



**ACOUSTECH BERHAD (Co. No: 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual quarter		Cumulative quarter	
	Current year quarter 31/3/18 RM'000	Preceding year corresponding quarter 31/3/17 RM'000	Current year to date 31/3/18 RM'000	Preceding year corresponding period 31/3/17 RM'000
<b><u>Continuing operations</u></b>				
Revenue	6,210	327	6,210	327
Operating expenses	(7,582)	(1,906)	(7,582)	(1,906)
Other operating income	83	2	83	2
Profit/(Loss) from operations	(1,289)	(1,577)	(1,289)	(1,577)
Finance costs	(13)	(145)	(13)	(145)
Share of results in associate	-	(46)	-	(46)
<b>Profit/(Loss) before tax from continuing operations</b>	<b>(1,302)</b>	<b>(1,768)</b>	<b>(1,302)</b>	<b>(1,768)</b>
Tax expense	(41)	-	(41)	-
<b>Profit/(Loss) for the period from continuing operations</b>	<b>(1,343)</b>	<b>(1,768)</b>	<b>(1,343)</b>	<b>(1,768)</b>
<b><u>Discontinued operations</u></b>				
Revenue	-	8,924	-	8,924
Operating expenses	-	(9,339)	-	(9,339)
Other operating income	-	733	-	733
Profit/(Loss) from operations	-	318	-	318
Finance costs	-	(2)	-	(2)
Share of results in associate	-	-	-	-
<b>Profit/(Loss) before tax from discontinued operations</b>	<b>-</b>	<b>316</b>	<b>-</b>	<b>316</b>
Tax expense	-	(51)	-	(51)
<b>Profit/(Loss) for the period from discontinued operations</b>	<b>-</b>	<b>265</b>	<b>-</b>	<b>265</b>
<b><u>Total Continuing and discontinued operations</u></b>				
Revenue	6,210	9,251	6,210	9,251
Operating expenses	(7,582)	(11,245)	(7,582)	(11,245)
Other operating income	83	735	83	735
Profit/(Loss) from operations	(1,289)	(1,259)	(1,289)	(1,259)
Finance costs	(13)	(147)	(13)	(147)
Share of results in associate	-	(46)	-	(46)
<b>Total profit/(loss) before tax</b>	<b>(1,302)</b>	<b>(1,452)</b>	<b>(1,302)</b>	<b>(1,452)</b>
Tax expense	(41)	(51)	(41)	(51)
<b>Total profit/(loss) for the period</b>	<b>(1,343)</b>	<b>(1,503)</b>	<b>(1,343)</b>	<b>(1,503)</b>
Attributable to:				
Owners of the parents	(1,343)	(1,503)	(1,343)	(1,503)
Non-controlling interests	-	-	-	-
	<b>(1,343)</b>	<b>(1,503)</b>	<b>(1,343)</b>	<b>(1,503)</b>
<b>Earnings/(loss) per share attributable to equity holders of the parent:</b>				
Basic (sen)	<b>(0.8)</b>	<b>(0.9)</b>	<b>(0.8)</b>	<b>(0.9)</b>

(The notes set out on pages 6 to 14 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 YEAR ENDED 31 MARCH 2018

(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
	31/3/18 RM'000	31/3/17 RM'000	31/3/18 RM'000	31/3/17 RM'000
Profit/(Loss) for the period	(1,343)	(1,503)	(1,343)	(1,503)
Other comprehensive income/(loss), net of tax:				
Fair value of available-for-sale financial assets	-	-	-	-
Reclassification adjustment on disposal of available-for-sale financial assets	-	-	-	-
<b>Total comprehensive income</b>	<b>(1,343)</b>	<b>(1,503)</b>	<b>(1,343)</b>	<b>(1,503)</b>
Attributable to:				
Owners of the parents	(1,343)	(1,503)	(1,343)	(1,503)
Non-controlling interests	-	-	-	-
	<b>(1,343)</b>	<b>(1,503)</b>	<b>(1,343)</b>	<b>(1,503)</b>

