



ACOUSTECH BERHAD (Co. No : 496665-W)

First quarter interim report for the financial period ended 30 June 2009
(The figures have not been audited)

EXPLANATORY NOTES

1. Basis of Preparation

The interim financial report has been prepared under the historical cost convention.

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2009. These explanatory notes attached to the interim financial report provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2009.

2. Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2009, as well as the new/revised standard mandatory for annual periods beginning on or after 1 April 2009.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2009 was not qualified.



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4. Segmental Information

	Audio RM'000	Chemical paints RM'000	Electrical equipment RM'000	Total RM'000
3-month ended 30 June 2009				
Revenue				
External revenue	<u>31,703</u>	<u>9,408</u>	<u>14,122</u>	<u>55,233</u>
Results				
Segment results	1,571	1,498	1,429	4,498
Unallocated corporate expenses				<u>(119)</u>
Operating profit				4,379
Finance costs				(36)
Share of results in an associate	-	173	-	173
Share of results in a jointly controlled entity	-	-	100	<u>100</u>
Profit before tax				4,616
Tax expense				<u>(1,126)</u>
Profit for the period				<u>3,490</u>
3-month ended 30 June 2008				
Revenue				
External revenue	<u>56,641</u>	<u>9,360</u>	<u>22,802</u>	<u>88,803</u>
Results				
Segment results	1,887	2,026	703	4,616
Unallocated corporate expenses				<u>(41)</u>
				4,575
Finance costs				(47)
Share of results in an associate	-	541	-	541
Share of results in a jointly controlled entity	-	-	100	<u>100</u>
Profit before tax				5,169
Tax expense				<u>(1,130)</u>
Profit for the period				<u>4,039</u>



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5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flow during the current quarter and financial year-to-date.

6. Changes in Estimates

There were no significant changes in estimates of amount reported in prior interim period or prior financial year that have a material effect in the current quarter and financial year-to-date.

7. Comments about Seasonal or Cyclical Factors

Sales of the Group are seasonal and are affected by economic conditions in countries in which the products are sold.

8. Dividends Paid

	Current year to date	Preceding year corresponding period
	RM'000	RM'000
Second interim single tier tax exempt of 3.75 sen per share for the financial year ended 31 March 2008	-	6,574
	-	6,574

9. Carrying Amount of Revalued Assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

10. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial year to date, other than 135,000 ordinary shares of RM0.50 each issued under the Company's Employee Share Option Scheme.



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11. Changes in Composition of the Group

There was no change in the composition of the Group for the current quarter and financial period to date except for on 19 May 2009, Formosa Prosonic Chemicals Sdn. Bhd., a wholly-owned subsidiary of the Company had disposed off the entire equity interest of 30% of Musashi Paint Corporation Sdn. Bhd., which comprised 1,500,000 ordinary shares of RM100 each for a total consideration of RM5,700,000. The consideration was arrived at willing buyer willing seller basis.

12. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet date.

13. Subsequent Events

There were no material events subsequent to 30 June 2009 that have not been reflected in the interim report.

14. Review of Performance

For the 3-month ended 30 June 2009, the Group's profit before tax was RM4.6 million as compared to profit before tax of RM5.2 million in the preceding year's corresponding quarter mainly due to the drop in sales.



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15. Material Change In Profit Before Tax For The Current Quarter As Compared With The Immediate Preceding Quarter

The analysis of contribution by segment is as follows:

	Current quarter RM'000	Preceding quarter RM'000	%
Audio	1,571	(2,393)	>100
Chemical paints	1,498	36	>100
Electrical equipment	1,429	1,998	(28)
	<u>4,498</u>	<u>(359)</u>	
Unallocated corporate expenses	(119)	(416)	(71)
Operating Profit/ (Loss)	<u>4,379</u>	<u>(775)</u>	>100
Finance costs	(36)	(46)	22
Share of results in an associate	173	22	>100
Share of results in a jointly controlled entity	<u>100</u>	<u>90</u>	11
Profit/(Loss) before tax	<u><u>4,616</u></u>	<u><u>(709)</u></u>	>100

Profit before tax increased significantly to RM4.6 million from loss before tax RM0.7 million mainly due to higher sales of RM55.2 million, a 51% increased from RM36.6 million for the immediate preceding quarter.

16. Commentary on Prospects

Barring unforeseen circumstances and on the presumption that the global economic recovery would materialise, the Directors are of the opinion that the results for the financial year ended 31 March 2009 are expected to be sustainable in the financial year ending 31 March 2010.

17. Deviation from Profit Forecast and Profit Guarantee

The Group did not provide any profit forecast in a public document and therefore, this note is not applicable.



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18. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/09 RM'000	Preceding year corresponding quarter 30/06/08 RM'000	Current year To date 30/06/09 RM'000	Preceding year corresponding period 30/06/08 RM'000
Current Taxation	1,126	992	1,126	992
Deferred Taxation	-	140	-	140
	1,126	1,132	1,126	1,132
Over provision	-	(2)	-	(2)
	1,126	1,130	1,126	1,130

The effective tax rates for the current quarter and year-to-date are marginally lower than the statutory tax rate principally due to the utilisation of reinvestment allowance.

19. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties outside the ordinary course of business of the Group for the current quarter and financial year to date other than those disclosed in Note 11.

20. Quoted Securities

- (a) There were no purchases and/or disposal of quoted securities for the current quarter and financial year-to-date.
- (b) Total investment in quoted securities (classified under long term investment) as at 30 June 2009 are as follows: -

	30/06/09 RM'000
At cost / carrying value:-	
Shares quoted in Malaysia	<u>3,756</u>
At market value:-	
Shares quoted in Malaysia	<u>3,920</u>

21. Corporate Proposals

There was no corporate proposal announced which remained incomplete as at the date of issue of the interim report.



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22. Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 30 June 2009.

23. Off Balance Sheet Financial Instruments

Forward foreign exchange sale contracts that were entered into as at 23 July 2009 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM3.56 million. These contracts were entered into as hedges for sales denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to subsidiary companies' foreign currencies denominated estimated receipts. The maturity period of these contracts ranges from July 2009 to October 2009.

24. Material Litigation

The Group does not have any material litigation as at the date of this report.

25. Dividend Payable

The Board of Directors has declared an interim single tier tax exempt dividend of 4.5 sen per share of RM0.50 each in respect of the financial year ended 31 March 2009 (31 March 2008: single tier tax exempt dividend of 4.5 sen per share of RM0.50 each). The dividend was paid on 15 July 2009 to shareholders of ordinary shares whose name appeared in the Record of Depositors at the close of business on 30 June 2009.

No dividend has been proposed for the current quarter.



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26. Earnings Per Share

a) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/09	Preceding year corresponding quarter 30/06/08	Current year to date 30/06/09	Preceding year corresponding period 30/06/08
Net profit attributable to equity holders of the parent (RM'000)	3,057	3,769	3,057	3,769
Weighted average no. of shares in issue ('000)	170,866	174,234	170,866	174,234
Basic earnings per share (sen)	1.79	2.16	1.79	2.16

b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/09	Preceding year corresponding quarter 30/06/08	Current year to date 30/06/09	Preceding year corresponding period 30/06/08
Net profit attributable to equity holders of the parent (RM'000)	3,057	3,769	3,057	3,769
Weighted average no. of shares in issue ('000)	171,112	174,861	171,112	174,861
Diluted earnings per share (sen)	1.79	2.16	1.79	2.16