



ACOUSTECH BERHAD (Co. No: 496665-W)

INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
	30/06/12 RM'000	30/06/11 RM'000	30/06/12 RM'000	30/06/11 RM'000
Revenue	96,992	73,089	170,615	123,157
Operating expenses	(93,792)	(69,760)	(164,317)	(120,590)
Other operating income	<u>1,451</u>	<u>563</u>	<u>3,472</u>	<u>1,888</u>
Profit from operations	4,651	3,892	9,770	4,455
Finance costs	(36)	(22)	(64)	(47)
Share of results of a jointly controlled entity	<u>88</u>	<u>118</u>	<u>166</u>	<u>271</u>
<b>Profit before tax</b>	4,703	3,988	9,872	4,679
Tax expense	<u>(1,203)</u>	<u>(870)</u>	<u>(2,471)</u>	<u>(716)</u>
<b>Profit for the period</b>	<u><u>3,500</u></u>	<u><u>3,118</u></u>	<u><u>7,401</u></u>	<u><u>3,963</u></u>
Attributable to:				
Owners of the parents	3,155	2,780	6,776	3,521
Non-controlling interests	<u>345</u>	<u>338</u>	<u>625</u>	<u>442</u>
	<u><u>3,500</u></u>	<u><u>3,118</u></u>	<u><u>7,401</u></u>	<u><u>3,963</u></u>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic (sen)	<u>1.8</u>	<u>1.6</u>	<u>4.0</u>	<u>2.1</u>

(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 30 JUNE 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

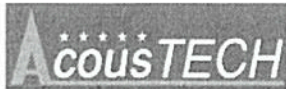
	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30/06/12 RM'000	30/06/11 RM'000	30/06/12 RM'000	30/06/11 RM'000
Profit for the period	3,500	3,118	7,401	3,963
<u>Other comprehensive income/(loss), net of tax:</u>				
Fair value of available-for-sale financial assets	(70)	(630)	(525)	(770)
<b>Total comprehensive income</b>	<b>3,430</b>	<b>2,488</b>	<b>6,876</b>	<b>3,193</b>
Attributable to:				
Owners of the parents	3,085	2,150	6,251	2,751
Non-controlling interests	345	338	625	442
	<b>3,430</b>	<b>2,488</b>	<b>6,876</b>	<b>3,193</b>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30/06/12 RM'000	31/12/11 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	47,355	49,431
Investment in a jointly controlled entity	2,152	2,440
Available-for-sale financial assets	4,515	5,040
	<u>54,022</u>	<u>56,911</u>
<b>Current assets</b>		
Inventories	26,566	25,878
Trade and other receivables	92,783	69,943
Amount owing by a jointly controlled entity	20	20
Tax recoverable	2,357	2,041
Derivative financial instruments	19	-
Short term funds	29,998	29,810
Deposits with licensed banks	23,217	25,856
Cash and bank balances	9,448	8,772
	<u>184,408</u>	<u>162,320</u>
<b>TOTAL ASSETS</b>	<u><u>238,430</u></u>	<u><u>219,231</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	88,911	88,911
Reserves	58,747	61,068
	<u>147,658</u>	<u>149,979</u>
Non-controlling interests	8,856	8,231
<b>TOTAL EQUITY</b>	<u>156,514</u>	<u>158,210</u>
<b>Non-current liabilities</b>		
Deferred taxation	2,219	2,369
<b>Current Liabilities</b>		
Trade and other payables	77,570	56,764
Derivative financial instruments	188	374
Tax liabilities	1,939	1,514
	<u>79,697</u>	<u>58,652</u>
<b>TOTAL LIABILITIES</b>	<u>81,916</u>	<u>61,021</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>238,430</u></u>	<u><u>219,231</u></u>
Net assets per share attributable to owners of the parent (RM)	0.83	0.84

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INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30/06/12 RM'000	30/06/11 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,872	4,679
Adjustments for non cash items	1,964	1,145
Operating profit before working capital changes	11,836	5,824
Net changes in working capital	(3,548)	(5,410)
Cash generated from operations	8,288	414
Interest paid	(39)	(26)
Tax paid (net of tax refunded)	(2,511)	1,507
Net cash from operating activities	5,738	1,895
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	615	672
Dividend received	735	302
Proceeds from disposal of property, plant and equipment	-	74
Property, plant and equipment	(460)	(2,550)
Short term funds	(6,106)	981
Net cash used in investing activities	(5,216)	(521)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to the shareholders of the Company	(8,572)	(6,001)
Net cash used in financing activities	(8,572)	(6,001)
Net decrease in cash and cash equivalents	(8,050)	(4,627)
Effects of exchange rate fluctuations on cash and cash equivalents	175	351
Cash and cash equivalents at beginning of financial period	62,414	43,050
Cash and cash equivalents at end of financial period	54,539	38,774

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←		Attributable to equity holders of the parent				→	
	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	Non- controlling interests RM'000	Total equity 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	-	-	(525)	6,776	-	6,251	625	6,876
Dividend paid in respect of financial year ended 31 December 2011	-	-	-	(8,572)	-	(8,572)	-	(8,572)
At 30 June 2012	88,911	7,342	759	56,174	(5,528)	147,658	8,856	156,514
At 1 Jan 2011	88,911	7,342	2,404	52,657	(5,528)	145,786	7,513	153,299
Total comprehensive income	-	-	(770)	3,521	-	2,751	442	3,193
Dividend paid in respect of financial year ended 31 December 2010	-	-	-	(6,001)	-	(6,001)	-	(6,001)
At 30 June 2011	88,911	7,342	1,634	50,177	(5,528)	142,536	7,955	150,491

