

ACOUSTECH BERHAD (Co. No: 496665-W)

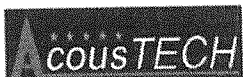
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

|   | Individual quarter                            |  | Cumulative quarter                            |   |
|---|---|--|---|---|
|   | Current year<br>quarter<br>31/03/15<br>RM'000 | Preceding year<br>corresponding<br>quarter<br>31/03/14<br>RM'000 | Current year<br>to date<br>31/03/15<br>RM'000 | Preceding year<br>corresponding<br>period<br>31/03/14<br>RM'000 |
| Revenue   | 27,825  | 38,982   | 27,825  | 38,982  |
| Operating expenses  | (30,450)                                      | (41,220)   | (30,450)                                      | (41,220)  |
| Other operating income  | 1,535   | 1,200  | 1,535   | 1,200   |
| Loss from operations  | (1,090)                                       | (1,038)  | (1,090)                                       | (1,038)   |
| Finance costs   | (6)   | (17)   | (6)   | (17)  |
| Gain on disposal of investment  | -   | 1,835  | -   | 1,835   |
| Share of profits in joint venture                                       | -   | 240  | -   | 240   |
| <b>Loss before tax from continuing operations</b>                       | <b>(1,096)</b>                                | <b>1,020</b>   | <b>(1,096)</b>                                | <b>1,020</b>  |
| Tax expense   | 110   | 16   | 110   | 16  |
| <b>Loss for the period from continuing operations</b>                   | <b>(986)</b>                                  | <b>1,036</b>   | <b>(986)</b>                                  | <b>1,036</b>  |
| <b>Discontinued operations</b>  |   |  |   |   |
| Profit for the period from discontinued operations                      | 96  | -  | 96  | -   |
| <b>(Loss) / Profit for the period</b>                                   | <b>(890)</b>                                  | <b>1,036</b>   | <b>(890)</b>                                  | <b>1,036</b>  |
| Attributable to:  |   |  |   |   |
| Owners of the parents   | (1,312)                                       | 1,150  | (1,312)                                       | 1,150   |
| Non-controlling interests   | 422   | (114)  | 422   | (114)   |
|   | <b>(890)</b>                                  | <b>1,036</b>   | <b>(890)</b>                                  | <b>1,036</b>  |
| <b>Earnings per share attributable to equity holders of the parent:</b> |   |  |   |   |
| Basic (sen)   | <b>(0.8)</b>                                  | <b>0.7</b>   | <b>(0.8)</b>                                  | <b>0.7</b>  |

(The notes set out on pages 6 to 15 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 2015

(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 |
|   | 31/03/15<br>RM'000   | 31/03/14<br>RM'000                   | 31/03/15<br>RM'000   | 31/03/14<br>RM'000                  |
| (Loss) / Profit for the period  | (890)                | 1,036                                | (890)                | 1,036                               |
| Other comprehensive income/(loss), net of tax:<br>Fair value of available-for-sale financial assets | -                    | 306                                  | -                    | 306                                 |
| Reclassification adjustment on disposal of<br>available-for-sale financial assets                   | -                    | (1,835)                              | -                    | (1,835)                             |
| <b>Total comprehensive (loss) / income</b>  | <b>(890)</b>         | <b>(493)</b>                         | <b>(890)</b>         | <b>(493)</b>                        |
| Attributable to:  |                      |                                      |                      |                                     |
| Owners of the parents   | (1,312)              | (380)                                | (1,312)              | (380)                               |
| Non-controlling interests   | 422                  | (113)                                | 422                  | (113)                               |
|   | <b>(890)</b>         | <b>(493)</b>                         | <b>(890)</b>         | <b>(493)</b>                        |

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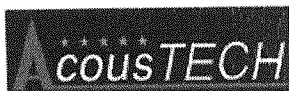


