

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Fourth Quarter and Twelve-Month period ended 30 June 2009

A. EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2008.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2008 was not qualified.

3. Segmental Information

Business Segment

The Company is principally an investment holding company. The principal businesses of the Group are manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals which are substantially within a single business segment, and therefore, segmental reporting is deemed not necessary.

Geographical Segment

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers.

Segmental revenue in geographical segments of the Group for the current quarter and current year to-date as at 30 June 2009 was as follows:

	Current Quarter Ended 30.6.2009 RM'000	Current Year To-Date Ended 30.6.2009 RM'000
Local	7,667	40,155
Export	7,809	42,862
	<u>15,476</u>	<u>83,017</u>

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2009 except as disclosed in the notes.

5. Changes in Estimates

There were no changes in estimates that have material effect in the current quarter results.

6. Comment about Seasonal or Cyclical Factors

The Group operates in the local and overseas agricultural sector which could be influenced by seasonal or cyclical factors.

7. Dividend Paid

No dividend was paid by the Company during the current quarter period under review.

8. Carrying Amount of Revalued Assets

There is no revaluation of the property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

9. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter and current financial year to-date under review.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

11. Discontinued Operations

There was no disposal of subsidiaries by the Group during the current quarter under review.

12. Capital Commitments

There was no capital commitments entered into and not provided for by the Group during the current quarter under review.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 30 June 2008, except as follows:

	As at 30.6.2009 RM'000	As at 30.6.2008 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary company	<u>29,600</u>	<u>4,850</u>

14. Material Subsequent Events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 26 August 2009 which had affected substantially the results of the Group for the financial quarter ended 30 June 2009.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

15. Performance Review

For the current quarter under review, the Group registered a revenue of RM15.476 million as compared to the preceding year corresponding quarter of RM43.131 million, a decrease of 64.1%.

Profit for the period has decreased by 38.7% to RM2.300 million in the current quarter under review from the preceding year corresponding quarter of RM3.753 million.

The decrease in profit was due to lower sales revenue generated in the current quarter.

16. Comment on Material Change in Profit Before Taxation

For the current quarter under review, the Group's profit before taxation is RM3.041 million compared to the Group's profit before taxation of RM1.157 million in the immediate preceding quarter. This 162.8% increase in profit before taxation was contributed mainly by higher margins generated in the current quarter due to stabilisation of raw material prices and a high inventory write down in the immediate preceding quarter.

17. Comment on Prospects

The Group will continue to focus on its core activities and barring any unforeseen circumstances, the Group hopes to achieve acceptable performance for the financial year ending 30 June 2010.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

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19. Income Tax Expense

	Current Quarter Ended 30.6.2009 RM'000	Current Year To-Date Ended 30.6.2009 RM'000
Current tax:		
- Malaysian income tax	<u>(741)</u>	<u>(1,762)</u>

The effective tax rate of the Group for the current year to-date is lower than the statutory tax rate of 25% due to sufficient capital allowances, industrial building allowances, reinvestment allowances and other tax benefits allowable for offset.

20. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter under review.

21. Quoted Securities

There were no quoted securities held as at the end of the financial quarter under review.

22. Corporate Proposals

There were no corporate proposals announced but not completed as at 26 August 2009.

23. Borrowings

	As at 30.6.2009 RM'000	As at 30.6.2008 RM'000
RM denominated borrowings		
Short Term Borrowings		
Secured:-		
Bills Payable	<u>70</u>	<u>838</u>

There are no borrowings denominated in foreign currency.

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 26 August 2009.

25. Changes in Material Litigation

There were no material litigations involving the Group as at 26 August 2009.

26. Dividend

The Board of Directors is recommending a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2009.

The dividend payable amounting to RM2,800,000 if approved by the shareholders of the Company at the forthcoming Annual General Meeting of the Company will be paid on a date to be announced.

27. Earnings Per Share

(a) Basic

The computation of basic earnings per share for the current quarter and current year to-date is based on the Group unaudited profit for the period attributable to ordinary equity holders of the parent for the current quarter of RM2.300 million and current year to-date of RM6.766 million divided by the number of ordinary shares in issue during the period of 80,000,000.

(b) Diluted

Not applicable

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 August 2009.