

## Results Report

23 March 2009

SJ Securities Sdn. Bhd.



PP7084/11/2006

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## VisDynamics Holdings Bhd

*FY09 1Q: Dismal quarter*

**Overweight**

Fair Value  
**RM0.145 (+52.6%)**

### Stock Data

Price (RM)	0.095
Stock code	0120
Bloomberg Ticker	VHB
	MK
Listing	Mesdaq
Share Cap (RM mn)	6.71
Market Cap (RM mn)	6.37
Par value (RM)	0.10
52-wk high (RM)	0.24
52-wk low (RM)	0.09
Major shareholders:-	
Choy Ngee Hoe	30.34%
Ong Hui Peng	4.53%
Lee Chong Leng	4.53%

### Financial Data

12 month trailing PER (x)	Na
BV per share (RM)	0.24
P/BV (x)	0.39
ROE (%)	-8.62
Beta (x)	Na
Altman Z Score	7.02
Dividend yield (%)	0.00

### Relative Performance (%)

1-month	-50.89
3-month	-37.82
6-month	-36.92
12-month	-35.83
YTD	-51.50

Our reports are available for download on S Jenie website as stated below.

### SJ Securities Sdn Bhd

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### Investment Highlights

**VisDynamics released its FY09 1Q results.** Results came in below expectations. Revenue for the quarter came in at merely 5.7% of full year forecasts. Losses were incurred for the quarter.

**Results.** Revenue was 73.9% lower than the corresponding year quarter and 85% lower than the preceding quarter. This resulted in a net loss of RM0.09mn for the quarter. The corresponding year quarter registered a gain of RM0.06mn while the preceding quarter registered a larger loss of RM0.8mn.

**Review.** The huge decline in revenue was attributable to the tightening of capital expenditure by customers due to the substantial slow down in the semiconductor, electrical and electronic industries. With many operations scaling down operations, capital expenditure would have declined substantially.

**Outlook.** The outlook for the semiconductor industry remains poor. However, there are some signs of demand stabilization in the industry. The following quarters are still expected to be very challenging. The group will be practicing prudent cash management and undertaking strategic cost reductions. The group will however continue to undertake key technology enhancement projects so that the group can remain in the forefront.

**Risk.** Risk to VisDynamics financial performance would be an extended and deeper than expected decline in the semiconductor industry. We are expecting the poor outlook for the industry to last for several more quarters.

**Recommendation.** We have further downgraded our forecast to reflect the poor performance. We value VisDynamics at RM0.145 per share based on a 40% discount to VisDynamics's NA per share. Due to the substantial decline in share price, our call has been raised to overweight.



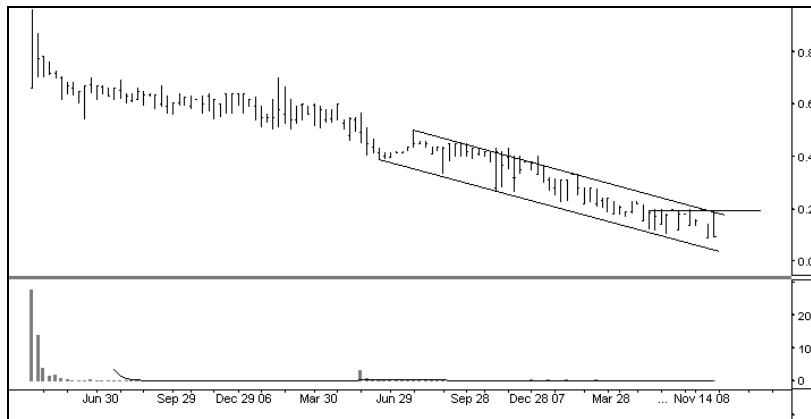
<b>Results comparison</b>						
<b>FYE 31st Oct</b>		<b>1Q FY08</b>	<b>4Q FY08</b>	<b>1Q FY09</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>
	<b>Units</b>				<b>%</b>	<b>%</b>
<b>Revenue</b>	<b>RM ('000)</b>	<b>2,055</b>	<b>3,584</b>	<b>536</b>	<b>(85.0)</b>	<b>(73.9)</b>
Cost of Sales	RM ('000)	(800)	(2,143)	(86)	96.0	89.3
Gross Profit	RM ('000)	1,255	1,441	450	(68.8)	(64.1)
Profit from operations	RM ('000)	76	(789)	(73)	90.7	(196.1)
Finance cost	RM ('000)	(12)	(10)	(16)	(60.0)	(33.3)
<b>Profit before Tax</b>	<b>RM ('000)</b>	<b>64</b>	<b>(799)</b>	<b>(89)</b>	<b>88.9</b>	<b>(239.1)</b>
Taxation	RM ('000)	0	0	0	na	na
<b>Net Profit</b>	<b>RM ('000)</b>	<b>64</b>	<b>(799)</b>	<b>(89)</b>	<b>88.9</b>	<b>(239.1)</b>
EPS	sen	0.1	(1.2)	(0.1)	89.1	(230.0)
<b>Margins %</b>						
Operating margin	%	3.7	(22.0)	(16.0)	27.1	(533.8)
PBT margin	%	3.1	(22.3)	(16.6)	25.5	(633.2)
Net margin	%	3.1	(22.3)	(16.6)	25.5	(633.2)