**ACOUSTECH BERHAD (Co. No: 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**  
 (The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | 31/03/15<br>RM'000 | 31/12/14<br>RM'000 |
|--|--------------------|--------------------|
| <b>ASSETS</b>  |                    |                    |
| <b>Non-current assets</b>                                      |                    |                    |
| Property, plant and equipment                                  | 12,650             | 30,795             |
| Investment in a jointly controlled entity                      | 224                | 227                |
|  | 12,874             | 31,022             |
| <b>Current assets</b>  |                    |                    |
| Inventories  | 5,865              | 11,370             |
| Trade and other receivables                                    | 34,011             | 33,478             |
| Tax recoverable  | 1,037              | 1,043              |
| Short term funds   | 50,559             | 43,011             |
| Cash, bank balances and deposits                               | 10,055             | 15,534             |
| Non-current assets classified as held for sale                 | 18,479             | 5,665              |
|  | 120,006            | 110,101            |
| <b>TOTAL ASSETS</b>  | <b>132,880</b>     | <b>141,123</b>     |
| <b>EQUITY AND LIABILITIES</b>                                  |                    |                    |
| <b>Equity attributable to equity holders of the Company</b>    |                    |                    |
| Share capital  | 88,911             | 88,911             |
| Reserves   | 16,952             | 18,264             |
|  | 105,863            | 107,175            |
| Non-controlling interests                                      | 3,213              | 4,197              |
| <b>TOTAL EQUITY</b>  | <b>109,076</b>     | <b>111,372</b>     |
| <b>Non-current liabilities</b>                                 |                    |                    |
| Deferred taxation  | 1,520              | 1,630              |
| <b>Current Liabilities</b>                                     |                    |                    |
| Trade and other payables                                       | 21,563             | 28,069             |
| Amount owing to a joint venture                                | 429                | -                  |
| Derivative financial instruments                               | 261                | 52                 |
| Tax liabilities  | 34                 | -                  |
|  | 22,287             | 28,121             |
| <b>TOTAL LIABILITIES</b>                                       | <b>23,807</b>      | <b>29,751</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            | <b>132,883</b>     | <b>141,123</b>     |
| Net assets per share attributable to owners of the parent (RM) | 0.60               | 0.60               |

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**ACOUSTECH BERHAD (Co. No : 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**  
 (The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | 31/03/15<br>RM'000 | 31/03/14<br>RM'000 |
|--|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |                    |                    |
| (Loss) / Profit before taxation                                    | (1,096)            | 1,020              |
| - continuing operations  | 126                | -                  |
| - discontinued operations  | 854                | 944                |
| Adjustments for non cash items                                     | (116)              | 1,964              |
| Operating profit/ (loss) before working capital changes            | (1,375)            | (3,762)            |
| Net changes in working capital                                     | (1,491)            | (1,798)            |
| Cash used in operations  | (4)                | (9)                |
| Interest paid  | 6                  | 303                |
| Tax refunded / (paid)  | (1,489)            | (1,504)            |
| Net cash used in operating activities                              | <u>(1,489)</u>     | <u>(1,504)</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |                    |                    |
| Interest income  | 425                | 400                |
| Proceed from disposal of investment                                | -                  | 5,590              |
| Dividend received  | -                  | 1,650              |
| Proceeds from disposal of property, plant and equipment            | 4,500              | 14                 |
| Acquisition of shares in a subsidiary                              | (1,363)            | -                  |
| Purchase of property, plant and equipment                          | (282)              | (493)              |
| Short term funds   | -                  | 3,988              |
| Treasury shares  | -                  | (1,791)            |
| Net cash from investing activities                                 | <u>3,280</u>       | <u>9,358</u>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |                    |                    |
| Dividend paid to the shareholders of the Company                   | -                  | -                  |
| Dividend paid to the minority shareholders                         | -                  | -                  |
| Net cash used in financing activities                              | <u>-</u>           | <u>-</u>           |
| Net increase in cash and cash equivalents                          | 1,791              | 7,854              |
| Effects of exchange rate fluctuations on cash and cash equivalents | 278                | (70)               |
| Cash and cash equivalents at beginning of financial period         | 58,545             | 73,663             |
| Cash and cash equivalents at end of financial period               | <u>60,614</u>      | <u>81,447</u>      |

