

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 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31 JANUARY 2017 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 31 JANUARY 2016 RM'000 (Audited)	CURRENT YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2017 RM'000 (Unaudited)	PRECEDING YEAR THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2016 RM'000 (Audited)
Revenue	6,048	4,214	6,048	4,214
Cost of Sales	(2,333)	(2,368)	(2,333)	(2,368)
Gross Profit	3,715	1,846	3,715	1,846
Other Operating Income	467	172	467	172
Human Resource Related Expenses	(877)	(841)	(877)	(841)
Administrative Expenses	(489)	(424)	(489)	(424)
Selling and Distribution Expenses	(891)	(238)	(891)	(238)
Research and Development	(422)	(144)	(422)	(144)
Other Operating Expenses	(353)	(115)	(353)	(115)
Profit From Operations	1,150	256	1,150	256
Finance Cost	(25)	(15)	(25)	(15)
Profit Before Taxation	1,125	241	1,125	241
Taxation	(3)	-	(3)	-
Profit For The Period	1,122	241	1,122	241
Attributable to:				
Equity holders of the parent	1,122	241	1,122	241
Minority Interest	-	-	-	-
Net Profit For The Period	1,122	241	1,122	241
Profit Per Share				
(i) Basic (sen)	1.02	0.22	1.02	0.22
(ii) Fully diluted (sen)	1.02	0.22	1.02	0.22

(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 2017

	Unaudited As At 31 JANUARY 2017 RM'000	Audited As At 31 OCTOBER 2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,967	4,861
Development expenditure	1,400	1,727
Goodwill on consolidation	1,576	1,576
Intangible Assets	46	48
Total Non-Current Assets	7,989	8,212
CURRENT ASSETS		
Inventories	11,684	10,050
Trade receivables	3,057	4,721
Other receivables, deposits and prepayments	152	486
Fixed deposit	6,125	5,745
Cash and bank balances	5,046	4,821
Total Current Assets	26,064	25,823
TOTAL ASSETS	34,053	34,035
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	11,070	11,070
Share Premium	6,417	6,417
Retained profits	7,354	6,232
Equity attributable to equity holders of the parent	24,841	23,719
Minority interests	-	-
TOTAL EQUITY	24,841	23,719
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	184	203
Deferred Tax Liability	498	498
Total Non-Current Liabilities	682	701
CURRENT LIABILITIES		
Trade payables	2,831	1,347
Taxation payables	549	546
Other payables and accruals	2,853	5,101
Borrowings	2,297	2,621
Total Current Liabilities	8,530	9,615
TOTAL LIABILITIES	9,212	10,316
TOTAL EQUITY AND LIABILITIES	34,053	34,035
Net assets value per share (RM)	0.22	0.21

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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 2017

(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 2016 (Audited)	11,070	6,417	-	-	6,232	23,719
Net Profit for the quarter/period	-	-	-	-	1,122	1,122
As At 31 January 2017 (Unaudited)	11,070	6,417	-	-	7,354	24,841
As at 31 October 2015 (Audited)	11,070	4,403	-	2,014	1,936	19,423
Net Profit for the year	-	-	-	-	4,296	4,296
Warrants expired during the year	-	2,014	-	(2,014)	-	-
As At 31 October 2016 (Audited)	11,070	6,417	-	-	6,232	23,719

(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 2017

	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2017 (Unaudited)	THREE (3) MONTHS CUMULATIVE TO-DATE 31 JANUARY 2016 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	1,125	241
Adjustment for:-		
Depreciation of property, plant and equipment	142	138
Amortisation of development expenditure	134	116
Amortisation of Trademarks and Patents	2	2
(Reversal)/Addition of provision and accruals	(1,995)	735
(Gain)/Loss on foreign exchange - unrealised	(88)	115
Development expenditure transferred to property, plant and equipment	(158)	-
Interest income	(52)	(27)
Interest expenses	20	12
Operating gain before working capital changes	(870)	1,332
Increase in inventories	(1,633)	(1,236)
Decrease/(Increase) in trade and other receivables	2,406	(2,918)
Decrease in trade and other payables	811	1,774
Cash generated for operations	714	(1,048)
Interest paid	(20)	(12)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	694	(1,060)
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal/(payment) of development expenditure	193	(59)
Interest received	52	27
Purchase of property, plant and equipment	(90)	(47)
NET CASH FOR INVESTING ACTIVITIES	155	(79)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of banker acceptance	1,163	422
Repayment of banker acceptance	(1,497)	(313)
Repayment of HP Creditor	(9)	(12)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	(343)	97
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	506	(1,042)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	99	(17)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	10,566	5,219
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,171	4,160

(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 2018:

Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards-Amendments to MFRS1 (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>
Amendments to MFRS 2	<i>Classification and measurement of share-based Payment Transaction</i>
Amendments to MFRS 9	<i>Financial Instruments</i>
Amendments to MFRS 15	<i>Revenue from Contracts with Customers</i>
MFRS 16	<i>Leases</i>
Amendments to MFRS 128	<i>Investments in Associates and Joint Ventures-Amendments to MFRS 128 (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>
Amendments to MFRS 140	<i>Investment Property-Transfers of Investment Property (Amendments to MFRS 140)</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 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 period ended 31 January 2017.

