

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 SIX (6) MONTHS FINANCIAL YEAR ENDED 30 APRIL 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30 APRIL 2017 RM'000 (Unaudited)	PRECEDING YEAR QUARTER ENDED 30 APRIL 2016 RM'000 (Audited)	CURRENT YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2017 RM'000 (Unaudited)	PRECEDING YEAR SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2016 RM'000 (Audited)
Revenue	8,763	3,441	14,811	7,655
Cost of Sales	(2,968)	(1,941)	(5,300)	(4,309)
Gross Profit	5,795	1,500	9,511	3,346
Other Operating Income	223	305	570	464
Human Resource Related Expenses	(1,686)	(852)	(2,564)	(1,693)
Administrative Expenses	(501)	(467)	(989)	(891)
Selling and Distribution Expenses	(1,274)	(178)	(2,164)	(416)
Research and Development	(397)	(165)	(820)	(309)
Other Operating Expenses	(133)	(150)	(368)	(252)
Profit/(Loss) From Operations	2,027	(7)	3,176	249
Finance Cost	(52)	(59)	(76)	(74)
Profit/(Loss) Before Taxation	1,975	(66)	3,100	175
Taxation	(230)	-	(230)	-
Profit/(Loss) For The Period	1,745	(66)	2,870	175
Attributable to:				
Equity holders of the parent	1,745	(66)	2,870	175
Minority Interest	-	-	-	-
Net Profit/(Loss) For The Period	1,745	(66)	2,870	175
Profit/(Loss) Per Share				
(i) Basic (sen)	1.58	(0.06)	2.59	0.16
(ii) Fully diluted (sen)	1.58	(0.06)	2.59	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 FINANCIAL POSITION AS AT 30 APRIL 2017

	Unaudited As At 30 APRIL 2017 RM'000	Audited As At 31 OCTOBER 2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,864	4,861
Development expenditure	1,248	1,727
Goodwill on consolidation	1,576	1,576
Intangible Assets	44	48
Total Non-Current Assets	7,732	8,212
CURRENT ASSETS		
Inventories	14,823	10,050
Trade receivables	9,074	4,721
Other receivables, deposits and prepayments	375	486
Fixed deposit	2,725	5,745
Cash and bank balances	4,746	4,821
Total Current Assets	31,743	25,823
TOTAL ASSETS	39,475	34,035
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	11,070	11,070
Share Premium	6,417	6,417
Retained profits	8,547	6,232
Equity attributable to equity holders of the parent	26,034	23,719
Minority interests	-	-
TOTAL EQUITY	26,034	23,719
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	175	203
Deferred Tax Liability	498	498
Total Non-Current Liabilities	673	701
CURRENT LIABILITIES		
Trade payables	4,535	1,347
Taxation payables	776	546
Other payables and accruals	4,696	5,101
Borrowings	2,761	2,621
Total Current Liabilities	12,768	9,615
TOTAL LIABILITIES	13,441	10,316
TOTAL EQUITY AND LIABILITIES	39,475	34,035
Net assets value per share (RM)	0.24	0.21

(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 6 MONTHS FINANCIAL YEAR ENDED 30 APRIL 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 year	-	-	-	-	2,870	2,870
Dividend paid during the year	-	-	-	-	(555)	(555)
As At 30 April 2017 (Unaudited)	11,070	6,417	-	-	8,547	26,034
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 6 MONTHS FINANCIAL YEAR ENDED 30 APRIL 2017

	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2017 (Unaudited)	SIX (6) MONTHS CUMULATIVE TO-DATE 30 APRIL 2016 (Audited)
	RM'000	RM'000
NET PROFIT BEFORE TAXATION	3,100	175
Adjustment for:-		
Depreciation of property, plant and equipment	278	276
Amortisation of development expenditure	321	226
Amortisation of Trademarks and Patents	4	4
(Reversal)/ Addition of provision and accruals	(141)	125
Loss on foreign exchange - unrealised	19	238
Interest income	(117)	(51)
Interest expenses	66	60
Operating gain before working capital changes	3,530	1,053
Increase in inventories	(4,773)	(4,177)
Increase in trade and other receivables	(4,053)	(1,119)
Increase in trade and other payables	2,613	1,231
Cash generated for operations	(2,683)	(3,012)
Interest paid	(66)	(60)
NET CASH USED IN OPERATING ACTIVITIES	(2,749)	(3,072)
CASH FLOWS FOR INVESTING ACTIVITIES		
Reversal/(payment) of development expenditure	162	(135)
Interest received	117	51
Purchase of property, plant and equipment	(284)	(66)
NET CASH USED IN INVESTING ACTIVITIES	(5)	(150)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(555)	-
Drawdown of banker acceptance	3,506	2,832
Repayment of banker acceptance	(3,376)	(655)
Repayment of HP Creditor	(19)	(21)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(444)	2,156
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,198)	(1,066)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	103	(74)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	10,566	5,219
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,471	4,079

(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 MFSR 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 six (6) months financial period ended 30 April 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 six (6) months financial period ended 30 April 2017.

5. Debt and Equity Securities

The Company will undertake a private placement exercise of up to 11,069,530 new ordinary shares in VHB to Bumiputera investors identified and approved by the Ministry International Trade & Industry (“MITI”) at an issue price to be determined at a later date after obtaining all relevant approvals.

