

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Nine-Month period ended 31 March 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2012 RM '000	Preceding Year Corresponding Quarter 31.3.2011 RM '000	Current Year To Date 31.3.2012 RM '000	Preceding Year Corresponding Period 31.3.2011 RM '000
Revenue	22,013	23,124	52,771	65,350
Cost of sales	(18,494)	(19,489)	(43,358)	(52,471)
Gross profit	3,519	3,635	9,413	12,879
Other income	77	213	810	927
Administrative expenses	(1,726)	(1,466)	(4,854)	(5,052)
Selling and distribution expenses	(72)	(18)	(135)	(46)
Other operating expenses	(192)	(532)	(919)	(1,178)
Finance costs	(8)	(6)	(40)	(29)
Profit before tax	1,598	1,826	4,275	7,501
Income tax expense	(317)	(296)	(919)	(1,475)
Profit after tax	1,281	1,530	3,356	6,026
Other comprehensive income				
Currency translation differences of foreign subsidiary	(76)	(163)	670	(496)
Other comprehensive income for the period, net of tax	(76)	(163)	670	(496)
Total comprehensive income for the period	1,205	1,367	4,026	5,530
Profit for the period attributable to:				
Owners of the parent	1,281	1,530	3,356	6,026
Total comprehensive income for the period attributable to:				
Owners of the parent	1,205	1,367	4,026	5,530
Earnings per ordinary share (sen)				
- Basic	1.60	1.91	4.20	7.53
- 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 31 March 2012 RM '000	Audited As At 30 June 2011 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	19,619	20,093
Investment properties	148	150
	<u>19,767</u>	<u>20,243</u>
Current assets		
Inventories	27,106	17,433
Trade and other receivables	26,269	32,875
Cash and bank balances	33,312	30,267
Tax recoverable	1,096	899
	<u>87,783</u>	<u>81,474</u>
TOTAL ASSETS	<u><u>107,550</u></u>	<u><u>101,717</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Reserves	57,192	55,966
Total equity - profit attributable to owners of the parent	<u>97,192</u>	<u>95,966</u>
Non-current liability		
Deferred taxation	985	985
Current liabilities		
Trade and other payables	9,352	4,746
Borrowings	-	-
Tax payable	21	20
	<u>9,373</u>	<u>4,766</u>
TOTAL LIABILITIES	<u>10,358</u>	<u>5,751</u>
TOTAL EQUITY AND LIABILITIES	<u><u>107,550</u></u>	<u><u>101,717</u></u>
Net assets per share (RM)		
	<u>1.21</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	
<u>9 months ended 31 March 2011</u>					
Balance as at 1 July 2010 (Audited)	40,000	2,857	(453)	48,772	91,176
Total comprehensive income for the period	-	-	(496)	6,026	5,530
Dividends	-	-	-	(2,800)	(2,800)
Balance as at 31 March 2011	<u>40,000</u>	<u>2,857</u>	<u>(949)</u>	<u>51,998</u>	<u>93,906</u>
<u>9 months ended 31 March 2012</u>					
Balance as at 1 July 2011 (Audited)	40,000	2,857	(961)	54,070	95,966
Total comprehensive income for the period	-	-	670	3,356	4,026
Dividends	-	-	-	(2,800)	(2,800)
Balance as at 31 March 2012	<u>40,000</u>	<u>2,857</u>	<u>(291)</u>	<u>54,626</u>	<u>97,192</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

	9 Months Ended 31.3.2012 RM'000	9 Months Ended 31.3.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,275	7,501
Adjustments for:-		
Interest expenses	40	29
Interest income	(596)	(501)
Non-cash items	1,291	1,641
Operating profit before working capital changes	<u>5,010</u>	<u>8,670</u>
Changes in working capital		
Net change in current assets	(2,987)	(6,388)
Net change in current liabilities	4,570	(1,685)
Cash generated from operations	<u>6,593</u>	<u>597</u>
Taxes paid	(1,115)	(2,158)
Taxes refunded	-	-
Interest paid	(40)	(29)
Interest received	596	501
Net cash generated from/(used in) operating activities	<u>6,034</u>	<u>(1,089)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(877)	(1,235)
Proceeds from disposal of property, plant and equipment	18	22
Net cash used in investing activities	<u>(859)</u>	<u>(1,213)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Net repayment of bills payable	-	(159)
Dividend paid	(2,800)	(2,800)
Net cash used in financing activity	<u>(2,800)</u>	<u>(2,959)</u>
Net change in cash and cash equivalents	2,375	(5,261)
Effect of foreign exchange rate changes	670	(500)
Cash and cash equivalents at beginning of financial period	30,267	32,562
Cash and cash equivalents at end of the financial period	<u>33,312</u>	<u>26,801</u>
Cash and cash equivalent at the end of the financial period comprise the following:		
Short term deposits with licensed banks	11	11
Cash on hand and at banks	4,654	3,744
Cash and bank balances	<u>4,665</u>	<u>3,755</u>
Short term investment	28,647	23,046
Cash and cash equivalent	<u>33,312</u>	<u>26,801</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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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.

