

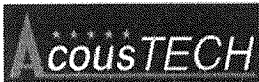
ACOUSTECH BERHAD (Co. No: 496665-W)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual quarter		Cumulative quarter	
	Current year quarter 31/03/14 RM'000	Preceding year corresponding quarter 31/03/13 RM'000	Current year to date 31/03/14 RM'000	Preceding year corresponding period 31/03/13 RM'000
Revenue	38,982	46,817	38,982	46,817
Operating expenses	(41,220)	(48,265)	(41,220)	(48,265)
Other operating income	<u>1,200</u>	<u>1,275</u>	<u>1,200</u>	<u>1,275</u>
Loss from operations	(1,038)	(173)	(1,038)	(173)
Finance costs	(17)	(15)	(17)	(15)
Gain on disposal of investment	1,835	-	1,835	-
Share of profits in joint venture	<u>240</u>	<u>76</u>	<u>240</u>	<u>76</u>
Profit / (Loss) before tax	1,020	(112)	1,020	(112)
Tax expense	<u>16</u>	<u>4</u>	<u>16</u>	<u>4</u>
Profit / (Loss) for the period	<u>1,036</u>	<u>(108)</u>	<u>1,036</u>	<u>(108)</u>
Attributable to:				
Owners of the parents	1,149	(72)	1,149	(72)
Non-controlling interests	<u>(113)</u>	<u>(36)</u>	<u>(113)</u>	<u>(36)</u>
	<u>1,036</u>	<u>(108)</u>	<u>1,036</u>	<u>(108)</u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	<u>0.67</u>	<u>(0.04)</u>	<u>0.67</u>	<u>(0.04)</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)

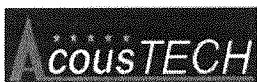
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

(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
	31/03/14 RM'000	31/03/13 RM'000	31/03/14 RM'000	31/03/13 RM'000
Profit / (Loss) for the period	1,036	(108)	1,036	(108)
<u>Other comprehensive income/(loss), net of tax:</u>				
Fair value of available-for-sale financial assets	306	(70)	306	(70)
Reclassification adjustment on disposal of available-for-sale financial assets	<u>(1,835)</u>	<u>-</u>	<u>(1,835)</u>	<u>-</u>
Total comprehensive loss	<u>(493)</u>	<u>(178)</u>	<u>(493)</u>	<u>(178)</u>
Attributable to:				
Owners of the parents	(380)	(142)	(380)	(142)
Non-controlling interests	<u>(113)</u>	<u>(36)</u>	<u>(113)</u>	<u>(36)</u>
	<u>(493)</u>	<u>(178)</u>	<u>(493)</u>	<u>(178)</u>

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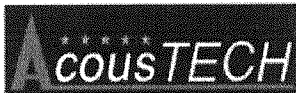
ACOUSTECH BERHAD (Co. No: 496665-W)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/03/14 RM'000	31/12/13 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,529	43,146
Investment in a jointly controlled entity	932	2,342
Deferred tax assets	28	28
Available-for-sale financial assets	-	5,285
	<u>43,489</u>	<u>50,801</u>
Current assets		
Inventories	17,434	14,347
Trade and other receivables	46,132	54,327
Amount owing by a joint venture	34	20
Tax recoverable	1,601	1,950
Short term funds	54,472	55,753
Cash, bank balances and deposits	26,975	21,898
	<u>146,648</u>	<u>148,295</u>
TOTAL ASSETS	<u><u>190,137</u></u>	<u><u>199,096</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	88,911	88,911
Reserves	55,200	57,371
	<u>144,111</u>	<u>146,282</u>
Non-controlling interests	7,222	7,335
TOTAL EQUITY	<u><u>151,333</u></u>	<u><u>153,617</u></u>
Non-current liabilities		
Deferred taxation	2,216	2,278
Current Liabilities		
Trade and other payables	36,081	42,650
Derivative financial instruments	-	44
Tax liabilities	507	507
	<u>36,588</u>	<u>43,201</u>
TOTAL LIABILITIES	<u><u>38,804</u></u>	<u><u>45,479</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>190,137</u></u>	<u><u>199,096</u></u>
Net assets per share attributable to owners of the parent (RM)	0.81	0.82

