

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2011 RM '000	Preceding Year Corresponding Quarter 31.12.2010 RM '000	Current Year To Date 31.12.2011 RM '000	Preceding Year Corresponding Period 31.12.2010 RM '000
Revenue	16,298	23,814	30,758	42,226
Cost of sales	(12,943)	(18,829)	(24,864)	(32,982)
<b>Gross profit</b>	<b>3,355</b>	<b>4,985</b>	<b>5,894</b>	<b>9,244</b>
Other income	121	235	733	714
Administrative expenses	(1,676)	(1,863)	(3,128)	(3,586)
Selling and distribution expenses	(25)	(15)	(63)	(28)
Other operating expenses	(469)	(276)	(727)	(646)
Finance costs	(13)	(8)	(32)	(23)
<b>Profit before tax</b>	<b>1,293</b>	<b>3,058</b>	<b>2,677</b>	<b>5,675</b>
Income tax expense	(287)	(651)	(602)	(1,179)
<b>Profit after tax</b>	<b>1,006</b>	<b>2,407</b>	<b>2,075</b>	<b>4,496</b>
<b>Other comprehensive income</b>				
Currency translation differences of foreign subsidiary	133	6	746	(333)
Other comprehensive income for the period, net of tax	133	6	746	(333)
<b>Total comprehensive income for the period</b>	<b>1,139</b>	<b>2,413</b>	<b>2,821</b>	<b>4,163</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	1,006	2,407	2,075	4,496
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	1,139	2,413	2,821	4,163
Earnings per ordinary share (sen)				
- Basic	1.26	3.01	2.59	5.62
- 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"

**IMASPRO CORPORATION BERHAD (Company No. 657527-H)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 31 December 2011 RM '000	Audited As At 30 June 2011 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	19,733	20,093
Investment properties	148	150
	<u>19,881</u>	<u>20,243</u>
<b>Current assets</b>		
Inventories	29,134	17,433
Trade and other receivables	22,914	32,875
Cash and bank balances	33,461	30,267
Tax recoverable	1,344	899
	<u>86,853</u>	<u>81,474</u>
<b>TOTAL ASSETS</b>	<u>106,734</u>	<u>101,717</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Reserves	58,787	55,966
<b>Total equity - profit attributable to owners of the parent</b>	<u>98,787</u>	<u>95,966</u>
<b>Non-current liability</b>		
Deferred taxation	985	985
<b>Current liabilities</b>		
Trade and other payables	6,232	4,746
Borrowings	710	-
Tax payable	20	20
	<u>6,962</u>	<u>4,766</u>
<b>TOTAL LIABILITIES</b>	<u>7,947</u>	<u>5,751</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>106,734</u>	<u>101,717</u>
	-	-
Net assets per share (RM)	<u>1.23</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 profits RM '000	
<b><u>6 months ended 31 December 2010</u></b>					
Balance as at 1 July 2010 (Audited)	40,000	2,857	(453)	48,772	91,176
Total comprehensive income for the period	-	-	(333)	4,496	4,163
Balance as at 31 December 2010	<u>40,000</u>	<u>2,857</u>	<u>(786)</u>	<u>53,268</u>	<u>95,339</u>
<b><u>6 months ended 31 December 2011</u></b>					
Balance as at 1 July 2011 (Audited)	40,000	2,857	(961)	54,070	95,966
Total comprehensive income for the period	-	-	746	2,075	2,821
Balance as at 31 December 2011	<u>40,000</u>	<u>2,857</u>	<u>(215)</u>	<u>56,145</u>	<u>98,787</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**

	<b>6 Months Ended 31.12.2011 RM'000</b>	<b>6 Months Ended 31.12.2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,677	5,675
Adjustments for:-		
Interest expenses	32	23
Interest income	(394)	(343)
Non-cash items	663	977
Operating profit before working capital changes	<u>2,978</u>	<u>6,332</u>
Changes in working capital		
Net change in current assets	(1,404)	(1,943)
Net change in current liabilities	1,380	4,497
Cash generated from operations	<u>2,954</u>	<u>8,886</u>
Taxes paid	(1,058)	(931)
Taxes refunded	11	-
Interest paid	(32)	(23)
Interest received	394	343
Net cash generated from operating activities	<u>2,269</u>	<u>8,275</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(540)	(441)
Proceeds from disposal of property, plant and equipment	18	22
Net cash used in investing activities	<u>(522)</u>	<u>(419)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Net proceeds from bills payable	694	(15)
Net cash used in financing activity	<u>694</u>	<u>(15)</u>
Net change in cash and cash equivalents	2,441	7,841
Effect of foreign exchange rate changes	753	(361)
Cash and cash equivalents at beginning of financial period	30,267	32,562
Cash and cash equivalents at end of the financial period	<u>33,461</u>	<u>40,042</u>
<b>Cash and cash equivalent at the end of the financial period comprise the following:</b>		
Short term deposits with licensed banks	11	11
Cash on hand and at banks	2,270	5,822
Cash and bank balances	2,281	5,833
Short term investment	31,180	34,209
<b>Cash and cash equivalent</b>	<u>33,461</u>	<u>40,042</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.