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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 March 2012 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

A first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2011 amounting to RM2,800,000 was paid on 18 January 2012.

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
Current Quarter Ended 31.3.2012					
Segment revenue					
Sales to external customers	11,574	4,823	5,616	-	22,013
Inter-segment sales	1,028	-	-	(1,028)	-
Total	12,602	4,823	5,616	(1,028)	22,013
Profit before tax					1,598
Income tax expense					(317)
Profit after tax					1,281

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	Malaysia RM'000	Indonesia RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Current Year To-Date Ended 31.3.2012					
Segment revenue					
Sales to external customers	30,660	9,291	12,820	-	52,771
Inter-segment sales	2,381	-	-	(2,381)	-
Total	<u>33,041</u>	<u>9,291</u>	<u>12,820</u>	<u>(2,381)</u>	<u>52,771</u>
Profit before tax					4,275
Income tax expense					(919)
Profit after tax					<u>3,356</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.

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A14. Material Subsequent Events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 21 May 2012 which had affected substantially the results of the Group for the financial quarter ended 31 March 2012.

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 RM22.013 million as compared to the preceding year corresponding quarter of RM23.124 million, a decrease of 4.8%. Profit for the period has decreased by 16.3% to RM1.281 million in the current quarter under review from the preceding year corresponding quarter of RM1.530 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 which lasted 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.

Notwithstanding the overall drop in revenue in the current quarter compared to the preceding year corresponding quarter, the revenue in the Malaysia segment has increased by 23% and revenue in the Indonesia segment has increased by 5.9%. This was mainly due to the stock-up by customers in anticipation of an increase in raw material prices in early April 2012.

B2. Variation of results against preceding quarter

For the current quarter under review, the Group's profit before tax is RM1.598 million compared to the Group's profit before tax of RM1.293 million in the immediate preceding quarter. This 23.6% increase in profit before tax was contributed mainly by higher sales achieved in the current quarter in comparison with the immediate preceding 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

	Current Quarter Ended 31.3.2012 RM'000	Current Year To-Date Ended 31.3.2012 RM'000
Current tax:		
- Malaysian income tax	<u>(317)</u>	<u>(919)</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 21 May 2012.

B7. Borrowings

	As at 31.3.2012 RM'000	As at 30.6.2011 RM'000
RM denominated borrowings		
Short Term Borrowings		
Secured:-		
Bills Payable	<u>-</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 21 May 2012.

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B9. Dividend

No ordinary dividend has been declared for the quarter ended 31 March 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 RM1.281 million and current year to-date of RM3.356 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

	Current Quarter Ended 31.3.2012 RM'000	Current Year To- Date Ended 31.3.2012 RM'000
Profit before tax is stated after (charging)/crediting:		
Rental income	1	11
Interest income	202	596
Foreign exchange (loss)/gain-unrealised	(134)	115
Gain on disposal of property, plant and equipment	-	9
Reversal of allowance for impairment of trade receivables	7	79
Interest expenses	(8)	(40)
Depreciation and amortisation	(451)	(1,344)
Impairment loss on trade receivables	(50)	(150)

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 21 May 2012.

C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Total unappropriated profit as at 31 March 2012 and 31 December 2011 is analysed as follows:

	As at 31.3.2012 (Unaudited) RM'000	As at 31.12.2011 (Audited) RM'000
Total unappropriated profit of the Company and its subsidiaries		
- Realised	80,986	80,783
- Unrealised	(870)	(1,848)
	<hr/> 80,116	<hr/> 78,935
Consolidation adjustments	(25,490)	(24,865)
Total Group unappropriated profit as per consolidated accounts	<hr/> 54,626	<hr/> 54,070