<b>P&amp;L Analysis</b>					
<b>FYE 31 Dec</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009F</b>
	<b>Units</b>				
Revenue	RM (mn)	6.3	9.6	9.3	8.2
Cost of Sales	RM (mn)	(2.8)	(4.8)	(5.0)	(4.3)
<b>Gross profit</b>	RM (mn)	<b>3.5</b>	<b>4.8</b>	<b>4.3</b>	<b>3.9</b>
EBITDA	RM (mn)	0.5	0.7	(0.9)	0.3
<b>Operation Profit</b>	RM (mn)	<b>0.3</b>	<b>0.3</b>	<b>(1.4)</b>	<b>(0.2)</b>
Finance Cost	RM (mn)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Pretax Profit</b>	RM (mn)	<b>0.3</b>	<b>0.3</b>	<b>(1.5)</b>	<b>(0.2)</b>
Taxation	RM (mn)	0.0	0.0	(0.0)	0.0
<b>Net Profit/(Loss)</b>	RM (mn)	<b>0.3</b>	<b>0.3</b>	<b>(1.5)</b>	<b>(0.2)</b>
Operating margin	%	5.5	3.0	(15.3)	(2.4)
EBITDA margin	%	7.3	7.4	(9.7)	3.9
Pretax margin	%	5.0	2.6	(15.7)	(2.9)
Net margins	%	5.4	3.1	(15.7)	(2.9)
Revenue growth	%	(21.5)	52.4	(3.1)	(11.9)
EBITDA growth	%	(86.5)	54.7	(226.7)	(135.8)
Pre-tax profit growth	%	(90.5)	(19.7)	(679.4)	(83.9)
Net profit growth	%	(89.7)	(13.3)	(595.3)	(83.9)
<b>Per Share Data</b>					
Book Value	RM	0.31	0.26	0.24	0.24
NTA	RM	0.28	0.24	0.20	0.21
Cash Flow	sen	(1.1)	(1.0)	1.3	0.3
Basic EPS	sen	0.6	0.4	(2.2)	(0.3)
Gross DPS	sen	-	-	-	-
Payout ratio	%	0.0	0.0	0.0	1.0
PER	x	101.7	95.3	(9.2)	(27.5)
P/Cash Flow	x	(58.7)	(42.5)	15.5	31.9
P/Book Value	x	2.0	1.6	0.8	0.4
Dividend yield	%	0.0	0.0	0.0	1.0
ROE	%	2.0	1.7	(9.0)	(1.4)
Net Gearing	%	net cash	net cash	net cash	net cash



Constituent of Indices	
Kuala Lumpur Composite Index	No
FTSE Bursa Malaysia Large 30 Index	No
FTSE Bursa Malaysia Mid 70 Index	No
FTSE Bursa Malaysia EMAS Shariah Index	No

**Technical Outlook**



**VIS (Stock code: 0120) – Range bound**

Resistance : 0.20 0.25  
 Support : 0.07 0.09

Share price is at 0.10 on 23/3/09. The share remains on down trend, and capped at 0.20 since June 2008. Recently, it hit a low of 0.09 on 13/3/09. While there is a prospect of further downside to the support at 0.07, it could easily move back into the current trading band of 0.20 to 0.10. Resistance is at 0.20, then 0.25.