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**ACOUSTECH BERHAD (Co. No : 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**  
 (The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | ← Attributable to equity holders of the parent |  | Distributable                       |                         | Non-distributable      |                                    | 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 |                     |
| <b>At 1 Jan 2015</b>   | 88,911   | 7,342                                  | -                                   | 18,241                  | (7,319)                | 4,197                              | 111,372             |
| Total comprehensive loss   | -  | -                                      | -                                   | (1,312)                 | -                      | 422                                | (890)               |
| Acquisition of shares in a subsidiary  | -  | -                                      | -                                   | -                       | -                      | (1,406)                            | (1,406)             |
| <b>At 31 March 2015</b>  | <b>88,911</b>                                  | <b>7,342</b>                           | <b>-</b>                            | <b>16,929</b>           | <b>(7,319)</b>         | <b>3,213</b>                       | <b>109,076</b>      |
| <b>At 1 Jan 2014</b>   | 88,911   | 7,342                                  | 1,529                               | 54,028                  | (5,528)                | 7,335                              | 153,617             |
| Profit for the financial period  | -  | -                                      | -                                   | 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)             |
| <b>At 31 March 2014</b>  | <b>88,911</b>                                  | <b>7,342</b>                           | <b>-</b>                            | <b>55,177</b>           | <b>(7,319)</b>         | <b>7,222</b>                       | <b>151,333</b>      |

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## EXPLANATORY NOTES

The figures have not been audited

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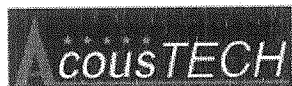
### 1. Accounting Policies

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 2014.

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 2014, except for the adoption of the following:

| <b>MFRSs/ Amendments/Interpretations</b>  | <b>Effective date</b> |
|---|-----------------------|
| Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)</i> | 1 July 2014           |
| Amendments to MFRS 3, <i>Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>                      | 1 July 2014           |
| Amendments to MFRS 8, <i>Operating Segments (Annual Improvements 2010-2012 Cycle)</i>   | 1 July 2014           |
| Amendments to MFRS 13, <i>Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>                    | 1 July 2014           |
| Amendments to MFRS 116, <i>Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)</i>                                | 1 July 2014           |
| Amendments to MFRS 124, <i>Related Party Disclosures (Annual Improvements 2010-2012 Cycle)</i>                                    | 1 July 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 2014 was not qualified.

### 3. Segmental Information

|                                     | Audio<br>RM'000 | (Discontinued<br>Operations)<br>Chemical<br>paints<br>RM'000 | (Discontinued<br>Operations)<br>Electrical<br>equipment<br>RM'000 | Total<br>RM'000 |
|-------------------------------------|-----------------|--|---|-----------------|
| <b>3-month ended 31 March 2015</b>  |                 |  |   |                 |
| <b>Revenue</b>                      |                 |  |   |                 |
| External revenue                    | 27,825          | -  | -   | 27,825          |
| <b>Results</b>                      |                 |  |   |                 |
| Segment results                     | (1,116)         | -  | 132   | (984)           |
| Unallocated corporate expenses      |                 |  |   | 23              |
| Operating loss                      |                 |  |   | (961)           |
| Finance costs                       |                 |  |   | (6)             |
| Share of results of a joint venture | -               | -  | (3)   | (3)             |
| Loss before tax                     |                 |  |   | (970)           |
| Tax expense                         |                 |  |   | 80              |
| Loss for the period                 |                 |  |   | (890)           |
| <b>3-month ended 31 March 2014</b>  |                 |  |   |                 |
| <b>Revenue</b>                      |                 |  |   |                 |
| External revenue                    | 32,252          | 3,613  | 3,117   | 38,982          |
| <b>Results</b>                      |                 |  |   |                 |
| Segment results                     | (687)           | 269  | (689)   | (1,107)         |
| Unallocated corporate expenses      |                 |  |   | 69              |
| Operating profit                    |                 |  |   | (1,038)         |
| Finance costs                       |                 |  |   | (17)            |
| Gain on disposal of investment      | -               | 1,835  | -   | 1,835           |
| Share of results of a joint venture | -               | -  | 240   | 240             |
| Profit before tax                   |                 |  |   | 1,020           |
| Tax expense                         |                 |  |   | 16              |
| Profit for the period               |                 |  |   | 1,036           |