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**ACOUSTECH BERHAD (Co. No: 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	31/3/18 RM'000	31/12/17 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,270	1,246
Investment property	2,800	2,800
Goodwill	23,469	23,469
Inventories	40,718	39,809
Deferred tax assets	11	11
	<b>68,268</b>	<b>67,335</b>
<b>Current assets</b>		
Property development cost	-	-
Inventories	10,590	8,606
Trade and other receivables	38,339	33,039
Tax recoverable	669	326
Short term funds	9	9
Cash, bank balances and deposits	5,038	12,060
Non-current assets classified as held for sale	-	18,860
	<b>54,645</b>	<b>72,900</b>
	<b>122,913</b>	<b>140,235</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	96,253	96,253
Reserves	2,169	3,512
<b>TOTAL EQUITY</b>	<b>98,422</b>	<b>99,765</b>
<b>Non-current liabilities</b>		
Long term borrowings	13,496	13,496
Hire purchase liabilities	614	633
Deferred taxation	488	447
	<b>14,598</b>	<b>14,576</b>
<b>Current Liabilities</b>		
Trade and other payables	9,724	15,825
Short term borrowings	0	1,720
Hire purchase liabilities	169	89
Non-current liabilities classified as held for sale	-	8,260
	<b>9,893</b>	<b>25,894</b>
<b>TOTAL LIABILITIES</b>	<b>24,491</b>	<b>40,470</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>122,913</b>	<b>140,235</b>
Net assets per share attributable to owners of the parent (RM)	0.55	0.56

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**ACOUSTECH BERHAD (Co. No : 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**  
 (The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>31/3/18</b>	<b>31/3/17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation		
- continuing operations	(1,302)	(1,767)
- discontinued operations	-	315
Net adjustments for non cash items	(4)	(318)
Operating profit/(loss) before working capital changes	<u>(1,306)</u>	<u>(1,770)</u>
Net changes in working capital	<u>(13,380)</u>	<u>(424)</u>
Cash used in operations	<u>(14,686)</u>	<u>(2,194)</u>
Interest paid	(246)	(238)
Tax paid	(342)	(577)
Net cash used in operating activities	<u>(15,274)</u>	<u>(3,009)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	83	5
Income distribution received from short term funds	0	120
Proceeds from disposal of property, plant and equipment	-	123
Proceeds from disposal of a subsidiary, net of cash and cash equivalents of subsidiary disposed of	5,713	-
Purchase of property, plant and equipment	(3)	(41)
Advances to an associate	(680)	(60)
Construction of investment property	-	(48)
Net cash from/(used in) investing activities	<u>5,113</u>	<u>99</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
- hire purchase liabilities	(27)	-
- term loans and bridging loans	(1,720)	(337)
Net cash used in financing activities	<u>(1,747)</u>	<u>(337)</u>
Net decrease in cash and cash equivalents	<b>(11,908)</b>	<b>(3,247)</b>
Effects of exchange rate fluctuations on cash and cash equivalents	-	(36)
Cash and cash equivalents at beginning of financial period	<b>16,955</b>	27,426
Cash and cash equivalents at end of financial period	<u><b>5,047</b></u>	<u>24,143</u>
Cash and cash equivalents of continuing operations	<b>5,047</b>	24,143
Cash and cash equivalents of discontinued operations	<b>(0)</b>	-
Cash and cash equivalents at end of financial period	<u><b>5,047</b></u>	<u><b>24,143</b></u>

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**ACOUSTECH BERHAD (Co. No : 496665-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the parent →				→
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained profits RM'000	
<b>At 1 January 2018</b>	<b>96,253</b>	-	<b>(8,232)</b>	<b>11,744</b>	<b>99,765</b>
Loss for the financial period	-	-	-	<b>(1,343)</b>	<b>(1,343)</b>
<b>At 31 March 2018</b>	<b>96,253</b>	-	<b>(8,232)</b>	<b>10,401</b>	<b>98,422</b>
<b>At 1 January 2017</b>	88,911	7,342	(8,232)	25,627	113,648
Loss for the financial period	-	-	-	(1,503)	(1,503)
<b>At 31 March 2017</b>	88,911	7,342	(8,232)	24,124	112,145

(The notes set out on pages 6 to 14 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 2017.

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 2017.

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been adopted by the Group and the Company.

MFRSs/ Amendments/Interpretations	Effective date
Amendments to MFRS 4 <i>Applying MFRS 9</i> Financial Instruments with <i>MFRS 4</i> Insurance Contracts	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Amendments, Clarifications and Standards, since the effects would only be observable for future financial years.

### 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not qualified.



**EXPLANATORY NOTES**

The figures have not been audited

**3. Segmental Information**

	Property development division RM'000	Investment holding segment RM'000	Audio division (Discontinued operations) RM'000	Total RM'000
<b>3-months ended 31 March 2018</b>				
<b>Revenue</b>				
External revenue	6,210	-	-	6,210
<b>Results</b>				
Operating loss	(749)	(623)	-	(1,372)
Finance costs	(2)	(11)	-	(13)
Interest income	48	35	-	83
Loss before tax	(703)	(599)	-	(1,302)
Tax expense				(41)
Loss for the period				(1,343)
<b>3-months ended 31 March 2017</b>				
<b>Revenue</b>				
External revenue	327	-	8,924	9,251
<b>Results</b>				
Operating loss	(985)	(593)	(416)	(1,994)
Finance costs	(145)	-	(2)	(147)
Unrealised gain on forex	-	-	17	17
Interest income	2	-	123	125
Other income	-	-	593	593
Share of results in an associate	-	(46)	-	(46)
Profit/(Loss) before tax	(1,128)	(639)	315	(1,452)
Tax expense				(51)
Loss for the period				(1,503)

**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.



## EXPLANATORY NOTES

The figures have not been audited

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### 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 of Directors has not paid any dividend for the current quarter (31 December 2017: 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.

