

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Twelve-Month period ended 30 June 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|---|--|--|--|---|
| | <u>Current Year Quarter</u> <u>30.06.2012</u> <u>RM '000</u> | <u>Preceding Year Corresponding Quarter</u> <u>30.06.2011</u> <u>RM '000</u> | <u>Current Year To Date</u> <u>30.06.2012</u> <u>RM '000</u> | <u>Preceding Year Corresponding Period</u> <u>30.06.2011</u> <u>RM '000</u> |
| Revenue | 23,713 | 21,053 | 76,484 | 86,403 |
| Cost of sales | (20,271) | (17,148) | (63,629) | (69,619) |
| Gross profit | 3,442 | 3,905 | 12,855 | 16,784 |
| Other income | 1,059 | 566 | 1,869 | 1,493 |
| Administrative expenses | (1,514) | (1,182) | (6,368) | (6,234) |
| Selling and distribution expenses | 36 | (21) | (99) | (67) |
| Other operating expenses | (750) | (596) | (1,669) | (1,774) |
| Finance costs | (13) | (6) | (53) | (35) |
| Profit before tax | 2,260 | 2,666 | 6,535 | 10,167 |
| Income tax expense | (521) | (594) | (1,440) | (2,069) |
| Profit after tax | 1,739 | 2,072 | 5,095 | 8,098 |
| Other comprehensive income/(expenses) | | | | |
| Foreign currency translation | 93 | (12) | 763 | (508) |
| Total comprehensive income for the year | 1,832 | 2,060 | 5,858 | 7,590 |
| Profit for the period attributable to: | | | | |
| Owners of the parent | 1,739 | 2,072 | 5,095 | 8,098 |
| Total comprehensive income for the year attributable to: | | | | |
| Owners of the parent | 1,832 | 2,060 | 5,858 | 7,590 |
| Earnings per ordinary share (sen) | | | | |
| - Basic | 2.17 | 2.59 | 6.37 | 10.12 |
| - 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)

Quarterly Report on Consolidated Results for the Twelve-Month period ended 30 June 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited As At 30 June 2012 RM '000 | Audited As At 30 June 2011 RM '000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 19,418 | 20,093 |
| Investment properties | 147 | 150 |
| | <u>19,565</u> | <u>20,243</u> |
| Current assets | | |
| Inventories | 23,554 | 17,433 |
| Trade and other receivables | 26,304 | 32,875 |
| Cash and bank balances | 35,609 | 30,267 |
| Tax recoverable | 1,159 | 899 |
| | <u>86,626</u> | <u>81,474</u> |
| TOTAL ASSETS | <u>106,191</u> | <u>101,717</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 40,000 | 40,000 |
| Reserves | 59,024 | 55,966 |
| Total equity - profit attributable to owners of the parent | <u>99,024</u> | <u>95,966</u> |
| Non-current liability | | |
| Deferred taxation | 1,199 | 985 |
| Current liabilities | | |
| Trade and other payables | 4,660 | 4,746 |
| Borrowings | 1,276 | - |
| Tax payable | 32 | 20 |
| | <u>5,968</u> | <u>4,766</u> |
| TOTAL LIABILITIES | <u>7,167</u> | <u>5,751</u> |
| TOTAL EQUITY AND LIABILITIES | <u>106,191</u> | <u>101,717</u> |
| | - | - |
| Net assets per share (RM) | <u>1.24</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>12 months ended 30 June 2011</u> | | | | | |
| Balance as at 1 July 2010 (Audited) | 40,000 | 2,857 | (453) | 48,772 | 91,176 |
| Total comprehensive income | - | - | (508) | 8,098 | 7,590 |
| Transaction with owners | | | | | |
| Dividends | - | - | - | (2,800) | (2,800) |
| Balance as at 30 June 2011 | <u>40,000</u> | <u>2,857</u> | <u>(961)</u> | <u>54,070</u> | <u>95,966</u> |
| <u>12 months ended 30 June 2012</u> | | | | | |
| Balance as at 1 July 2011 (Audited) | 40,000 | 2,857 | (961) | 54,070 | 95,966 |
| Total comprehensive income | - | - | 763 | 5,095 | 5,858 |
| Transaction with owners | | | | | |
| Dividends | - | - | - | (2,800) | (2,800) |
| Balance as at 30 June 2012 | <u>40,000</u> | <u>2,857</u> | <u>(198)</u> | <u>56,365</u> | <u>99,024</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.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Twelve-Month period ended 30 June 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 12 Months Ended 30.6.2012 RM'000 | 12 Months Ended 30.6.2011 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 6,535 | 10,167 |
| Adjustments for:- | | |
| Interest expenses | 54 | 35 |
| Interest income | (791) | (662) |
| Non-cash items | 1,836 | 2,459 |
| Operating profit before working capital changes | <u>7,634</u> | <u>11,999</u> |
| Changes in working capital | | |
| Net change in current assets | 647 | (5,031) |
| Net change in current liabilities | 509 | (1,895) |
| Cash generated from operations | <u>8,790</u> | <u>5,073</u> |
| Taxes paid | (1,627) | (2,941) |
| Taxes refunded | 153 | - |
| Interest paid | (54) | (35) |
| Interest received | 791 | 662 |
| Net cash generated from operating activities | <u>8,053</u> | <u>2,759</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,187) | (1,683) |
| Proceeds from disposal of property, plant and equipment | 50 | 102 |
| Net cash used in investing activities | <u>(1,137)</u> | <u>(1,581)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net proceeds/(repayment) of bills payables | 1,277 | (159) |
| Dividends paid | (2,800) | (2,800) |
| Net cash used in financing activities | <u>(1,523)</u> | <u>(2,959)</u> |
| Net changes in cash and cash equivalents | 5,393 | (1,781) |
| Effect of foreign exchange rate changes | (51) | (514) |
| Cash and cash equivalents at beginning of financial year | <u>30,267</u> | <u>32,562</u> |
| Cash and cash equivalents at end of the financial year | <u>35,609</u> | <u>30,267</u> |
| Cash and cash equivalent at the end of the financial year comprise the following: | | |
| Short term deposits with licensed banks | 1,312 | 2,129 |
| Cash on hand and at banks | 5,190 | 4,110 |
| | <u>6,502</u> | <u>6,239</u> |
| Short term cash investments | 29,107 | 24,028 |
| Cash and bank balances | <u>35,609</u> | <u>30,267</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)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

