



ACOUSTECH BERHAD (Co. No: 496665-W)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual quarter		Cumulative quarter	
	Current year quarter 31/03/13 RM'000	Preceding year corresponding quarter 31/03/12 RM'000	Current year to date 31/03/13 RM'000	Preceding year corresponding period 31/03/12 RM'000
Revenue	46,817	73,623	46,817	73,623
Operating expenses	(48,265)	(70,524)	(48,265)	(70,524)
Other operating income	1,275	2,020	1,275	2,020
(Loss) / Profit from operations	(173)	5,119	(173)	5,119
Finance costs	(15)	(28)	(15)	(28)
Share of profits in jointly controlled entity	76	78	76	78
(Loss) / Profit before tax	(112)	5,169	(112)	5,169
Tax expense	4	(1,268)	4	(1,268)
(Loss) / Profit for the period	(108)	3,901	(108)	3,901
Attributable to:				
Owners of the parents	(72)	3,621	(72)	3,621
Non-controlling interests	(36)	280	(36)	280
	(108)	3,901	(108)	3,901
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	(0.04)	2.11	(0.04)	2.11

(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 2013

(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
	31/03/13 RM'000	31/03/12 RM'000	31/03/13 RM'000	31/03/12 RM'000
(Loss) / Profit for the period	(108)	3,901	(108)	3,901
Other comprehensive income/(loss), net of tax:				
Fair value of available-for-sale financial assets	(70)	(455)	(70)	(455)
Total comprehensive income / (loss)	(178)	3,446	(178)	3,446
Attributable to:				
Owners of the parents	(141)	3,166	(142)	3,166
Non-controlling interests	(36)	280	(36)	280
	(178)	3,446	(178)	3,446

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ACOUSTECH BERHAD (Co. No: 496665-W)

INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/03/13 RM'000	31/12/12 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,962	46,545
Investment in a jointly controlled entity	2,527	2,451
Available-for-sale financial assets	4,900	4,970
	<u>53,389</u>	<u>53,966</u>
Current assets		
Inventories	24,698	20,211
Trade and other receivables	46,247	75,441
Amount owing by a jointly controlled entity	21	30
Tax recoverable	3,486	3,139
Derivative financial instruments	19	27
Short term funds	45,319	35,449
Deposits with licensed banks	14,281	16,250
Cash and bank balances	9,439	9,095
	<u>143,510</u>	<u>159,642</u>
TOTAL ASSETS	<u><u>196,899</u></u>	<u><u>213,608</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	88,911	88,911
Reserves	56,096	62,469
	<u>145,007</u>	<u>151,380</u>
Non-controlling interests	8,255	8,918
TOTAL EQUITY	<u>153,262</u>	<u>160,298</u>
Non-current liabilities		
Deferred taxation	2,310	2,481
Current Liabilities		
Trade and other payables	40,916	50,013
Tax liabilities	411	816
	<u>41,327</u>	<u>50,829</u>
TOTAL LIABILITIES	<u>43,637</u>	<u>53,310</u>
TOTAL EQUITY AND LIABILITIES	<u><u>196,899</u></u>	<u><u>213,608</u></u>
Net assets per share attributable to owners of the parent (RM)	0.82	0.85

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ACOUSTECH BERHAD (Co. No : 496665-W)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31/03/13	31/03/12
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(112)	5,169
Adjustments for non cash items	(316)	166
Operating (loss) / profit before working capital changes	<u>(428)</u>	<u>5,335</u>
Net changes in working capital	<u>16,442</u>	<u>(5,749)</u>
Cash generated from operations	<u>16,014</u>	<u>(414)</u>
Interest paid	(13)	(15)
Other operating income	(919)	(1,622)
Net cash from / (used in) operating activities	<u>15,082</u>	<u>(2,051)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	406	336
Dividend received	420	735
Purchase of property, plant and equipment	(666)	(206)
Short term funds	-	2,018
Net cash from investing activities	<u>160</u>	<u>2,883</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to the shareholders of the Company	<u>(6,858)</u>	<u>(8,572)</u>
Net cash used in financing activities	<u>(6,858)</u>	<u>(8,572)</u>
Net increase / (decrease) in cash and cash equivalents	8,384	(7,740)
Effects of exchange rate fluctuations on cash and cash equivalents	(139)	175
Cash and cash equivalents at beginning of financial year	<u>52,021</u>	<u>62,414</u>
Cash and cash equivalents at end of financial year	<u>60,266</u>	<u>54,849</u>

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ACOUSTECH BERHAD (Co. No : 496665-W)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent				Distributable		Total	Non-controlling interests	Total equity
	Share capital	Non-distributable	Available-for-sales reserves	Retained profits	Treasury shares	Total			
	RM'000	Share premium	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Jan 2013	88,911	7,342	1,214	60,068	(5,528)	152,007	8,291	160,298	
Total comprehensive income/(loss)	-	-	(70)	(72)	-	(142)	(36)	(178)	
Dividend paid in respect of financial year ended 31 December 2012	-	-	-	(6,858)	-	(6,858)	-	(6,858)	
At 31 March 2013	<u>88,911</u>	<u>7,342</u>	<u>1,144</u>	<u>53,138</u>	<u>(5,528)</u>	<u>145,007</u>	<u>8,255</u>	<u>153,262</u>	
At 1 Jan 2012	88,911	7,342	1,284	57,970	(5,528)	149,979	8,231	158,210	
Total comprehensive income/(loss)	-	-	(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 March 2012	<u>88,911</u>	<u>7,342</u>	<u>829</u>	<u>53,019</u>	<u>(5,528)</u>	<u>144,573</u>	<u>8,511</u>	<u>153,084</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)

EXPLANATORY NOTES

The figures have not been audited

1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting", International Financial Reporting Standards 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 2012.