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 2017.

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 2017.

6. Dividends Paid

There was no dividend paid during the three (3) months financial period ended 31 January 2017.

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 2017.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>31 January 2017</u>	<u>31 January 2016</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 2017:

	31 January 2017 RM'000	31 January 2016 RM'000
Malaysia	429	62
South East Asia	676	1,395
North Asia	4,884	2,698
USA	46	59
Europe	13	-
Total	6,048	4,214

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 2017.

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/financial year ended 31 January 2017, the Group generated revenue of RM6,047,675, an increase of RM1,833,502 from the corresponding quarter/financial year ended 31 January 2016 of 4,214,173.

The increase in revenue was due to the increase in sales of machines in the current quarter/financial year as compared to the previous corresponding quarter/financial year.

In line with the increase in sales, the Group posted a profit before taxation of 1,125,280 in the current year as compared to the profit before taxation for the previous corresponding year ended 31 January 2016 of RM241,060.

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 RM6,047,675 as compared to the preceding quarter ended 31 October 2016 of RM11,740,761, representing decrease of RM5,693,086. The decrease in sales was attributed by the decrease in sales of machines.

As a result of lower revenue, the Group posted a profit before taxation of RM1,125,280 as compared to profit before taxation of RM3,274,759 in the preceding quarter ended 31 October 2016.

14. Commentary on the Prospects

Based on the latest industry forecast and coupled with the anticipation of new product launches, the Company is optimistic on its business prospect for financial year 2017.

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 2017	31 January 2016	31 January 2017	31 January 2016
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	3	-	3	-
Deferred taxation	-	-	-	-
	3	-	3	-

18. Status of Corporate Proposal Proposed and Not Complete

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 January 2017 were as follows:

<u>Short term</u>	<u>RM '000</u>
Hire purchase payables	48
Bankers acceptances	<u>2,249</u>
	2,297
<u>Long term</u>	
Hire purchase payables	184
TOTAL	2,481

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 declared an Interim Single-Tier Dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 October 2017, entitlement date 7 April 2017 and payment date 4 May 2017.

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 2017	31 January 2017
	RM'000	RM'000
Interest Income	(52)	(52)
Interest Expense	20	20
Depreciation of Property, Plant & Equipment	142	142
Amortisation of Development Expenditure	134	134
Amortisation of Trademarks & Patents	2	2
(Gain)/Loss on Foreign Exchange-Unrealised	(88)	(88)
(Additional)/Reversal of Provision & Accruals	(1,995)	(1,995)

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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 2017	31 January 2016	31 January 2017	31 January 2016
Net profit for the year (RM'000)	1,122	241	1,122	241
Weighted average number of shares in issue ('000)	110,695	110,695	110,695	110,695
Basic EPS/(LPS) (sen)	1.02	0.22	1.02	0.22

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 2017	31 January 2016	31 January 2017	31 January 2016
Net profit for the year (RM'000)	1,122	241	1,122	241
Weighted average number of shares in issue ('000)	110,695	110,695	110,695	110,695
Effect of dilution ('000): ESOS	-	-	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	110,695	110,695	110,695	110,695
Diluted EPS/(LPS) (sen)	1.02	0.22	1.02	0.22

24. Realised and Unrealised Profits Disclosure

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

	As at 31.01.2017 RM'000	As at 31.01.2016 RM'000
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Total retained profits of the Group:		
- Realised	7,055	1,999
- Unrealised	<u>389</u>	<u>269</u>
	7,444	2,267
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>7,354</u>	<u>2,177</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)	Total Fair Value (RM)
Less than 1 year	1,888,980	1,890,825

As at 31 January 2017, the Group has hedged USD436K at rates from 4.433 to 4.46.

The above instruments are executed with credit worthy financial institutions in Malaysia and as such credit and counterparties risks are minimal. There is no cash requirement for these contracts. Policies to mitigate or control the risk associated with foreign exchange forward contracts are consistent with those of last financial year.

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