher travelling expenses and sales and service commission, and also higher R&D costs incurred.

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 RM4,214,173 as compared to the preceding quarter ended 31 October 2015 of RM865,116, representing an increase of RM3,349,057.

As a result of higher revenue, the Group posted a profit before taxation of RM241,060 as compared to loss before taxation of RM983,921 in the preceding quarter ended 31 October 2015.

14. Commentary on the Prospects

In view of the introduction of new product model & market improvement in the semiconductor & electronics industries, the board is optimistic on the business prospect for this 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 2016	31 January 2015	31 January 2016	31 January 2015
	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 26 October 2015 mutually agreed to the request to further extend the deadline for the execution of the

relevant definitive agreements for a period of four (6) months up to 28 April 2016 due to the prevailing global economic conditions and volatility in the Indonesian Rupiah foreign exchange rate.

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	843	Within 12 months	0	0%	-
Business Expansion	1,350	192	Within 12 months	0	0%	-
Expenses for the Private Placement	120	120	Within 1 month	0	0%	-
Total	2,700	1,155		0	0%	

19. Group Borrowings and Debt Securities

Group borrowings as at 31 January 2016 were as follows:

<u>Short term</u>	<u>RM '000</u>
Hire purchase payables	48
Bankers acceptances	660
<u>Long term</u>	
Hire purchase payables	221
TOTAL	929

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 three (3) months financial period ended 31 January 2016.

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 2016	31 January 2016
	RM'000	RM'000
Interest Income	(27)	(27)
Other income including investment income	(172)	(172)
Interest Expense	12	12
Depreciation of Property, Plant & Equipment	138	138
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	116	116
Amortisation of Trademarks & Patents	2	2
(Gain)/Loss on Foreign Exchange-Unrealised	115	115
(Reversal)/Addition of Provision & Accruals	735	735
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 3 Months Cumulative To-Date	Previous Year 3 Months Cumulative To-Date
	31 January 2016	31 January 2015	31 January 2016	31 January 2015
Net profit for the year (RM'000)	241	682	241	682
Weighted average number of shares in issue ('000)	110,695	100,696	110,695	100,696
Basic (LPS)/EPS (sen)	0.22	0.68	0.22	0.68

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 2016	31 January 2015	31 January 2016	31 January 2015
Net profit for the year (RM'000)	241	682	241	682
Weighted average number of shares in issue ('000)	110,695	100,696	110,695	100,696
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	110,695	100,696	110,695	100,696
Diluted (LPS)/EPS (sen)	0.22	0.68	0.22	0.68

24. Realised and Unrealised Profits Disclosure

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

	As at 31.01.2016 RM'000	As at 31.10.2015 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	1,999	1,754
- Unrealised	<u>268</u>	<u>272</u>
	2,267	2,026
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>2,177</u>	<u>1,936</u>

25. Derivatives

There was no outstanding derivatives as at 31 January 2016.