# IMASPRO CORPORATION BERHAD (Company No. 657527-H)

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## 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 and IC Interpretations:

		<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
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 and IC Interpretations are not expected to have material impact on the financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2013.

The financial performance and financial position prepared under current accounting framework would not be significantly different if prepared under the MFRS Framework.

**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. 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.

**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 31 December 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 and current financial year to-date results.

**A7. 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.

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## A8. Dividend Paid

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

## A9. 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 and these are:

- (i) Malaysia
- (ii) Indonesia
- (iii) Others : These consist of segments which cover mainly Australia, Bulgaria, Belgium and Russia but which individually fall below the 10% threshold of a reportable segment

	Malaysia RM'000	Indonesia RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>Current Quarter Ended 31.12.2011</b>					
Segment revenue					
Sales to external customers	10,037	2,344	3,917	-	16,298
Inter-segment sales	617	-	-	(617)	-
Total	<u>10,654</u>	<u>2,344</u>	<u>3,917</u>	<u>(617)</u>	<u>16,298</u>
Profit before tax					1,293
Income tax expense					(287)
Profit after tax					<u>1,006</u>

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	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Current Year To-Date Ended 31.12.2011</b>					
Segment revenue					
Sales to external customers	19,086	4,468	7,204	-	30,758
Inter-segment sales	1,353	-	-	(1,353)	-
Total	<u>20,439</u>	<u>4,468</u>	<u>7,204</u>	<u>(1,353)</u>	<u>30,758</u>
Profit before tax					2,677
Income tax expense					<u>(602)</u>
Profit after tax					<u><u>2,075</u></u>

**A10. 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.

**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. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since 30 June 2011.

**A13. Capital Commitments**

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



**A14. Material Subsequent Events**

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 23 February 2012 which had affected substantially the results of the Group for the financial quarter ended 31 December 2011.

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

**B1. Performance Review**

For the current quarter under review, the Group registered a revenue of RM16.298 million as compared to the preceding year corresponding quarter of RM23.814 million, a decrease of 31.6%. Profit for the period has decreased by 58.2% to RM1.006 million in the current quarter under review from the preceding year corresponding quarter of RM2.407 million. The decrease in profit was due to the lower sales achieved for this quarter in comparison with the preceding year corresponding quarter.

South East Asia has been flooded by thunderstorms and excess water and weather forecasts have predicted these conditions to last till March 2012. These unfavourable weather conditions have severely changed planting and harvesting conditions and adversely impacted the demand for the Group's products which translated to lower sales achieved.

Revenue in the Malaysia Segment decreased by 14.8% and revenue in the Indonesia segment decreased by 50% for the current quarter under review as compared to the preceding year corresponding quarter as a result of this unfavourable weather condition.

**B2. Variation of results against preceding quarter**

For the current quarter under review, the Group's profit before tax is RM1.293 million compared to the Group's profit before tax of RM1.384 million in the immediate preceding quarter. This 6.58% decrease in profit before tax was contributed mainly by higher administrative and other operating expenses coupled with unfavourable exchange rates for USD in the current quarter.

**B3. 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**

	<b>Current Quarter Ended 31.12.2011 RM'000</b>	<b>Current Year To-Date Ended 31.12.2011 RM'000</b>
Current tax:		
- Malaysian income tax	<u>(287)</u>	<u>(602)</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. Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 February 2012.

**B7. Borrowings**

	<b>As at 31.12.2011 RM'000</b>	<b>As at 30.6.2011 RM'000</b>
<b>RM denominated borrowings</b>		
Short Term Borrowings		
Secured:-		
Bills Payable	<u>710</u>	<u>-</u>

There are no borrowings denominated in foreign currency.

**B8. Changes in Material Litigation**

There were no material litigations involving the Group as at 23 February 2012.

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### B9. 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 was paid on 18 January 2012.

### B10. 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 RM1.006 million and current year to-date of RM2.075 million divided by the number of ordinary shares in issue during the period of 80,000,000.

#### (b) Diluted

Not applicable

### B11. Profit Before Tax

	<b>Current Quarter Ended 31.12.2011 RM'000</b>	<b>Current Year To- Date Ended 31.12.2011 RM'000</b>
Profit before tax is stated after (charging)/crediting:		
Interest income	206	394
Foreign exchange (loss)/gain-unrealised	(121)	249
Gain on disposal of property, plant and Equipment	-	(9)
Reversal of allowance for impairment of trade receivables	35	72
Interest expenses	(13)	(32)
Depreciation and amortisation	(491)	(893)
Impairment loss on trade receivables	(50)	(100)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

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**B12. 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 23 February 2012.

**C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES**

Total unappropriated profit as at 31 December 2011 and 30 September 2011 is analysed as follows:

	<b>As At End of Current Quarter 31.12.2011 RM'000</b>	<b>As At End of Preceding Quarter 30.9.2011 RM'000</b>
Total unappropriated profit of the Company and its subsidiaries		
- Realised	82,346	81,072
- Unrealised	(736)	(615)
	<hr/> 81,610	<hr/> 80,457
Consolidation adjustments	(25,465)	(25,318)
	<hr/> 56,145	<hr/> 55,139
Total Group unappropriated profit as per consolidated accounts	<hr/> <hr/> 56,145	<hr/> <hr/> 55,139