### 11. Changes in Contingent Liabilities or Contingent Assets

The Company has an existing corporate guarantee amounting to RM37.5 million issued to a licensed bank for banking facilities granted to a subsidiary company. As at 31 March 2018, the Company is contingently liable for the amount of banking facilities utilised by the subsidiary company totalling RM13.5 million.

In respect of banking facilities granted by a licensed bank to associate company Harum Eco Dormitory Sdn Bhd, the Company is contingently liable up to 30 percent of the amount of banking facilities utilised by the associate under the proportionate corporate guarantee scheme. As at 31 March 2018, the Company is liable for the amount of RM4.2 million, representing 30% proportion of the RM14 million banking facilities utilised.

### 12. Subsequent Events

There were no material events subsequent to 31 March 2018 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

During the period under review, the Group's continuing operations generated a turnover of RM6.2 million compared to RM0.3 million in the preceding year. The turnover was attributed to property division contributed purely by the construction progress of dormitories in Permas Jaya, Johor. The sale of completed properties remained sluggish during the quarter and as a result, the Group posted a net loss of RM1.3 million.

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

The Group registered a loss before tax of RM1.3 million for the quarter, derived from its continuing operations, mainly due to the low margin of the construction contract for the dormitories and slow sales of completed units at Senibong 88 which in turn was unable to cover the overheads incurred during the quarter. The loss is comparable to the loss posted for the immediate preceding quarter.

### 15. Prospects for the current financial year

Following the completion of disposal of the persistent loss-making audio segment, the Group is now able to focus its resources entirely on the property segment. At the end of the quarter under review, construction progress of the dormitories stood at approximately 40%. The Board is confident the dormitories will be completed by end of the year. On the development front, Phase 1 of Desa 88 project in Plentong, Johor, has been completely sold out and works on the ground has commenced. However, in light of the immediate adverse impact of the significant changes in the country's political landscape on local market sentiments, the Board is taking a cautious approach in preparing to launch Desa 88 Phase 2 with a total GDV of RM44 million and in undertaking new development initiatives. Notwithstanding the uncertainties and challenges, the Board will continue to focus on the other ongoing property development gestation activities the Group has committed to so as to ensure success of the projects.

### 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. (i) Profit/(Loss) Before Tax From Continuing Operations**

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

	<b>Current Quarter 31/3/18 RM'000</b>	<b>Preceding Year Corresponding Quarter 31/3/17 RM'000</b>	<b>Cumulative Quarter 31/3/18 RM'000</b>	<b>Preceding Year Cumulative Quarter 31/3/17 RM'000</b>
Depreciation and amortisation	66	36	66	36
Interest income	(83)	(2)	(83)	(2)
Interest expense	12	145	12	145
(Gain)/Loss on disposal of property, plant and equipment	-	14	-	14

**(ii) Cash and Cash Equivalents**

The cash and cash equivalents at end of the financial year comprise of the following:

	<b>Current year to date RM'000 31/3/18</b>	<b>Preceding year to date RM'000 31/3/17</b>
<b>Continuing operations</b>		
Short term funds	9	11,291
Cash, bank balances and deposits	5,038	12,852
	<b>5,047</b>	<b>24,143</b>

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

On 7 December 2017, the Company entered into a Share Sale Agreement (“SSA”) with Formosa Prosonic Industries Berhad in respect of the disposal by the Company of 9,990,000 ordinary shares representing 100% of issued and paid up capital of Formosa Prosonic Technics Sdn. Bhd. (“FPT”). The transaction was completed on 2 January 2018.