(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
<b>6-month ended 30 June 2012</b>				
<b>Revenue</b>				
External revenue	140,182	5,794	24,639	170,615
<b>Results</b>				
Segment results	8,074	(21)	1,619	9,672
Unallocated corporate expenses				(182)
Operating profit				9,490
Finance costs	-	-	-	(64)
Dividend income	-	280	-	280
Share of results in a jointly controlled entity	-	-	166	166
Profit before tax				9,872
Tax expense				(2,471)
Profit for the period				7,401



## 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
<b>6-month ended 30 June 2011</b>				
<b>Revenue</b>				
External revenue	93,305	7,370	22,482	123,157
<b>Results</b>				
Segment results	3,383	447	513	4,343
Unallocated corporate expenses				(308)
Operating profit				4,035
Finance costs	-	-	-	(47)
Dividend income	-	420	-	420
Share of results in a jointly controlled entity	-	-	271	271
Profit before tax				4,679
Tax expense				(716)
Profit for the period				3,963

### 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

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### 7. Dividends Paid

	Current year to date RM'000 30/06/12	Preceding year to date RM'000 30/06/11
First interim single tier dividend of 5.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2011 (31 December 2011: 3.5 sen)	<u>8,572</u>	<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 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 30 June 2012 that have not been reflected in the interim report.



## EXPLANATORY NOTES

The figures have not been audited

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### 13. Review of Performance

On a quarter to quarter basis, the operating profits for Q2 2012 in the Audio and Electrical Equipment divisions were higher on the back of higher volume and sales. Sales in Audio and Electrical Equipment divisions grew 42% and 11% to RM77.6 million and RM16.3 million from the previous corresponding quarter of RM54.6 million and RM14.8 million respectively. However, the operating profit in Chemical division though remained profitable was affected as a result of lower sales. Its sales dropped from RM3.7 million in Q2 2012 to RM3.1 million in Q2 2011. In total, the Group registered higher profit before tax of RM4.7 million in Q2 2012 compared to RM3.9 million in Q2 2011.

On a year-to-date basis, the Group registered 111% higher profit before tax of RM9.9 million compared to RM4.7 million in the previous corresponding period attributable mainly to higher volume and sales in the Audio and Electrical Equipment divisions.

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

In Q2 2012, the operating profit of the Group was marginally lower at RM4.7 million compared to RM4.8 million in the immediate preceding despite with higher sales in all the divisions. In particular, the performance of the Audio division has been affected by rising costs and loss in foreign exchange.

### 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.

## EXPLANATORY NOTES

The figures have not been audited

### 17. Notes to the Statement of Comprehensive Income

	Current Quarter 30/06/12 RM'000	Current Quarter 30/06/11 RM'000	Cumulative Quarter 30/06/12 RM'000	Cumulative Quarter 30/06/11 RM'000
Profit for the period is arrived at after charging/(crediting):				
Depreciation and amortisation	1,360	622	2,535	1,791
Dividend income	-	-	(280)	(420)
Foreign exchange loss/(gain)	124	(117)	488	(145)
Gain on disposal of property, plant and equipment	-	(71)	-	(74)
Derivatives loss/(gain)	285	52	(204)	36
Interest income	(83)	(129)	(199)	(234)
Interest expense	24	12	39	26
Income from short term funds	(196)	(219)	(416)	(438)
Property, plant and equipment written off	1	-	1	6

### 18. Income Tax Expense

	Current Quarter 30/06/12 RM'000	Current Quarter 30/06/11 RM'000	Cumulative Quarter 30/06/12 RM'000	Cumulative Quarter 30/06/11 RM'000
In respect of current period				
- income tax	1,450	842	2,621	948
- deferred tax	(247)	28	(150)	(232)
	1,203	870	2,471	716

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

## EXPLANATORY NOTES

The figures have not been audited

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### 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 30 June 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 single 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 single tier dividend of 3.5 sen per ordinary share of RM0.50 each).

The Directors have not recommended any interim dividend for the current quarter.

### 23. Earnings Per Share

#### Basic earnings per share

	Current Quarter 30/06/12	Current Quarter 30/06/11	Cumulative Quarter 30/06/12	Cumulative Quarter 30/06/11
Profit attributable to equity holders of the parent (RM'000)	3,155	2,780	6,776	3,521
Weighted average no. of shares in issue ('000)	171,445	171,445	171,445	171,445
Basic earnings per share (sen)	<u>1.8</u>	<u>1.6</u>	<u>4.0</u>	<u>2.1</u>

**EXPLANATORY NOTES**

The figures have not been audited

**24. Realised and Unrealised Profits**

	As At End Of Current Quarter 30/06/12 RM'000	As At End Of Preceding Quarter 31/03/12 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	84,839	80,811
- Unrealised	(2,829)	(2,215)
	<b>82,010</b>	<b>78,596</b>
Total share of retained profits from a jointly controlled company:		
- Realised	299	209
- Unrealised	37	38
	<b>336</b>	<b>247</b>
	<b>82,346</b>	<b>78,843</b>
Less: Consolidation adjustments	<b>(26,172)</b>	<b>(25,824)</b>
Total Group retained profits	<b>56,174</b>	<b>53,019</b>