

# FORMOSA PROSONIC

FORMOSA PROSONIC INDUSTRIES BERHAD (172312-K)

INTERIM REPORT FOR THE YEAR ENDED 30 JUNE 2015

(The figures have not been audited)

## CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual quarter		Cumulative quarter	
	Current year quarter 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000	Current year to date 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000
Revenue	115,465	123,393	192,415	220,395
Cost of sales	<u>(104,509)</u>	<u>(111,032)</u>	<u>(174,739)</u>	<u>(198,891)</u>
Gross profit	10,956	12,361	17,676	21,504
Other income	3,867	950	7,430	3,428
Distribution costs	(4,724)	(5,088)	(9,167)	(9,560)
Administrative expenses	(3,890)	(3,744)	(6,770)	(6,412)
Other expenses	<u>(3,196)</u>	<u>(930)</u>	<u>(7,421)</u>	<u>(3,345)</u>
Profit from operations	3,013	3,549	1,748	5,615
Finance costs	(28)	(29)	(91)	(60)
Share of profit in an associate	903	59	541	370
Profit before tax	3,888	3,579	2,198	5,925
Tax expense	<u>(258)</u>	<u>(400)</u>	108	(1,018)
Profit for the year from continuing operations	3,630	3,179	2,306	4,907
Discontinued operations				
Profit for the year from discontinued operations	-	664	-	189
Profit for the period	<u>3,630</u>	<u>3,843</u>	<u>2,306</u>	<u>5,096</u>
Profits attributable to:				
Owners of the parent	2,962	2,991	1,288	4,053
Non-controlling interests	668	852	1,018	1,043
	<u>3,630</u>	<u>3,843</u>	<u>2,306</u>	<u>5,096</u>
Earnings per share (sen)				
Basic	<u>1.2</u>	<u>1.2</u>	<u>0.5</u>	<u>1.6</u>
Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

(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.)

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INTERIM REPORT FOR THE YEAR ENDED 30 JUNE 2015

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	Current year quarter 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000	Current year to date 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000
Profit for the period	3,630	3,843	2,306	5,096
<u>Other comprehensive income / (loss), net of tax</u>				
Currency translation difference	1,318	(1,329)	6,504	(3,733)
Share of associate's other comprehensive income / (loss)	-	-	-	(334)
Total comprehensive income	<u>4,948</u>	<u>2,514</u>	<u>8,810</u>	<u>1,029</u>
Attributable to:				
Owners of the parent	3,593	2,151	5,051	1,420
Non-controlling interests	<u>1,355</u>	<u>363</u>	<u>3,759</u>	<u>(391)</u>
	<u>4,948</u>	<u>2,514</u>	<u>8,810</u>	<u>1,029</u>

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/06/2015 RM'000	As at 31/12/2014 RM'000
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	68,603	66,667
Prepaid land lease payment	17,832	17,991
Intangibles assets	501	497
Investment in an associate	29,993	29,451
	<b>116,929</b>	114,606
Current assets		
Inventories	45,944	36,936
Trade and other receivables	113,042	80,891
Current tax assets	2,322	1,626
Short term funds	39,472	68,114
Cash, bank balances and deposits	99,863	81,018
	<b>300,643</b>	268,585
<b>TOTAL ASSETS</b>	<b>417,572</b>	<b>383,191</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	123,679	123,679
Reserves	117,825	120,196
	<b>241,504</b>	243,875
Equity attributable to equity holders of the Company	<b>241,504</b>	243,875
Non-controlling interests	47,309	43,549
Total equity	<b>288,813</b>	287,424
Non-current liabilities		
Deferred tax liabilities	1,384	1,924
Current liabilities		
Trade and other payables	127,335	93,417
Derivative financial instruments	-	370
Taxation	40	56
	<b>127,375</b>	93,843
Total liabilities	<b>128,759</b>	95,767
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>417,572</b>	<b>383,191</b>
Net assets per share attributable to owners of the parent (RM)	0.98	0.99

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	30/06/2015 RM'000	30/06/2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax		
- continuing operations	2,198	5,952
- discontinued operations	-	189
Adjustments for non-cash items	3,799	3,033
Operating profit before working capital changes	5,997	9,174
Net changes in working capital	2,503	(19,373)
Cash from / (used in) operations	8,500	(10,199)
Other payments	(60)	(27)
Taxes paid	(1,144)	(2,346)
<b>Net cash used in operating activities</b>	<b>7,296</b>	<b>(12,572)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of shares from NCI of a subsidiary	-	(1,657)
Interest received	1,087	780
Purchase of property, plant and equipment	(15,351)	(2,188)
Dividend received from an associate	-	9,288
Short term funds	-	(5,534)
Proceeds from disposal of property, plant and equipment	148	521
<b>Net cash (used in) / from investing activities</b>	<b>(14,116)</b>	<b>1,210</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(51)
Dividend paid	(7,421)	(14,841)
<b>Net cash used in financing activities</b>	<b>(7,421)</b>	<b>(14,892)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,241)	(26,254)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>		
As previously reported	149,131	130,771
Effect of exchange rate changes	4,445	(2,255)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	153,576	128,516
	<b>139,335</b>	<b>102,262</b>

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INTERIM REPORT FOR THE YEAR ENDED 30 JUNE 2015  
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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Non-distributable				Distributable			Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
			Capital reserve	Exchange fluctuation reserve	Available for-sales reserve	Retained profits	RM'000	RM'000	RM'000			
Balance as at 1 Jan 2015	123,679	994	1,259	8,503	-	109,439	243,874	43,550	287,424			
Total comprehensive income / (loss)	-	-	-	3,763	-	1,288	5,051	3,759	8,810			
Dividend in respect of financial year 2014	-	-	-	-	-	(7,421)	(7,421)	-	(7,421)			
<b>Balance as at 30 June 2015</b>	<b>123,679</b>	<b>994</b>	<b>1,259</b>	<b>12,266</b>	<b>-</b>	<b>103,306</b>	<b>241,504</b>	<b>47,309</b>	<b>288,813</b>			
Balance as at 1 January 2014	123,679	994	1,259	6,863	334	116,514	249,643	44,049	293,692			
Total comprehensive income	-	-	-	(2,299)	(334)	4,053	1,420	(391)	1,029			
Acquisition of shares in a subsidiary from NCI	-	-	-	-	-	-	-	(1,854)	(1,854)			
Dividend in respect of financial year 2013	-	-	-	-	-	(14,841)	(14,841)	-	(14,841)			
<b>Balance as at 30 June 2014</b>	<b>123,679</b>	<b>994</b>	<b>1,259</b>	<b>4,564</b>	<b>-</b>	<b>105,726</b>	<b>236,222</b>	<b>41,804</b>	<b>278,026</b>			

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# FORMOSA PRSONIC

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2015

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" 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.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2015

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### 2. Audit qualification

The audit report on the financial statements for the financial year ended 31 December 2014 was not qualified.

### 3. Seasonal or cyclical factors

Demands for speaker systems and its related products are generally seasonal and are affected by economic conditions in countries in which the products are sold.

### 4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income and cash flow for the current financial year.

### 5. Changes in estimates of amount reported

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 financial year.

### 6. Issuance and repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial year to date.

### 7. Dividend paid

	Current year to date RM'000	Preceding year to date RM'000
First interim single tier of 3.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2014 (31 December 2013 : 6.0 sen per ordinary share)	7,421	14,841