



ACOUSTECH BERHAD (Co. No : 496665-W)

Fourth quarter interim report for the financial year ended 31 March 2010
(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. The Group has not taken the option of early adoption of the following new/revised standards that are mandatory for the Group's financial year beginning on or after 1 April 2010.

FRS 8 Operating Segments

The above standard is not anticipated to have any significant impact on the financial statements of the Group in the year of initial application.

The Group will apply the following standards from financial periods beginning on 1 April 2010. The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of these standards on the financial statements of the Group.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 7 Financial Instruments: Disclosures

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
12-month ended 31 March 2010				
Revenue				
External revenue	156,692	28,465	47,220	232,377
Results				
Segment results	7,556	3,574	3,938	15,068
Unallocated corporate expenses				(552)
Operating profit				14,516
Finance costs	-	-	-	(92)
Share of results in an associate	-	173	-	173
Share of results in a jointly controlled entity	-	-	368	368
Profit before tax				14,965
Tax expense				(3,321)
Profit for the year				11,644
12-month ended 31 March 2009				
Revenue				
External revenue	185,699	33,010	61,230	279,939
Results				
Segment results	1,727	5,853	2,915	10,495
Unallocated corporate expenses				(613)
Finance costs				9,882
Share of results in an associate	-	1,565	-	1,565
Share of results in a jointly controlled entity	-	-	362	362
Profit before tax				11,624
Tax expense				(2,353)
Profit for the year				9,271



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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
Interim single tier tax exempt of 2.5 sen per share for the financial year ended 31 March 2010	4,286	-
First and final interim single tier tax exempt of 4.5 sen per share for the financial year ended 31 March 2009	7,693	-
Second interim single tier tax exempt of 3.75 sen per share for the financial year ended 31 March 2008	-	6,574
Final single tier tax exempt of 4.5 sen per share for the financial year ended 31 March 2008	-	7,812
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	11,979	14,386

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 637,200 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 that on 19 May 2009, Formosa Prosonic Chemicals Sdn. Bhd., a wholly-owned subsidiary of the Company had disposed off its entire equity interest of 30% in Musashi Paint Corporation Sdn. Bhd., which comprises 1,500,000 ordinary shares of RM1.00 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 31 March 2010 that have not been reflected in the interim report.

14. Review of Performance

For the final quarter of the financial year, the Group recorded loss before tax of RM1.4 million as compared to loss before tax of RM0.7 million in the previous year's corresponding quarter. Nevertheless, for the whole financial year 2010, the Group's profit before tax improved to RM15.0 million from previous financial year of RM11.6 million. Despite drop in total sales by 17% to RM232.4 million, the Group had managed to improve its results attributable mainly to competitive sourcing of materials and scaled down operating costs. In particular, the bulk of the profit increase was contributed by the audio and electrical equipment divisions.



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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	377	2,512	(85)
Chemical paints	(678)	885	>(100)
Electrical equipment	(822)	1,225	>(100)
	<u>(1,123)</u>	<u>4,622</u>	
Unallocated corporate expenses	(395)	63	>(100)
Operating (Loss) / Profit	<u>(1,518)</u>	<u>4,685</u>	>(100)
Finance costs	(27)	(16)	68
Share of results in a jointly controlled entity	<u>111</u>	<u>96</u>	16
(Loss) / Profit before tax	<u>(1,434)</u>	<u>4,765</u>	>(100)

The loss before tax of RM1.4 million in the final quarter as compared to profit before tax of RM4.8 million in the immediate preceding quarter was attributable mainly to the drop in sales, as experienced by all divisions.

16. Commentary on Prospects

In view of the uncertain economic conditions overseas, the Directors are of the opinion that the coming financial year will be very challenging. However, the Group will strive to work towards achieving similar results recorded for last year.

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 31/03/10 RM'000	Preceding year corresponding quarter 31/03/09 RM'000	Current year To date 31/03/10 RM'000	Preceding year corresponding period 31/03/09 RM'000
Current Taxation	(311)	(520)	3,883	1,916
Deferred Taxation	(135)	255	(502)	467
	(446)	(265)	3,381	2,383
Over provision	(60)	(29)	(60)	(30)
	(506)	(294)	3,321	2,353

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

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 31 March 2010 are as follows: -

	31/03/10 RM'000
At cost / carrying value:- Shares quoted in Malaysia	<u>3,756</u>
At market value:- Shares quoted in Malaysia	<u>7,420</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 31 March 2010.

23. Off Balance Sheet Financial Instruments

Forward foreign exchange sale contracts that were entered into as at 10 May 2010 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM1.20 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 was on April 2010.

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 is pleased to declare a second interim single tier tax exempt dividend of 3.0 sen per share of RM0.50 each in respect of the financial year ended 31 March 2010. The dividend will be payable on 22 July 2010 to shareholders of ordinary shares whose name appear in the Record of Depositors at the close of business on 30 June 2010.

The Board of Director has on 18 January 2010 paid a first interim single tier tax exempt dividend of 2.5 sen per share of RM0.50 each in respect of financial year ended 31 March 2010 (31 March 2009: first and final interim single tier tax exempt dividend of 4.5 sen per share of RM0.50 each).

The total dividend for the financial year ended 31 March 2010 would be 5.5 sen per share.



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26. Earnings Per Share

a) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/03/10	Preceding year corresponding quarter 31/03/09	Current year to date 31/03/10	Preceding year corresponding period 31/03/09
Net (loss) / profit attributable to equity holders of the parent (RM'000)	(942)	(821)	10,357	8,547
Weighted average no. of shares in issue ('000)	171,455	171,806	171,089	173,085
Basic earnings per share (sen)	(0.55)	(0.48)	6.05	4.94

b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/03/10	Preceding year corresponding quarter 31/03/09	Current year to date 31/03/10	Preceding year corresponding period 31/03/09
Net (loss) / profit attributable to equity holders of the parent (RM'000)	(942)	(821)	10,357	8,547
Weighted average no. of shares in issue ('000)	171,455	171,955	171,089	173,457
Diluted earnings per share (sen)	NA	(0.48)	NA	4.93