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 2012, except for the adoption of the following:

MFRSs/ Amendments/Interpretations	Effective date
<i>Amendments to MFRS 101, Presentation of Financial Statements- Presentation of Items of Other Comprehensive Income</i>	1 July 2012
<i>MFRS 3, Business Combinations (2004)</i>	1 January 2013
<i>MFRS 10, Consolidated Financial Statements</i>	1 January 2013
<i>MFRS 11, Joint Arrangements</i>	1 January 2013
<i>MFRS 12, Disclosure of Interests in Other Entities</i>	1 January 2013
<i>MFRS 13, Fair Value Measurement</i>	1 January 2013
<i>MFRS 119, Employee Benefits (2011)</i>	1 January 2013
<i>MFRS 127, Consolidated and Separate Financial Statements</i>	1 January 2013
<i>MFRS 127, Separate Financial Statements (2011)</i>	1 January 2013
<i>MFRS 128, Investment in Associates and Joint Ventures (2011)</i>	1 January 2013
<i>Amendments to MFRS 7, Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
<i>Amendments to MFRS 10, Consolidated Financial Statements Transition Guidance</i>	1 January 2013
<i>Amendments to MFRS 11, Joint Arrangements Transition Guidance</i>	1 January 2013
<i>Amendments to MFRS 12, Disclosure of Interests in Other Entities Transition Guidance</i>	1 January 2013
<i>Annual Improvements 2009 - 2011 Cycle</i>	1 January 2013

The initial application of the aforesaid applicable standards, amendments or interpretations are not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

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.



EXPLANATORY NOTES

The figures have not been audited

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 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 2013				
Revenue				
External revenue	38,755	2,255	5,807	46,817
Results				
Segment results	4	(303)	(228)	(527)
Unallocated corporate expenses				(65)
Operating loss				(592)
Finance costs	-	-	-	(16)
Dividend income	-	420	-	420
Share of results in a jointly controlled entity	-	-	76	76
Loss before tax				(112)
Tax expense				4
Loss for the period				(108)
3-month ended 31 March 2012				
Revenue				
External revenue	62,601	2,692	8,330	73,623
Results				
Segment results	4,873	(280)	330	4,923
Unallocated corporate expenses				(84)
Operating profit				4,839
Finance costs	-	-	-	(28)
Dividend income	-	280	-	280
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

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 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.

7. Dividends Paid

	Current year to date RM'000 31/03/13	Preceding year to date RM'000 31/03/12
First interim single tier dividend of 4.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2012 (31 December 2011: 5.0 sen)	<u>6,858</u>	<u>8,572</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.



EXPLANATORY NOTES

The figures have not been audited

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 2013 that have not been reflected in the interim report.

13. Review of Performance

For the first quarter of the financial year 2013, the Group incurred operating loss of RM0.6 million compared to a profit of RM4.8 million in the previous corresponding period mainly due to lower sales recorded in all divisions.

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

The Group registered operating loss of RM592 thousand for Q1 2013 compared to RM45 thousand in the immediate preceding quarter mainly due to lower sales.

15. Prospects for the current financial year

Barring unforeseen circumstances, the Directors expect the business prospects for the financial year ending 31 December 2013 to be highly challenging given lower demand, higher labour costs and 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 31/03/13 RM'000	Current Quarter 31/03/12 RM'000	Cumulative Quarter 31/03/13 RM'000	Cumulative Quarter 31/03/12 RM'000
Profit for the period is arrived at after charging/(crediting):				
Depreciation and amortisation	1,238	1,175	1,238	1,175
Dividend income	(420)	(280)	(420)	(280)
Net foreign exchange loss	322	364	322	364
Derivatives loss/(gain)	27	(489)	27	(489)
Interest income	(87)	(116)	(87)	(116)
Income from short term funds	(319)	(220)	(319)	(220)
Interest expense	13	15	13	15
Property, plant and equipment written off	11	-	11	-

18. Income Tax Expense

	Current Quarter 31/03/13 RM'000	Current Quarter 31/03/12 RM'000	Cumulative Quarter 31/03/13 RM'000	Cumulative Quarter 31/03/12 RM'000
In respect of current period				
- income tax	174	1,171	174	1,171
- deferred tax	(171)	97	(171)	97
In respect of prior year				
- income tax	(7)	-	(7)	-
	(4)	1,268	(4)	1,268

The effective tax rate for the previous year's corresponding quarter was lower than the statutory tax rate due to certain non-taxable 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 March 2013.

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 4.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2012 (31 December 2011: 5 sen). The dividend was paid on 28 March 2013 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 18 March 2013.

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

23. Earnings Per Share

Basic earnings per share

	Current Quarter 31/03/13	Current Quarter 31/03/12	Cumulative Quarter 31/03/13	Cumulative Quarter 31/03/12
(Loss)/Profit attributable to equity holders of the parent (RM'000)	(72)	3,621	(72)	3,621
Weighted average no. of shares in issue ('000)	171,445	171,445	171,445	171,445
Basic earnings per share (sen)	<u>(0.04)</u>	<u>2.11</u>	<u>(0.04)</u>	<u>2.11</u>

EXPLANATORY NOTES

The figures have not been audited

24. Realised and Unrealised Profits

	As At End Of Current Quarter 31/03/13 RM'000	As At End Of Preceding Quarter 31/12/12 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	80,302	87,695
- Unrealised	(2,294)	(2,648)
	78,008	85,047
Total share of retained profits from a jointly controlled company:		
- Realised	676	623
- Unrealised	36	12
	712	635
Less: Consolidation adjustments	(25,582)	(25,614)
Total Group retained profits	53,138	60,068