

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Three-Month period ended 30 Sept 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2011 RM '000	Preceding Year Corresponding Quarter 30.09.2010 RM '000	Current Year To Date 30.09.2011 RM '000	Preceding Year Corresponding Period 30.09.2010 RM '000
Revenue	14,460	18,412	14,460	18,412
Cost of sales	(11,921)	(14,153)	(11,921)	(14,153)
Gross profit	2,539	4,259	2,539	4,259
Other income	612	479	612	479
Administrative expenses	(1,452)	(1,723)	(1,452)	(1,723)
Selling and distribution expenses	(38)	(13)	(38)	(13)
Other expenses	(258)	(370)	(258)	(370)
Finance costs	(19)	(15)	(19)	(15)
Profit before taxation	1,384	2,617	1,384	2,617
Income tax expense	(315)	(528)	(315)	(528)
Profit after taxation	1,069	2,089	1,069	2,089
Other comprehensive income				
Currency translation differences of foreign subsidiary	613	(339)	613	(339)
Other comprehensive income for the year, net of tax	613	(339)	613	(339)
Total comprehensive income for the period	1,682	1,750	1,682	1,750
Profit for the period attributable to:				
Owners of the parent	1,069	2,089	1,069	2,089
Total comprehensive income for the period attributable to:				
Owners of the parent	1,682	1,750	1,682	1,750
Earnings per ordinary share (sen)				
- Basic	1.34	2.61	1.34	2.61
- Diluted	NA	NA	NA	NA

Note:

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

NA denotes "Not Applicable"

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30 Sept 2011 RM '000	Audited As At 30 June 2011 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	20,008	20,093
Investment properties	149	150
	<u>20,157</u>	<u>20,243</u>
Current assets		
Inventories	21,071	17,433
Trade and other receivables	24,932	32,875
Cash and bank balances	37,495	30,267
Tax recoverable	949	899
	<u>84,447</u>	<u>81,474</u>
TOTAL ASSETS	<u>104,604</u>	<u>101,717</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Reserves	57,648	55,966
Total equity - profit attributable to owners of the parent	<u>97,648</u>	<u>95,966</u>
Non-current liability		
Deferred taxation	985	985
Current liabilities		
Trade and other payables	4,587	4,746
Borrowings	1,352	-
Tax payable	32	20
	<u>5,971</u>	<u>4,766</u>
TOTAL LIABILITIES	<u>6,956</u>	<u>5,751</u>
TOTAL EQUITY AND LIABILITIES	<u>104,604</u>	<u>101,717</u>
Net assets per share (RM)		
	<u>1.22</u>	<u>1.20</u>

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Parent →				Total equity RM '000
	Share capital RM '000	Non-Distributable		Distributable	
		Share premium RM '000	Foreign currency translation reserve RM '000	Unappropriated profit RM '000	
<u>3 months ended 30 Sept 2010</u>					
Balance as at 1 July 2010 (Audited)	40,000	2,857	(453)	48,772	91,176
Total comprehensive income for the period	-	-	(339)	2,089	1,750
Balance as at 30 September 2010	<u>40,000</u>	<u>2,857</u>	<u>(792)</u>	<u>50,861</u>	<u>92,926</u>
<u>3 months ended 30 Sept 2011</u>					
Balance as at 1 July 2011 (Audited)	40,000	2,857	(961)	54,070	95,966
Total comprehensive income for the period	-	-	613	1,069	1,682
Balance as at 30 September 2011	<u>40,000</u>	<u>2,857</u>	<u>(348)</u>	<u>55,139</u>	<u>97,648</u>

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended 30.9.2011 RM'000	3 Months Ended 30.9.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,384	2,617
Adjustments for:-		
Interest expenses	19	15
Interest income	(188)	(163)
Non-cash items	36	434
Operating profit before working capital changes	<u>1,251</u>	<u>2,903</u>
Changes in working capital		
Net change in current assets	4,811	3,939
Net change in current liabilities	(350)	(2,138)
Cash generated from operations	<u>5,712</u>	<u>4,704</u>
Taxation paid	(353)	(578)
Interest paid	(19)	(15)
Interest received	188	163
Net cash generated from operating activities	<u>5,528</u>	<u>4,274</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(315)	(321)
Proceeds from disposal of property, plant and equipment	9	20
Net cash used in investing activities	<u>(306)</u>	<u>(301)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Net proceeds of bills payables	1,276	469
Net cash generated from financing activities	<u>1,276</u>	<u>469</u>
Net changes in cash and cash equivalents	6,498	4,442
Effect of foreign exchange rate changes	730	(339)
Cash and cash equivalents at beginning of financial period	30,267	32,562
Cash and cash equivalents at end of the financial period	<u>37,495</u>	<u>36,665</u>
Cash and cash equivalent at the end of the financial period comprise the following:		
Short term deposits with licensed banks	1,277	11
Cash on hand and at banks	<u>8,421</u>	<u>3,980</u>
	9,698	3,991
Short term cash investments	<u>27,797</u>	<u>32,674</u>
Cash and bank balances	<u>37,495</u>	<u>36,665</u>

