



ACOUSTECH BERHAD (Co. No: 496665-W)

INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
Revenue	70,747	N/A	291,318	N/A
Operating expenses	(68,804)	N/A	(280,225)	N/A
Other operating income	670	N/A	3,716	N/A
Profit from operations	2,613	N/A	14,809	N/A
Finance costs	(19)	N/A	(90)	N/A
Share of results of a jointly controlled entity	98	N/A	500	N/A
Profit before tax	2,692	N/A	15,219	N/A
Tax expense	(648)	N/A	(3,187)	N/A
Profit for the year	2,044	N/A	12,032	N/A
Attributable to:				
Owners of the parents	1,901	N/A	11,314	N/A
Non-controlling interests	143	N/A	718	N/A
	2,044	N/A	12,032	N/A
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	1.11	N/A	6.60	N/A

(There was no comparison made with the previous corresponding quarter due to the change of financial year end from 31 March to 31 December during the previous 9 months financial period)

(The notes set out on pages 6 to 12 form an integral part of and should be read in conjunction with this interim financial report)



ACOUSTECH BERHAD (Co. No: 496665-W)

INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
Profit for the year	2,044	N/A	12,032	N/A
<u>Other comprehensive income/(loss), net of tax:</u>				
Fair value of available-for-sale financial assets	350	N/A	(1,120)	N/A
Total comprehensive income	2,394	N/A	10,912	N/A
Attributable to:				
Owners of the parents	2,251	N/A	10,194	N/A
Non-controlling interests	143	N/A	718	N/A
	2,394	N/A	10,912	N/A

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INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/12/11 RM'000	31/12/10 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	49,431	50,241
Investment in a jointly controlled entity	2,440	2,242
Available-for-sale financial assets	5,040	6,160
	<u>56,911</u>	<u>58,643</u>
Current assets		
Inventories	25,878	22,435
Trade and other receivables	69,557	52,406
Amount owing by a jointly controlled entity	20	1,471
Tax recoverable	2,041	3,839
Derivative financial instruments	-	199
Short term funds	29,810	13,089
Deposits with licensed banks	25,856	29,772
Cash and bank balances	8,766	13,284
	<u>161,928</u>	<u>136,495</u>
TOTAL ASSETS	<u><u>218,839</u></u>	<u><u>195,138</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	88,911	88,911
Reserves	61,068	56,875
	<u>149,979</u>	<u>145,786</u>
Non-controlling interests	8,231	7,513
TOTAL EQUITY	<u><u>158,210</u></u>	<u><u>153,299</u></u>
Non-current liabilities		
Deferred taxation	2,369	2,704
Current Liabilities		
Trade and other payables	56,372	38,197
Derivative financial instruments	374	-
Tax liabilities	1,514	938
	<u>58,260</u>	<u>39,135</u>
TOTAL LIABILITIES	<u><u>60,629</u></u>	<u><u>41,839</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>218,839</u></u>	<u><u>195,138</u></u>
Net assets per share attributable to owners of the parent (RM)	0.84	0.82

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ACOUSTECH BERHAD (Co. No : 496665-W)
INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31/12/11	31/12/10
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,219	N/A
Adjustments for non cash items	3,708	N/A
Operating profit before working capital changes	18,927	N/A
Net changes in working capital	(1,353)	N/A
Cash generated from operations	17,574	N/A
Interest paid	(46)	N/A
Tax paid (net of tax refunded)	(1,148)	N/A
Net cash from operating activities	16,380	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,444	N/A
Dividend received from a jointly controlled entity	302	N/A
Proceeds from disposal of PPE	85	N/A
Property, plant and equipment	(3,929)	N/A
Short term funds	10,056	N/A
Net cash from investing activities	7,958	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to the shareholders of the Company	(6,001)	N/A
Net cash used in financing activities	(6,001)	N/A
Net increase in cash and cash equivalents	18,337	N/A
Effects of exchange rate fluctuations on cash and cash equivalents	11	N/A
Cash and cash equivalents at beginning of financial year	44,059	N/A
Cash and cash equivalents at end of financial year	62,407	N/A

