



ACOUSTECH BERHAD (Co. No: 496665-W)

INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

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
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Revenue	73,623	50,068	73,623	50,068
Operating expenses	(70,524)	(50,830)	(70,524)	(50,830)
Other operating income	2,020	1,325	2,020	1,325
Profit from operations	5,119	563	5,119	563
Finance costs	(28)	(25)	(28)	(25)
Share of results of a jointly controlled entity	78	153	78	153
Profit before tax	5,169	691	5,169	691
Tax expense	(1,268)	154	(1,268)	154
Profit for the period	3,901	845	3,901	845
Attributable to:				
Owners of the parents	3,621	741	3,621	741
Non-controlling interests	280	104	280	104
	3,901	845	3,901	845
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	2.11	0.43	2.11	0.43

(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 PERIOD ENDED 31 MARCH 2012

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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
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Profit for the period	3,901	845	3,901	845
<u>Other comprehensive income/(loss), net of tax:</u>				
Fair value of available-for-sale financial assets	(455)	(140)	(455)	(140)
Total comprehensive income	3,446	705	3,446	705
Attributable to:				
Owners of the parents	3,166	601	3,166	601
Non-controlling interests	280	104	280	104
	3,446	705	3,446	705

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INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/03/12 RM'000	31/12/11 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,462	49,431
Investment in a jointly controlled entity	2,063	2,440
Available-for-sale financial assets	4,585	5,040
	<u>55,110</u>	<u>56,911</u>
Current assets		
Inventories	27,882	25,878
Trade and other receivables	75,127	69,943
Amount owing by a jointly controlled entity	20	20
Tax recoverable	2,457	2,041
Derivative financial instruments	115	-
Short term funds	25,392	29,810
Deposits with licensed banks	19,701	25,856
Cash and bank balances	9,756	8,772
	<u>160,450</u>	<u>162,320</u>
TOTAL ASSETS	<u><u>215,560</u></u>	<u><u>219,231</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	88,911	88,911
Reserves	55,662	61,068
	<u>144,573</u>	<u>149,979</u>
Non-controlling interests	8,511	8,231
TOTAL EQUITY	<u><u>153,084</u></u>	<u><u>158,210</u></u>
Non-current liabilities		
Deferred taxation	2,466	2,369
Current Liabilities		
Trade and other payables	58,531	56,764
Derivative financial instruments	-	374
Tax liabilities	1,479	1,514
	<u>60,010</u>	<u>58,652</u>
TOTAL LIABILITIES	<u><u>62,476</u></u>	<u><u>61,021</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>215,560</u></u>	<u><u>219,231</u></u>
Net assets per share attributable to owners of the parent (RM)	0.81	0.84

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ACOUSTECH BERHAD (Co. No : 496665-W)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31/03/12	31/03/11
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,169	691
Adjustments for non cash items	166	283
Operating profit before working capital changes	<u>5,335</u>	<u>974</u>
Net changes in working capital	<u>(5,749)</u>	<u>6,046</u>
Cash (used in)/generated from operations	(414)	7,020
Interest paid	(15)	(13)
Tax paid (net of tax refunded)	(1,622)	(160)
Net cash (used in)/from operating activities	<u>(2,051)</u>	<u>6,847</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	336	324
Dividend received	735	-
Proceeds from disposal of property, plant and equipment	-	8
Property, plant and equipment	(206)	(1,473)
Short term funds	<u>2,018</u>	<u>(10,707)</u>
Net cash from/(used in) investing activities	<u>2,883</u>	<u>(11,848)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to the shareholders of the Company	(8,572)	-
Net cash used in financing activities	<u>(8,572)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(7,740)	(5,001)
Effects of exchange rate fluctuations on cash and cash equivalents	175	-
Cash and cash equivalents at beginning of financial period	<u>62,414</u>	<u>43,055</u>
Cash and cash equivalents at end of financial period	<u>54,849</u>	<u>38,054</u>

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ACOUSTECH BERHAD (Co. No : 496665-W)
 INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012
 (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 RM'000	Non- controlling interests RM'000	
At 1 Jan 2012	88,911	7,342	1,284	57,970	(5,528)	149,979	8,231	158,210
Total comprehensive income	-	-	(455)	3,621	-	3,166	280	3,446
Dividend paid in respect of financial year ended 31 December 2011	-	-	-	(8,572)	-	(8,572)	-	(8,572)
At 31 Mar 2012	88,911	7,342	829	53,019	(5,528)	144,573	8,511	153,084
At 1 Jan 2011	88,911	7,342	2,404	52,657	(5,528)	145,786	7,513	153,299
Total comprehensive income	-	-	(140)	741	-	601	104	705
Dividend paid in respect of financial year ended 31 December 2010	-	-	-	(6,001)	-	(6,001)	-	(6,001)
At 31 Mar 2011	88,911	7,342	2,264	47,397	(5,528)	140,386	7,617	148,003

(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 year ended 31 December 2011.