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.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

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 30 June 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.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

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 30.6.2012 | | | | | |
| Segment revenue | | | | | |
| Sales to external customers | 13,923 | 2,054 | 7,736 | - | 23,713 |
| Inter-segment sales | 646 | - | - | (646) | - |
| Total | <u>14,569</u> | <u>2,054</u> | <u>7,736</u> | <u>(646)</u> | <u>23,713</u> |
| Profit before tax | | | | | 2,260 |
| Income tax expense | | | | | (521) |
| Profit after tax | | | | | <u>1,739</u> |

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

A9. Segmental Information - continued

| | Malaysia RM'000 | Indonesia RM'000 | Others RM'000 | Eliminations RM'000 | Total RM'000 |
|---|----------------------------|-----------------------------|--------------------------|--------------------------------|-------------------------|
| Current Year To-Date Ended 30.6.2012 | | | | | |
| Segment revenue | | | | | |
| Sales to external customers | 44,583 | 11,345 | 20,556 | - | 76,484 |
| Inter-segment sales | 3,027 | - | - | (3,027) | - |
| Total | 47,610 | 11,345 | 20,556 | (3,027) | 76,484 |
| Profit before tax | | | | | 6,535 |
| Income tax expense | | | | | (1,440) |
| Profit after tax | | | | | <u>5,095</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 29 August 2012 which had affected substantially the results of the Group for the financial quarter ended 30 June 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 RM23.713 million as compared to the preceding year corresponding quarter of RM21.053 million, an increase of 12.6%.

Profit for the period has decreased by 16.1% to RM1.739 million in the current quarter under review from the preceding year corresponding quarter of RM2.072 million.

Despite the higher revenue this quarter, the decrease in profit was due to the lower gross profit margins achieved this quarter in comparison with the preceding year corresponding quarter. The lower gross profit margin was caused by the inability of the Group to transfer the increase in cost of raw materials to its customers.

For the current quarter under review, the revenue in the Malaysia segment has increased by 20.5% as compared to the preceding corresponding quarter. This was mainly due to the stock-up by local customers in anticipation of further increase in raw material prices.

B2. Variation of results against preceding quarter

For the current quarter under review, the Group's profit before tax is RM2.260 million compared to the Group's profit before tax of RM1.598 million in the immediate preceding quarter. This 41.4% 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 2013.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

B4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.

B5. Income Tax Expense

| | Current Quarter Ended 30.6.2012 RM'000 | Current Year To-Date Ended 30.6.2012 RM'000 |
|------------------------|---|--|
| Current tax: | | |
| - Malaysian income tax | <u>(521)</u> | <u>(1,440)</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 29 August 2012.

B7. Borrowings

| | As at 30.6.2012 RM'000 | As at 30.6.2011 RM'000 |
|----------------------------------|---------------------------------------|---------------------------------------|
| RM denominated borrowings | | |
| Short Term Borrowings | | |
| Secured:- | | |
| Bills Payable | <u>1,276</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 29 August 2012.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

B9. 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 2012.

The dividend payable amounting to RM2,800,000 is subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting.

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 RM1.739 million and current year to-date of RM5.095 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 30.6.2012 RM'000 | Current Year To-Date Ended 30.6.2012 RM'000 |
|--|---|--|
| Profit before tax is stated after (charging)/crediting: | | |
| Rental income | 1 | 12 |
| Interest income | 195 | 791 |
| Foreign exchange (loss)/gain-unrealised | (22) | 93 |
| Gain on disposal of property, plant and Equipment | 10 | 19 |
| Reversal of allowance for impairment of trade receivables | 747 | 826 |
| Interest expenses | (14) | (54) |
| Depreciation and amortization | (491) | (1,835) |
| Impairment loss on trade receivables | (48) | (198) |
| Bad debts written off | (743) | (743) |

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

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2012

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 29 August 2012.

C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Total unappropriated profit as at 30 June 2012 and 30 June 2011 is analysed as follows:

| | As at 30.6.2012 (Unaudited) RM'000 | As at 30.06.2011 (Audited) RM'000 |
|--|---|--|
| Total unappropriated profit of the Company and its subsidiaries | | |
| - Realised | 82,976 | 80,783 |
| - Unrealised | (1,138) | (1,848) |
| | <u>81,838</u> | <u>78,935</u> |
| Consolidation adjustments | (25,473) | (24,865) |
| Total Group unappropriated profit as per consolidated accounts | <u>56,365</u> | <u>54,070</u> |