The Proposed Private Placement is being undertaken to enable VHB to comply with the Bumiputera Equity Condition imposed by the Securities Commission Malaysia, following the approval granted for VHB to list on the ACE market (formerly known as the MESDAQ Market) of Bursa Malaysia Securities Berhad.

6. Dividends Paid

The Interim Single-Tier Dividend of 0.5 sen per ordinary share for the financial year ending 31 October 2017 was paid on 4 May 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 six (6) months financial period ended 30 April 2017.

9. Contingent Liabilities and Contingent Assets

<u>Contingent liabilities</u>	<u>30 April 2017</u>	<u>30 April 2016</u>
Guarantee given to a financial institution for banking facilities granted to a subsidiary	7,900,000	5,561,000

10. Segmental Information

Sales Revenue by Geographical Market for the six (6) months financial period up to 30 April 2017:

	30 April 2017 RM'000	30 April 2016 RM'000
Malaysia	1,353	90
South East Asia	1,791	2,226
North Asia	11,615	5,264
USA	52	75
Total	14,811	7,655

10. Segmental Information (Cont’d)

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 30 April 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 ended 30 April 2017, the Group generated revenue of RM8,763,343, an increase of RM5,322,138 from the corresponding quarter ended 30 April 2016 of RM3,441,205.

On the back of this revenue, the Group posted a profit before taxation of RM1,975,216 in the current quarter as compared to loss before taxation of RM65,549 during previous corresponding quarter.

In the current financial year ended 30 April 2017, the Group generated revenue of RM14,811,018, an increase of RM7,155,641 from the corresponding financial year ended 30 April 2016 of RM7,655,377.

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

In line with the increase in sales, the Group posted a profit before taxation of 3,100,358 in the current year as compared to the profit before taxation for the previous corresponding year ended 30 April 2016 of RM175,577.

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 RM8,763,343 as compared to the preceding quarter ended 31 January 2017 of RM6,047,675, representing increase of RM2,715,668. The increase in sales was attributed by the increase in sales of machines.

As a result of higher revenue, the Group posted a profit before taxation of RM1,975,216 as compared to profit before taxation of RM1,125,280 in the preceding quarter ended 31 January 2017.

14. Commentary on the Prospects

Based on the latest industry forecast and coupled with the anticipation of new product launches, the Company continues to be 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 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2017	30 April 2016	30 April 2017	30 April 2016
	RM'000	RM'000	RM'000	RM'000
In respect of:-				
Taxation	230	-	230	-
Deferred taxation	-	-	-	-
	230	-	230	-

18. Status of Corporate Proposal Proposed and Not Complete

Other than Note 5, 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 30 April 2017 were as follows:

<u>Short term</u>	<u>RM '000</u>
Hire purchase payables	48
Bankers acceptances	<u>2,713</u>
	2,761
<u>Long term</u>	
Hire purchase payables	175
TOTAL	2,936

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 Interim Single-Tier Dividend of 0.5 sen per ordinary share for the financial year ending 31 October 2017 amounted to RM553,477 was paid on 4 May 2017.

22. Profit/(Loss)/ Before Taxation

Profit/(loss) before taxation is stated after charging/(crediting) :-

	Current Year Quarter	Current Year 6 Months Cumulative To-Date
	30 April 2017	30 April 2017
	RM'000	RM'000
Interest Income	(65)	(117)
Interest Expense	46	66
Depreciation of Property, Plant & Equipment	136	278
Amortisation of Development Expenditure	187	321
Amortisation of Trademarks & Patents	2	4
(Gain)/Loss on Foreign Exchange-Unrealised	107	19
(Additional)/Reversal of Provision & Accruals	1,854	(141)

23. Earnings/(Loss) Per Share (“EPS/LPS”)

23.1. Basic EPS/(LPS)

	Current Year Quarter	Previous Year Quarter	Current Year 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2017	30 April 2016	30 April 2017	30 April 2016
Net profit for the year (RM'000)	1,745	(66)	2,870	175
Weighted average number of shares in issue ('000)	110,695	110,695	110,695	110,695
Basic EPS/(LPS) (sen)	1.58	(0.06)	2.59	0.16

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, if any.

	Current Year Quarter	Previous Year Quarter	Current Year 6 Months Cumulative To-Date	Previous Year 6 Months Cumulative To-Date
	30 April 2017	30 April 2016	30 April 2017	30 April 2016
Net profit for the year (RM'000)	1,745	(66)	2,870	175
Weighted average number of shares in issue ('000)	110,695	110,695	110,695	110,695
Adjusted weighted average number of shares in issue and issuable ('000)	110,695	110,695	110,695	110,695
Diluted EPS/(LPS) (sen)	1.58	(0.06)	2.59	0.16

24. Realised and Unrealised Profits Disclosure

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

	As at 30.04.2017 RM'000	As at 30.04.2016 RM'000
	-----	-----
Total retained profits of the Group:		
- Realised	8,118	2,055
- Unrealised	<u>519</u>	<u>146</u>
	8,637	2,201
Less : Consolidation Adjustment	<u>(90)</u>	<u>(90)</u>
Total group retained profits as per consolidated accounts	<u>8,547</u>	<u>2,111</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	1,686,793	1,630,649

As at 30 April 2017, the Group has hedged USD384K at rates from 4.4388 to 4.4665.

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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