(There was no comparison made with the previous corresponding quarter due to the change of financial year end from 31 March to 31 December during the previous 9 months financial period)

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 INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←		Attributable to equity holders of the parent			→		Total equity RM'000
	Share capital RM'000	Non-distributable Share premium RM'000	Available-for- sales reserves RM'000	Retained profits RM'000	Treasury shares RM'000	Total controlling interests RM'000		
At 1 Jan 2011	88,911	7,342	2,404	52,657	(5,528)	7,513	153,299	
Total comprehensive income	-	-	(1,120)	11,314	-	718	10,912	
Dividend paid in respect of financial year period 31 December 2010	-	-	-	(6,001)	-	-	(6,001)	
At 31 Dec 2011	88,911	7,342	1,284	57,970	(5,528)	8,231	158,210	

(There was no comparison made with the previous corresponding quarter due to the change of financial year end from 31 March to 31 December during the previous 9 months financial period)

(The notes set out on pages 6 to 12 form an integral part of and should be read in conjunction with this interim financial report)

EXPLANATORY NOTES

The figures have not been audited

1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2010.

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 period ended 31 December 2010 except for the adoption of the following new/revised FRSs, Amendments to FRSs and IC Interpretations that are effective for financial periods beginning on or after 1 July 2010 or 1 January 2011:-

FRSs / Interpretations	Effective date
FRS 1, <i>First-time Adoption of Financial Reporting Standards</i>	1 July 2010
FRS 3, <i>Business Combinations</i>	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements</i>	1 July 2010
Amendments to FRS 2, <i>Share-based Payments</i>	1 July 2010
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
IC Interpretation 12, <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distribution of Non-cash Assets to Owners</i>	1 July 2010
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendment to FRS 1, <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1, <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 7, <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
Amendments to FRS 2, <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2011
IC Interpretation 4, <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18, <i>Transfers of Assets from Customers</i>	1 January 2011
<i>Improvements to FRSs (2010)</i>	1 January 2011
Amendments to FRS 132, <i>Financial Instruments: Presentation</i>	1 March 2011

EXPLANATORY NOTES

The figures have not been audited

Malaysian Financial Reporting Standards (“MFRS”)

On 19 November 2011, the Malaysian Accounting Standards Board (‘MASB’) announced the issuance of the new MFRS framework that is applicable to entities other than private entities. The Group is expected to apply the MFRS framework for the financial year ending 31 December 2012.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2010 was not qualified.

3. Segmental Information

	Audio RM’000	Chemical paints RM’000	Electrical equipment RM’000	Total RM’000
12-month ended 31 December 2011				
Revenue				
External revenue	238,959	13,142	39,217	291,318
Results				
Segment results	13,912	1,106	356	15,374
Unallocated corporate expenses				(565)
Operating profit				14,809
Finance costs	-	-	-	(90)
Share of results in a jointly controlled entity	-	-	500	500
Profit before tax				15,219
Tax expense				(3,187)
Profit for the year				12,032

EXPLANATORY NOTES

The figures have not been audited

4. 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.

5. Changes in Estimates

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

6. 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.

7. Dividends Paid

	Current year to date RM'000
First interim single tier tax exempt of 3.5 sen per share for the financial year ended 31 December 2010	<u>6,001</u>

8. Carrying Amount of Revalued Assets

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

9. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares for the current financial year-to-date.

10. Changes in Composition of the Group

There was no change in the composition of the Group for the current financial period under review.

11. Changes in Contingent Liabilities or Contingent Assets

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

EXPLANATORY NOTES

The figures have not been audited

12. Subsequent Events

There were no material events subsequent to 31 December 2011 that have not been reflected in the interim report.