Note:

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report for the First Quarter and Three-Month period ended 30 September 2011

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. 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 2011. 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 2011.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in the preparation of the consolidated interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2011 except for the adoption of the following Financial Reporting Standards ("FRSs"), Amendments to FRSs, IC Interpretations and Technical Releases ("TR"):

		<u>Effective dates</u>
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Improvements to FRSs (2010)		1 January 2011
TR i-4	Shariah Compliant Sale Contracts	1 January 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

The adoption of the above FRSs, Amendments, IC Interpretations and TR are not expected to have material impact on the financial statements of the Group.

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A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2011 was not qualified.

A4. 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 September 2011 was as follows:

	Current Quarter Ended 30.9.2011 RM'000	Current Year To-Date Ended 30.9.2011 RM'000
Local	9,049	9,049
Export	5,411	5,411
	<u>14,460</u>	<u>14,460</u>

A5. 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 September 2011 except as disclosed in the notes.

A6. Changes in Estimates

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

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A7. 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.

A8. Dividend Paid

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

A9. 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.

A10. 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.

A11. Changes in the Composition of the Group

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

A12. Discontinued Operations

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

A13. Capital Commitments

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

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A14. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since last financial year ended as at 30 June 2011.

A15. Material Subsequent Events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 16 November 2011 which had affected substantially the results of the Group for the financial quarter ended 30 September 2011.

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

B1. Performance Review

For the current quarter under review, the Group registered a revenue of RM14.460 million as compared to the preceding year corresponding quarter of RM18.412 million, a decrease of 21.5%.

Profit for the period has decreased by 48.8% to RM1.069 million in the current quarter under review from the preceding year corresponding quarter of RM2.089 million.

The decrease in profit was due to lower sales generated and higher cost of sales for this quarter in comparison with the preceding year corresponding quarter.

B2. Comment on Material Change in Profit Before Taxation

For the current quarter under review, the Group's profit before taxation is RM1.384 million compared to the Group's profit before taxation of RM2.666 million in the immediate preceding quarter. This 48.1% decrease in profit before taxation was due to lower sales generated and also higher cost of sales for this quarter in comparison with the immediate preceding quarter.

B3. 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 2012.

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B4. 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.

B5. Income Tax Expense

	Current Quarter Ended 30.9.2011 RM'000	Current Year To-Date Ended 30.9.2011 RM'000
Current tax:		
- Malaysian income tax	<u>(315)</u>	<u>(315)</u>

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

B6. Sales of Unquoted Investments and Properties

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

B7. Quoted Securities

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

B8. Corporate Proposals

There were no corporate proposals announced but not completed as at 16 November 2011.

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B9. Borrowings

	As at 30.9.2011 RM'000	As at 30.6.2011 RM'000
RM denominated borrowings		
Short Term Borrowings		
Secured:-		
Bills Payable	1,352	-

There are no borrowings denominated in foreign currency.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 16 November 2011.

B11. Changes in Material Litigation

There were no material litigations involving the Group as at 16 November 2011.

B12. Dividend

The Board of Directors recommended a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2011.

The dividend payable amounting to RM2,800,000 was approved by the shareholders of the Company at the Annual General Meeting of the Company and will be paid on 18 January 2012.

B13. 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 owners of the parent for the current quarter of RM1.069 million and current year to-date of RM1.069 million divided by the number of ordinary shares in issue during the period of 80,000,000.

(b) Diluted

Not applicable

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B14. 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 16 November 2011.

C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Total unappropriated profit as at 30 September 2011 and 30 June 2011 is analysed as follows:

	As At End of Current Quarter 30.9.2011 RM'000	As At End of Preceding Quarter 30.6.2011 RM'000
Total unappropriated profit of the Company and its subsidiaries		
- Realised	81,072	80,785
- Unrealised	(615)	(1,848)
	<u>80,457</u>	<u>78,937</u>
Consolidation adjustments	(25,318)	(24,867)
Total Group unappropriated profit as per consolidated accounts	<u>55,139</u>	<u>54,070</u>