## EXPLANATORY NOTES

The figures have not been audited

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### 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 March 2014: Nil)

### 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 except for as disclosed in Note 20.





## EXPLANATORY NOTES

The figures have not been audited

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### 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 2015 that have not been reflected in the interim report.

### 13. Review of Performance

During the financial period under review, the Group scaled down its audio business with the cessation of the manufacturing operations in Sungai Petani. As a result the Group's audio sales dropped 13.6% to RM27.8 million from RM32.2 million in the previous corresponding period. The Group incurred a loss of RM1.1 million (including a loss on disposal of manufacturing assets of RM0.6 million) compared with a loss of RM0.7 million mainly due to intense competition in the market.

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

In respect of continuing operations, the Group recorded loss before tax of RM0.5 million (excluding one-off loss on disposal of manufacturing assets of RM0.6 million) for the current quarter 2015 compared to a loss before tax of RM1.3 million in the immediate preceding quarter mainly due to lower operating loss incurred.

### 15. Prospects for the current financial year

Barring unforeseen circumstances, the Director deems the business environment for the current year to be highly challenging due to various macro-economic factors such as uncertain long term demand and fluctuating currency. The Board will be undertaking various measures to streamline operations with a view to reducing excess production capacity and reducing operational costs. The Board will be actively sourcing for new avenues of business to diversify the earning stream of the Group.

**EXPLANATORY NOTES**
**The figures have not been audited**
**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. (i) Profit Before Tax From Continuing Operations**

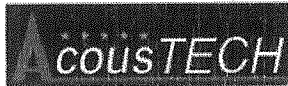
The profit before tax of the Group from continuing operations is arrived at after charging/(crediting):

|  | <b>Current<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Current<br/>Quarter<br/>31/03/14<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/14<br/>RM'000</b> |
|--|--|--|---|---|
| Depreciation and amortisation                        | 550  | 778  | 550   | 778   |
| Foreign exchange (gain) / loss                       | (271)  | (24)   | (271)   | (24)  |
| Derivatives loss                                     | 209  | -  | 209   | -   |
| Interest income                                      | (13)   | (7)  | (13)  | (7)   |
| Income from short term funds                         | (359)  | (352)  | (359)   | (352)   |
| Interest expense                                     | 4  | 6  | 4   | 6   |
| Loss on disposal of property,<br>plant and equipment | 562  | -  | 562   | -   |
| Property, plant and equipment<br>written off         | -  | 1  | -   | 1   |

**(ii) Cash and Cash Equivalents**

The cash and cash equivalents at end of the period comprise of the following:

|                                  | <b>Current year<br/>to date<br/>RM'000<br/>31/03/15</b> | <b>Preceding year<br/>to date<br/>RM'000<br/>31/03/14</b> |
|----------------------------------|---|---|
| <b>Continuing operations</b>     |   |   |
| Short term funds                 | 50,559  | 54,472  |
| Cash, bank balances and deposits | 10,055  | 16,163  |
| <b>Discontinued operations</b>   |   |   |
| Cash, bank balances and deposits | -   | 10,812  |
|                                  | <b>60,614</b>   | <b>81,447</b>   |



