

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 FINANCIAL YEAR ENDED 31 JULY 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JULY 2016 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JULY 2015 RM'000 (Audited)	CURRENT YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2016 RM'000 (Unaudited)	PRECEDING YEAR NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2015 RM'000 (Audited)
Revenue	8,071	2,505	15,727	8,569
Cost of Sales	(2,695)	(1,413)	(7,004)	(4,395)
Gross Profit	5,376	1,092	8,723	4,174
Other Operating Income	268	239	539	404
Human Resource Related Expenses	(1,181)	(745)	(2,874)	(2,164)
Administrative Expenses	(483)	(321)	(1,374)	(971)
Selling and Distribution Expenses	(1,633)	(237)	(2,049)	(735)
Research and Development	(302)	15	(611)	(145)
Other Operating Expenses	(38)	16	(97)	(205)
Profit/(Loss) From Operations	2,007	59	2,257	358
Finance Cost	(33)	(9)	(108)	(40)
Profit/(Loss) Before Taxation	1,974	50	2,149	318
Taxation	-	-	-	-
Profit/(Loss) For The Year	1,974	50	2,149	318
Attributable to:				
Equity holders of the parent	1,974	50	2,149	318
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Year	1,974	50	2,149	318
Profit/(Loss) Per Share				
(i) Basic (sen)	1.78	0.05	1.94	0.30
(ii) Fully diluted (sen)	1.78	0.05	1.94	0.30

(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 2016

	Unaudited As At 31 JULY 2016 RM'000	Audited As At 31 OCTOBER 2015 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,979	5,298
Development expenditure	1,823	1,976
Goodwill on consolidation	1,576	1,576
Intangible Assets	50	57
Deferred tax asset	83	83
Total Non-Current Assets	8,511	8,990
CURRENT ASSETS		
Inventories	12,209	7,761
Trade receivables	5,944	639
Other receivables, deposits and prepayments	259	169
Fixed deposit	2,260	3,819
Cash and bank balances	1,453	1,400
Total Current Assets	22,125	13,788
TOTAL ASSETS	30,636	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	4,085	1,936
Equity attributable to equity holders of the parent	21,572	19,423
Minority interests	-	-
TOTAL EQUITY	21,572	19,423
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	203	233
Total Non-Current Liabilities	203	233
CURRENT LIABILITIES		
Trade payables	1,674	580
Other payables and accruals	3,564	1,943
Borrowings	3,623	599
Total Current Liabilities	8,861	3,122
TOTAL LIABILITIES	9,064	3,355
TOTAL EQUITY AND LIABILITIES	30,636	22,778
Net assets value per share (RM)	0.19	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 9 MONTHS FINANCIAL YEAR ENDED 31 JULY 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
As at 31 October 2015 (Audited)	11,070	4,403	-	2,014	1,936	19,423
Net Profit for the year	-	-	-	-	2,149	2,149
As At 31 JULY 2016 (Unaudited)	11,070	4,403	-	2,014	4,085	21,572
As at 31 October 2014 (Audited)	10,070	2,823	-	2,014	2,602	17,509
Net Profit for the year	-	-	-	-	269	269
Issued during the year	1,000	1,580	-	-	-	2,580
As At 31 JULY 2015 (Audited)	11,070	4,403	-	2,014	2,871	20,358

(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 2016

	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2016 (Unaudited)	NINE (9) MONTHS CUMULATIVE TO-DATE 31 JULY 2015 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	2,149	318
Adjustment for:-		
Depreciation of property, plant and equipment	416	349
Amortisation of development expenditure	337	201
Amortisation of Trademarks and Patents	7	6
Addition/(Reversal) of provision and accruals	1,801	286
Loss/(Gain) on foreign exchange - unrealised	94	(121)
Interest income	(71)	(68)
Interest expenses	94	29
Operating gain before working capital changes	4,827	1,000
(Increase)/Decrease in inventories	(4,448)	(290)
(Increase)/Decrease in trade and other receivables	(4,967)	1,575
(Decrease)/Increase in trade and other payables	392	(595)
Cash generated for operations	(4,196)	1,690
Interest paid	(94)	(29)
NET CASH FROM OPERATING ACTIVITIES	(4,290)	1,661
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal of development expenditure	(183)	23
Interest received	71	68
Additional of Trademarks & Patents	-	(14)
Purchase of property, plant and equipment	(96)	(1,021)
NET CASH FOR INVESTING ACTIVITIES	(208)	(944)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of banker acceptance	4,744	1,505
Drawdown of HP Creditor	-	293
Repayment of banker acceptance	(1,720)	(3,823)
Repayment of HP Creditor	(30)	(10)
Proceeds received from Private Placement	-	2,580
NET CASH FROM/ (FOR) FINANCING ACTIVITIES	2,994	545
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,504)	1,262
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(2)	87
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5,219	3,873
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,713	5,222