- (i) The loss before tax of the discontinued operations for the comparative quarter and period ended 31 March 2017 were arrived at after charging/(crediting):

	<b>Preceding Year Corresponding Quarter 31/3/17 RM'000</b>	<b>Preceding Year Cumulative Quarter 31/3/17 RM'000</b>
Depreciation and amortisation	110	110
Foreign exchange (gain)/loss	481	481
Derivatives (gain)/loss	(587)	(587)
Interest income	(3)	(3)
Income from short term funds	(120)	(120)

- (ii) An analysis of the carrying amount of FPT as at 31 March 2017 is as follows:

	<b>As at 31/3/17 RM'000</b>
<b>Assets:</b>	
Property, plant and equipment	1,060
Deferred tax asset	159
Inventories	2,663
Trade and other receivables	21,386
Tax recoverable	1,141
Short term funds	12,283
Cash, bank balances and deposits	7,468
<b>Total</b>	<b>46,160</b>
<b>Liabilities:</b>	
Trade and other creditors	5,456
Derivative liabilities	180
<b>Total</b>	<b>5,636</b>
<b>Net assets of disposal group</b>	<b>40,524</b>

**EXPLANATORY NOTES**
**The figures have not been audited**

- (iii) The taxation for discontinued operations for the comparative quarter and period ended 31 March 2017 comprised the following:

	<b>Preceding Year Corresponding Quarter 31/3/17 RM'000</b>	<b>Preceding Year Cumulative Quarter 31/3/17 RM'000</b>
In respect of current period		
- income tax	1	1
- deferred tax	50	50
In respect of prior year		
- income tax	-	-
	51	51

**19. Income Tax Expense**

The taxation of the Group for continuing operation comprises the following:

	<b>Current Quarter 31/12/17 RM'000</b>	<b>Preceding Year Corresponding Quarter 31/12/16 RM'000</b>	<b>Cumulative Quarter 31/12/17 RM'000</b>	<b>Preceding Year Cumulative Quarter 31/12/16 RM'000</b>
In respect of current period				
- deferred tax	41	-	41	-
	41	-	41	-

The effective tax rate for the financial year-to-date is higher than the statutory tax rate mainly due to the effects of deferred tax liabilities provision on interest charged to subsidiaries.

**20. Corporate Proposals**

- (a) The Board of Directors of AB announced on 6 December 2017 that, Teras Eco Sdn. Bhd. (“TESB”), a wholly-owned subsidiary had entered into a Joint Development Agreement (“JDA”) with YPJ Builders Sdn. Bhd. where TESB has committed to the development of 84 units of two and three storey shop offices on 19.328 acres of land held under Lot H.S.(D) 36608 PTD 2313 and H.S.(D) 36609 PTD 2314 located in Mukim Pantai Timur, District of Kota Tinggi, State of Johor (“Land”).

## EXPLANATORY NOTES

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- (b) On 28 December 2017, the Company announced that its wholly-owned subsidiary, Teras Eco Resources Sdn. Bhd. (“TERSB”) had executed two (2) separate Memorandums of Understanding (“MOUs) as follow:
- (i) MOU between TERSB and Innocashz (M) Sdn. Bhd. for a proposed joint venture where TERSB plans to develop a 5-storey luxury hotel on 1.2 acres of leasehold land held under H.S.(D) 73497 PT 833 located in Kawasan Bandar XLI, District of Melaka Tengah, State of Melaka; and
  - (ii) MOU between TERSB and Goldsand JV Sdn. Bhd. for a proposed joint venture where TERSB plans to develop a block of affordable serviced apartment with approximately 152 units on 3.9 acres of leasehold land held under H.S.(M) 593 PT 11425 located in Mukim Krubong, District of Melaka Tengah, State of Melaka.

Save for the above, there were no other corporate proposals announced which remained incomplete as at the date of issue of this interim report.

## 21. Group Borrowings and Debt Securities

Group borrowings, which are denominated in Ringgit Malaysia, as at 31 March 2018 are as follows:

(a) **Short term borrowings**

	<b>RM'000</b>
<u>Unsecured</u>	
Hire purchase	169
<u>Secured</u>	
Term loans & bridging finance	-
	<u>169</u>

(b) **Long term borrowings**

	<b>RM'000</b>
<u>Unsecured</u>	
Hire purchase	614
<u>Secured</u>	
Term loans & bridging finance	13,496
	<u>14,110</u>

## 22. Material Litigation

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

**EXPLANATORY NOTES**

**The figures have not been audited**

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**23. Dividend Payable**

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

**24. Earnings Per Share**

**Basic earnings per share**

	<b>Current Quarter 31/3/18</b>	<b>Preceding Year Corresponding Quarter 31/3/17</b>	<b>Cumulative Quarter 31/3/18</b>	<b>Preceding Year Cumulative Quarter 31/3/17</b>
Profit/(Loss) attributable to equity holders of the parent (RM'000)				
from:				
- continuing operations	<b>(1,343)</b>	(1,768)	<b>(1,343)</b>	(1,768)
- discontinued operations	-	265	-	265
Weighted average number of shares in issue ('000)	<b>167,138</b>	167,138	<b>167,138</b>	167,138
Basic EPS (sen)				
From:				
- continuing operations	<b>(0.8)</b>	(1.1)	<b>(0.8)</b>	(1.1)
- discontinued operation	-	0.2	-	0.2