## EXPLANATORY NOTES

The figures have not been audited

### 18. Discontinued Operations Classified As Held For Sale (continued)

An analysis of the results of the discontinued operations is as follows:

|  | <b>Current<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Current<br/>Quarter<br/>31/03/14<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/14<br/>RM'000</b> |
|--|--|--|---|---|
| Revenue  | -  | -  | -   | -   |
| Operating expenses                             | (4)  | -  | (4)   | -   |
| Other operating income                         | 134  | -  | 134   | -   |
| Profit / (Loss) from operations                | 130  | -  | 130   | -   |
| Finance costs                                  | (1)  | -  | (1)   | -   |
| Gain on available-for-sale<br>investment       | -  | -  | -   | -   |
| Share of (loss) / profit of a joint<br>venture | (3)  | -  | (3)   | -   |
| Profit before tax                              | 126  | -  | 126   | -   |
| Tax expense                                    | (30)   | -  | (30)  | -   |
| Profit for the year                            | 96   | -  | 96  | -   |

The following amounts have been included in arriving at (loss)/profit before tax of the discontinued operations:

|                              | <b>Current<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Current<br/>Quarter<br/>31/03/14<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/14<br/>RM'000</b> |
|------------------------------|--|--|---|---|
| Charging / (Crediting):-     |  |  |   |   |
| Foreign exchange gain        | (76)   | -  | (76)  | -   |
| Interest income              | (8)  | -  | (8)   | -   |
| Income from short term funds | (45)   | -  | (45)  | -   |

**EXPLANATORY NOTES**
**The figures have not been audited**
**18. Discontinued Operations Classified As Held For Sale (continued)**

An analysis of the carrying amount of the non-current assets held for sale is as follows:-

|   | <b>As at<br/>31/03/15<br/>RM'000</b> |
|---|--------------------------------------|
| Assets of disposal group (land and building) classified as held for sale: | <u>18,479</u>                        |

The cash flow attributable to the discontinued operations is as follows:

|                      | <b>As at<br/>31/03/15<br/>RM'000</b> |
|----------------------|--------------------------------------|
| Operating activities | 454                                  |
| Investing activities | <u>53</u>                            |
| Net cash inflow      | <u>507</u>                           |

**19. Income Tax Expense**

The taxation of the group comprises the following:

|                              | <b>Current<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Current<br/>Quarter<br/>31/03/14<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/15<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31/03/14<br/>RM'000</b> |
|------------------------------|--|--|---|---|
| In respect of current period |  |  |   |   |
| - income tax                 | 30   | 46   | 30  | 46  |
| - deferred tax               | (110)  | (62)   | (110)   | (62)  |
|                              | <u>(80)</u>  | <u>(16)</u>  | <u>(80)</u>   | <u>(16)</u>   |

The effective tax rate for the financial year-to-date is higher than the statutory tax rate mainly due to certain expenses not allowable for deduction.

## EXPLANATORY NOTES

The figures have not been audited

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### 20. Corporate Proposals

20.1 On 18 June 2014, the Board of Director announced that its subsidiary, Formosa Prosonic Equipment Sdn Bhd (“FPEQ”), had on 17 June 2014 entered into Sale and Purchase Agreement (“SPA”) with Angel Water System Technology Sdn Bhd (“the Purchaser”) (formerly known as Grand Offshore Sdn Bhd) to dispose of the Land situated at Lot 11, Jalan Sultan Mohamed 5, Bandar Sultan Sulaiman, 42000 Port Klang, Selangor Darul Ehsan and the factory building constructed thereon (which aforesaid land and building are hereinafter collectively referred to as “the Said Property”) to the Purchaser on an “as-is-where-is” basis free from all encumbrances and with vacant/legal possession for RM8,000,000.00 subject to the conditions of title and restrictions-in-interest endorsed on the document of title to the Said Property or otherwise affecting the Said Property and the existing category of land use and upon the terms as stipulated in SPA. This transaction is pending completion.

20.2 The Board of Directors announced that on 09 February 2015 its subsidiary, Formosa Prosonic Technics Sdn Bhd (“FPT”) entered into a Sale and Purchase Agreement (“SPA”) to dispose of its manufacturing asset and equipment located at address plot 236, 238 & 240 Kawasan Perusahaan LPK, Taman Ria Jaya, 08000 Sungai Petani, Kedah (“SP Factory”) to Formosa Prosonic Industries Berhad (“FPI”) (“Proposed Disposal”) for a cash consideration of RM4,500,000. Simultaneous with the SPA, FPT also entered into a tenancy agreement whereby FPI will rent the factory land and building located at the SP Factory. Upon completion of the Proposed Disposal, FPT shall cease its manufacturing business in the manufacturing location at the SP Factory.