(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

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-Clarifications to MFRS 15</i>
MFRS 16	<i>Leases</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements-Disclosure Initiative (Amendments to MFRS 101)</i>
Amendments to MFRS 107	<i>Statement of Cash Flows-Disclosure Initiative</i>
Amendments to MFRS 112	<i>Recognition of Deferred tax Assets for Unrealised Losses</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 nine (9) months financial year ended 31 July 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 nine (9) months financial period ended 31 July 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 nine (9) months financial period ended 31 July 2016.

6. Dividends Paid

There was no dividend paid during the nine (9) months financial period ended 31 July 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 nine (9) months financial period ended 31 July 2016.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 July 2016</u> (RM)	<u>31 October 2015</u> (RM)
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 2016:

	Current Year	Previous Year
	31 July 2016 RM'000	31 July 2015 RM'000
Malaysia	190	148
South East Asia	9,542	1,400
North Asia	5,911	6,602
USA	84	419
Total	15,727	8,569

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 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 July 2016, the Group generated revenue of RM8,071,495, an increase of RM5,566,123 from the corresponding quarter ended 31 July 2015 of RM2,505,372.

The Group posted a profit before taxation of RM1,973,752 in the current quarter as compared to the loss before taxation of RM49,551.

In the current year ended 31 July 2016, the Group generated revenue of RM 15,726,873, an increase of RM7,157,680 from the previous corresponding year ended 31 July 2015 of RM8,569,193. The increase in revenue was due to the increase in sales of machines in the current year as compared to the previous corresponding year.

In line with the increase in sales, the Group posted a profit before taxation of RM2,149,307 in the current year as compared to the profit before taxation for the previous corresponding year ended 31 July 2015 of RM318,120.

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 RM8,071,495 as compared to the preceding quarter ended 30 April 2016 of RM3,441,205, representing an increase of RM4,630,290. The increase in revenue was due to the increase in sales of machines.

As a result of higher revenue, the Group posted a profit before taxation of RM1,973,752 as compared to loss before taxation of RM65,499 in the preceding quarter ended 30 April 2016.

14. Commentary on the Prospects

In view of the improved sales year to date, the Board is confident this momentum should be continued till this end of 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 9 Months Cumulative To-Date	Previous Year 9 Months Cumulative To-Date
	31 July 2016	31 July 2015	31 July 2016	31 July 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

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

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18.2 Utilisation of Proceeds

As at the announcement date of this report, the total gross proceeds of RM2.7 million raised from Private Placement completed on 22 April 2015 has been fully utilized as follows:

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

19. Group Borrowings and Debt Securities

Group borrowings as at 31 July 2016 were as follows:

<u>Short term</u>	<u>RM '000</u>
Hire purchase payables	48
Bankers acceptances	3,575
<u>Long term</u>	
Hire purchase payables	203
TOTAL	3,826

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 2016.

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 2016	31 July 2016
	RM'000	RM'000
Interest Income	(19)	(70)
Other income including investment income	-	-
Interest Expense	34	94
Depreciation of Property, Plant & Equipment	140	416
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	110	337
Amortisation of Trademarks & Patents	2	7
(Gain)/Loss on Foreign Exchange-Unrealised	(144)	94
(Reversal)/Addition of Provision & Accruals	1,676	1,801
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 2016	31 July 2015	31 July 2016	31 July 2015
Net profit for the year (RM'000)	1,974	50	2,149	318
Weighted average number of shares in issue ('000)	110,695	110,696	110,695	104,395
Basic (LPS)/EPS (sen)	1.78	0.05	1.94	0.30

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 2016	31 July 2015	31 July 2016	31 July 2015
Net profit for the year (RM'000)	1,974	50	2,149	318
Weighted average number of shares in issue ('000)	110,695	110,696	110,695	104,395
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	110,695	110,696	110,695	104,395
Diluted (LPS)/EPS (sen)	1.78	0.05	1.94	0.30

24. Realised and Unrealised Profits Disclosure

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

	As at 31.07.2016 RM'000	As at 31.10.2015 RM'000
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Total retained profits of the Group:		
- Realised	3,886	1,754
- Unrealised	<u>289</u>	<u>272</u>
	4,175	2,026
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>4,085</u>	<u>1,936</u>

25. Derivatives

There was no outstanding derivative as at 31 July 2016.