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 December 2011.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

3. Segmental Information

	Audio RM'000	Chemical paints RM'000	Electrical equipment RM'000	Total RM'000
3-month ended 31 March 2012				
Revenue				
External revenue	62,601	2,692	8,330	73,623
Results				
Segment results	4,873	-*	330	5,203
Unallocated corporate expenses				(84)
Operating profit				5,119
Finance costs	-	-	-	(28)
Share of results in a jointly controlled entity	-	-	78	78
Profit before tax				5,169
Tax expense				(1,268)
Profit for the period				3,901

* represents insignificant amount



EXPLANATORY NOTES

The figures have not been audited

3. Segmental Information (Continued)

	Audio RM'000	Chemical paints RM'000	Electrical equipment RM'000	Total RM'000
3-month ended 31 March 2011				
Revenue				
External revenue	38,664	3,679	7,725	50,068
Results				
Segment results	242	516	(112)	646
Unallocated corporate expenses				(83)
Operating profit				563
Finance costs	-	-	-	(25)
Share of results in a jointly controlled entity	-	-	153	153
Profit before tax				691
Tax expense				154
Profit for the period				845

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 year 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.

EXPLANATORY NOTES

The figures have not been audited

7. Dividends Paid

	Current year to date RM'000 31/03/12	Preceding year to date RM'000 31/03/11
First interim single tier dividend of 5.0 sen (2011: Nil) per share for the financial year ended 31 December 2011	8,572	-

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 year to-date 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.

12. Subsequent Events

There were no material events subsequent to 31 March 2012 that have not been reflected in the interim report.

EXPLANATORY NOTES

The figures have not been audited

13. Review of Performance

Audio

Audio division performed remarkably well where sales jumped 62% to RM62.6 million for Q1 2012 from RM38.7 million in Q1 2011. The increase was mainly attributable to higher volume and favourable sales mix. This has resulted in insignificantly higher operating profit for Q1 2012 of RM4.9 million compared to RM242,000 in the previous corresponding quarter.

Electrical Equipment

Sales in this division grew 8% to RM8.3 million for Q1 2012 from RM7.7 million in Q1 2011 attributable mainly to higher volume. Operating profit for Q1 2012 was RM330,000 compared to a loss of RM112,000 in Q1 2011.

Chemical Paints

Sales of this division dropped 27% to RM2.7 million in Q1 2012 from RM3.7 million in Q1 2011 and this has resulted in operating loss of RM280,000 compared to profit of RM96,000 in Q1 2011.

The Group

For Q1 2012, sales increased by 47% to RM73.6 million from RM50.1 million in Q1 2011. Profit before tax jumped 648% from RM691,000 in Q1 2011 to RM5.2 million for the current quarter under review for reasons as aforementioned.

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	4,873	3,072	59
Chemical paints	-*	(259)	100
Electrical equipment	330	(81)	>100
	<u>5,203</u>	<u>2,732</u>	
Unallocated corporate expenses	(84)	(119)	(29)
Operating profit	5,119	2,613	96
Finance costs	(28)	(19)	47
Share of results in a jointly controlled entity	78	98	(20)
Profit before tax	<u>5,169</u>	<u>2,692</u>	92

* represents insignificant amount

Operating profits improved in Audio and Electrical Equipment divisions as a result of higher sales and gain in foreign exchange. Chemical paint division continued to record operating loss mainly attributable to low 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 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 31/03/12 RM'000	Current Quarter 31/03/11 RM'000	Cumulative Quarter 31/03/12 RM'000	Cumulative Quarter 31/03/11 RM'000
Profit for the period is arrived at after charging/(crediting):				
Depreciation and amortisation	1,175	1,169	1,175	1,169
Dividend income	(280)	(420)	(280)	(420)
Foreign exchange loss/(gain)	364	(28)	364	(28)
Gain on disposal of property, plant and equipment	-	(3)	-	(3)
Derivatives gain	(489)	(16)	(489)	(16)
Interest income	(116)	(105)	(116)	(105)
Interest expense	15	14	15	14
Income from short term funds	(220)	(219)	(220)	(219)
Property, plant and equipment written off	-	6	-	6

EXPLANATORY NOTES

The figures have not been audited

18. Income Tax Expense

	Current Quarter 31/03/12 RM'000	Current Quarter 31/03/11 RM'000	Cumulative Quarter 31/03/12 RM'000	Cumulative Quarter 31/03/11 RM'000
In respect of current period				
- income tax	1,171	106	1,171	106
- deferred tax	97	(260)	97	(260)
	1,268	(154)	1,268	(154)

The effective tax rates for the current quarter and financial year to-date approximate the statutory tax rate.

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 March 2012.

21. Material Litigation

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

22. Dividend Payable

The Board of Director has on 28 March 2012 paid a first interim singer tier dividend of 5.0 sen per ordinary share of RM0.50 each in respect of financial year ended 31 December 2011 (2010: first interim singer tier dividend of 3.5 sen per ordinary share of RM0.50 each).

The Board has not recommended any dividend for the current quarter under review.

EXPLANATORY NOTES

The figures have not been audited

23. Earnings Per Share

Basic earnings per share

	Current Quarter 31/03/12	Current Quarter 31/03/11	Cumulative Quarter 31/03/12	Cumulative Quarter 31/03/11
Profit attributable to equity holders of the parent (RM'000)	3,621	741	3,621	741
Weighted average no. of shares in issue ('000)	171,445	171,445	171,445	171,445
Basic earnings per share (sen)	2.11	0.43	2.11	0.43

24. Realised and Unrealised Profits

	As At End Of Current Quarter 31/03/12 RM'000	As At End Of Preceding Quarter 31/12/11 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	80,811	89,811
- Unrealised	(2,215)	(2,925)
	78,596	86,886
Total share of retained profits from a jointly controlled company:		
- Realised	209	628
- Unrealised	38	(4)
	247	624
Less: Consolidation adjustments	(25,824)	(29,540)
Total Group retained profits	53,019	57,970