The terms of the Sale and Purchase Agreement have been fully satisfied and the Proposed Disposal had been completed on 25 March 2015.

20.3 The Board of Directors announced that on 27 March 2015, its wholly-owned subsidiary, Formosa Prosonic Technics Sdn Bhd (“FPT”), had entered into:

- (a) A Sale and Purchase Agreement with Formosa Prosonic Industries Berhad (“FPI”) for the proposed disposal a registered lease interest in the land under Geran 49384, Lot 184 Seksyen 65, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah together with buildings erected thereon for a cash consideration of RM15,000,000.00 (“Proposed Disposal I”); and
- (b) A Sale and Purchase Agreement with FPI for the proposed disposal of a double storey link semi-detached house bearing postal address B278, Jalan 12, Cinta Sayang Resort Homes, 08000 Sungai Petani, Kedah Held Under Individual Title No. Geran 187490, Lot 2430, Seksyen 65, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah for a cash consideration of RM550,000.00 (“Proposed Disposal II”).

Proposal I and II are pending completion.

**EXPLANATORY NOTES**
**The figures have not been audited**
**21. Group Borrowings and Debt Securities**

The Group does not have any borrowings and debt securities as at 31 March 2015.

**22. Material Litigation**

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

**23. Dividend Payable**

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

**24. Earnings Per Share**
**Basic earnings per share**

|   | <b>Current<br/>Quarter<br/>31/03/15</b> | <b>Current<br/>Quarter<br/>31/03/14</b> | <b>Cumulative<br/>Quarter<br/>31/03/15</b> | <b>Cumulative<br/>Quarter<br/>31/03/14</b> |
|---|---|---|--|--|
| Profit / (Loss) attributable to equity holders of the parent (RM'000) |   |   |  |  |
| from:   |   |   |  |  |
| - continuing operations   | <b>(1,408)</b>                          | 1,150                                   | <b>(1,408)</b>                             | 1,150                                      |
| - discontinued operations   | <b>96</b>                               | -                                       | <b>96</b>                                  | -  |
|   | <b>(1,312)</b>                          | 1,150                                   | <b>(1,312)</b>                             | 1,150                                      |
| Weighted average no. of shares in issue ('000)                        | <b>168,517</b>                          | 170,797                                 | <b>168,517</b>                             | 170,797                                    |
| Basic EPS (sen)   |   |   |  |  |
| From:   |   |   |  |  |
| - continuing operations   | <b>(0.8)</b>                            | 0.7                                     | <b>(0.8)</b>                               | 0.7  |
| - discontinued operations   | <b>*</b>                                | -                                       | <b>*</b>                                   | -  |
|   | <b>(0.8)</b>                            | 0.7                                     | <b>(0.8)</b>                               | 0.7  |

\* *Marginal*



## EXPLANATORY NOTES

The figures have not been audited

### 25. Realised and Unrealised Profits

|   | As At End Of<br>Current<br>Quarter 31/03/15<br>RM'000 | As At End Of<br>Preceding<br>Quarter 31/12/14<br>RM'000 |
|---|---|---|
| Total retained profits of the Company and its subsidiaries: |   |   |
| - Realised  | 38,290  | 39,071  |
| - Unrealised  | (1,480)   | (1,329)   |
|   | <b>36,810</b>   | 37,742  |
| Total share of retained profits from a joint venture:       |   |   |
| - Realised  | (1,592)   | (1,593)   |
| - Unrealised  | -   | 4   |
|   | <b>(1,592)</b>  | (1,589)   |
|   | <b>35,218</b>   | 36,153  |
| Less: Consolidation adjustments                             | <b>(18,289)</b>                                       | (17,912)  |
| Total Group retained profits                                | <b>16,929</b>   | 18,241  |