13. Review of Performance

Audio

Audio division contributed 90% or RM13.9 million to the Group's operating profit. This division recorded higher sales of RM61.7 million in Q4 2011 as compared to RM43.5 million in the previous corresponding period which has resulted in higher operating profit RM3.1 million as compared to RM0.7 million. For the FY 2011, this division achieved 18% higher sales of RM239.0 million as compared to RM202.6 million in the previous year. The operating results increased 95% to RM13.9 million from RM7.1 million mainly attributable to higher sales and favourable sales mix.

Chemical Paints

Chemical paints division sales dropped to RM2.3 million in Q4 2011 and RM13.1 million in FY 2011 from RM4.7 million and RM23.0 million respectively previously. This has significantly impacted its profitability. For the FY 2011, operating profit dropped 63% to RM0.7 million from RM1.9 million.

Electrical Equipment

Electrical Equipment division recorded higher sales of RM39.0 million for the FY 2011 as compared to RM32.0 million in the previous corresponding period. Operating results improved to profit RM0.9 million from loss of RM0.5 million mainly attributable to higher sales and foreign currency gain.

14. 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	3,072	7,457	(59)
Chemical paints	(259)	497	(100)
Electrical equipment	(81)	(76)	7
	<u>2,732</u>	<u>7,878</u>	
Unallocated corporate expenses	(119)	(138)	(14)
Operating profit	2,613	7,740	(66)
Finance costs	(19)	(24)	(21)
Share of results in a jointly controlled entity	98	131	(25)
Profit before tax	<u>2,692</u>	<u>7,847</u>	(66)

All divisions showed lower operating results mainly due to lower sales.

EXPLANATORY NOTES

The figures have not been audited

15. Prospects for the current financial year

Barring unforeseen circumstances, the Directors anticipate that business prospects will remain profitable but challenging across all segments for the financial year ending 31 December 2012 given the uncertain macro-economic outlook.

16. 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.

17. Notes to the Statement of Comprehensive Income

	Current Quarter 31/12/11 RM'000	Cumulative Quarter 31/12/11 RM'000
Profit for the period is arrived at after charging/(crediting):		
Depreciation and amortisation	1,181	4,715
Dividend income	-	(420)
Foreign exchange loss	360	291
Gain on disposal of property, plant and equipment	-	(80)
Derivatives (gain)/loss	(231)	573
Interest income	(403)	(1,444)
Interest expense	8	46
Property, plant and equipment written off	(3)	13

18. Income Tax Expense

	Current Quarter 31/12/11 RM'000	Cumulative Quarter 31/12/11 RM'000
In respect of current period		
- income tax	344	3,482
- deferred tax	264	(335)
In respect of prior year		
- income tax	40	40
	<u>648</u>	<u>3,187</u>

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



EXPLANATORY NOTES

The figures have not been audited

19. Corporate Proposals

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

20. Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 31 December 2011.

21. Material Litigation

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

22. Dividend Payable

The Board has declared a first interim single tier tax exempt dividend of 5.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2011 (31 December 2010: 3.5 sen).

The dividend will be payable on 28 March 2012 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 16 March 2012.

23. Earnings Per Share

Basic earnings per share

	Current Quarter 31/12/11	Cumulative Quarter 31/12/11
Profit attributable to equity holders of the parent (RM'000)	1,901	11,314
Weighted average no. of shares in issue ('000)	171,445	171,445
Basic earnings per share (sen)	<u>1.11</u>	<u>6.60</u>

EXPLANATORY NOTES

The figures have not been audited

24. Realised and Unrealised Profits

	As At End Of Current Quarter 31/12/2011 RM'000	As At End Of Preceding Quarter 30/09/2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	89,811	85,342
- Unrealised	(2,925)	(407)
	86,886	84,935
Total share of retained profits from a jointly controlled company:		
- Realised	628	485
- Unrealised	(4)	42
	624	527
Less: Consolidation adjustments	87,510 (29,540)	85,462 (29,394)
Total Group retained profits	57,970	56,068