(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 2014

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31/03/14 RM'000	31/03/13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	1,020	(112)
Adjustments for non cash items	944	(316)
Operating profit / (loss) before working capital changes	<u>1,964</u>	<u>(428)</u>
Net changes in working capital	<u>(3,762)</u>	<u>16,442</u>
Cash (used in) / generated from operations	(1,798)	16,014
Interest paid	(9)	(13)
Tax refunded / (Paid)	303	(919)
Net cash (used in) / from operating activities	<u>(1,504)</u>	<u>15,082</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	400	406
Proceed from disposal of investment	5,590	-
Dividend received	1,650	420
Proceeds from disposal of property, plant and equipment	14	-
Purchase of property, plant and equipment	(493)	(666)
Short term funds	3,988	-
Treasury Shares	(1,791)	-
Net cash from investing activities	<u>9,358</u>	<u>160</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to the shareholders of the Company	-	(6,858)
Net cash used in financing activities	<u>-</u>	<u>(6,858)</u>
Net increase in cash and cash equivalents	7,854	8,384
Effects of exchange rate fluctuations on cash and cash equivalents	(70)	(139)
Cash and cash equivalents at beginning of financial period	<u>73,663</u>	<u>52,021</u>
Cash and cash equivalents at end of financial period	<u>81,447</u>	<u>60,266</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 31 MARCH 2014
 (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 2014	88,911	7,342	1,529	54,028	(5,528)	7,335	153,617
Profit for the financial year	-	-	-	1,149	-	(113)	1,036
Fair value gain on available-for-sale investment	-	-	306	-	-	-	306
Reclassification adjustment on disposal of available-for-sale financial assets	-	-	(1,835)	-	-	-	(1,835)
Total comprehensive loss	-	-	(1,529)	1,149	-	(113)	(493)
Repurchase of shares	-	-	-	-	(1,791)	-	(1,791)
At 31 March 2014	88,911	7,342	-	55,177	(7,319)	7,222	151,333
At 1 Jan 2013	88,911	7,342	1,214	60,068	(5,528)	8,291	160,298
Total comprehensive income/(loss)	-	-	(70)	(72)	-	(36)	(178)
Dividend paid in respect of financial year ended 31 December 2011	-	-	-	(6,858)	-	-	(6,858)
At 31 March 2013	88,911	7,342	1,144	53,138	(5,528)	8,255	153,262

(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 2013.

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 2013, except for the adoption of the following:

MFRSs/ Amendments/Interpretations	Effective date
Amendments to MFRS 10, <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities: Investment Entities</i>	1 January 2014
Amendments to MFRS 127, <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to MFRS 132, <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136, <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139, <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21, <i>Levies</i>	1 January 2014

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.

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 2013 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 2014				
Revenue				
External revenue	32,252	3,613	3,117	38,982
Results				
Segment results	(687)	269	(689)	(1,107)
Unallocated corporate expenses				69
Operating loss				(1,038)
Finance costs	-	-	-	(17)
Gain on disposal of investment	-	1,835	-	1,835
Share of results in a jointly controlled entity	-	-	240	240
Profit before tax				1,020
Tax expense				16
Profit for the period				1,036
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)

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

The Board has not paid any dividend for the current quarter (31 December 2012: 4.0 sen)

Current year to date RM'000 31/03/14	Preceding year to date RM'000 31/03/13
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-	6,858
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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 2014 that have not been reflected in the interim report.

13. Review of Performance

For the first quarter of the financial year 2014, the Group incurred operating loss of RM1.0 million compared to a loss of RM0.6 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 RM1.1 million for Q1 2014 compared to profit before tax of RM0.8 million 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 2014 to be highly challenging given lower demand 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 31/03/14 RM'000	Current Quarter 31/03/13 RM'000	Cumulative Quarter 31/03/14 RM'000	Cumulative Quarter 31/03/13 RM'000
Profit for the period is arrived at after charging/(crediting):				
Depreciation and amortisation	1,106	1,238	1,106	1,238
Dividend income	-	(420)	-	(420)
Foreign exchange (gain) / loss	(18)	322	(18)	322
Derivatives loss	-	27	-	27
Interest income	(24)	(87)	(24)	(87)
Income from short term funds	(375)	(319)	(375)	(319)
Interest expense	10	13	10	13
Property, plant and equipment written off	1	11	1	11

18. Income Tax Expense

	Current Quarter 31/03/14 RM'000	Current Quarter 31/03/13 RM'000	Cumulative Quarter 31/03/14 RM'000	Cumulative Quarter 31/03/13 RM'000
In respect of current period				
- income tax	46	174	46	174
- deferred tax	(62)	(171)	(62)	(171)
In respect of prior year				
- income tax	-	(7)	-	(7)
	(16)	(4)	(16)	(4)

The effective tax rate for the current quarter is lower than the statutory tax rate mainly 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 2014.

21. Material Litigation

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

22. Dividend Payable

The Board has on 7 April 2014 declared a special interim single tier tax exempt dividend of 20.0 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2014 and payable to shareholders on 14 May 2014 whose names appear in the Record of Depositors of the Company at the close of business on 28 April 2014.

23. Earnings Per Share

Basic earnings per share

	Current Quarter 31/03/14	Current Quarter 31/03/13	Cumulative Quarter 31/03/14	Cumulative Quarter 31/03/13
Profit / (Loss) attributable to equity holders of the parent (RM'000)	1,149	(72)	1,149	(72)
Weighted average no. of shares in issue ('000)	170,797	171,445	170,797	171,445
Basic earnings per share (sen)	<u>0.67</u>	<u>(0.04)</u>	<u>0.67</u>	<u>(0.04)</u>

EXPLANATORY NOTES
The figures have not been audited
24. Realised and Unrealised Profits

	As At End Of Current Quarter 31/03/14 RM'000	As At End Of Preceding Quarter 31/12/13 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	79,230	79,588
- Unrealised	(1,497)	(2,326)
	77,733	77,262
Total share of retained profits from a joint venture:		
- Realised	(891)	505
- Unrealised	7	20
	(884)	525
	76,849	77,787
Less: Consolidation adjustments	(21,672)	(23,759)
Total Group retained profits	55,177	54,028