

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Twelve-Month period ended 30 June 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2013 RM '000	Preceding Year Corresponding Quarter 30.06.2012 RM '000	Current Year To Date 30.06.2013 RM '000	Preceding Year Corresponding Period 30.06.2012 RM '000
Revenue	26,932	23,713	105,168	76,484
Cost of sales	(22,575)	(20,271)	(88,494)	(63,629)
Gross profit	4,357	3,442	16,674	12,855
Other income	131	1,059	919	1,869
Administrative expenses	(1,903)	(1,514)	(7,192)	(6,368)
Selling and distribution expenses	(9)	36	(68)	(99)
Other expenses	(294)	(750)	(1,004)	(1,669)
Finance costs	(8)	(13)	(36)	(53)
Profit before tax	2,274	2,260	9,293	6,535
Income tax expense	(323)	(521)	(1,790)	(1,440)
Profit for the year	1,951	1,739	7,503	5,095
Other comprehensive income				
Foreign currency translation	326	93	318	763
Total comprehensive income for the year	2,277	1,832	7,821	5,858
Profit for the period attributable to:				
Owners of the parent	1,951	1,739	7,503	5,095
Total comprehensive income for the year attributable to:				
Owners of the parent	2,277	1,832	7,821	5,858
Earnings per ordinary share (sen)				
- Basic	2.44	2.17	9.38	6.37
- 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 2012 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 30 June 2013 RM '000	Audited As At 30 June 2012 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	19,162	19,418
Investment property	144	147
	<u>19,306</u>	<u>19,565</u>
Current assets		
Inventories	28,650	23,554
Trade and other receivables	35,078	26,304
Cash and bank balances	27,112	35,609
Tax recoverable	1,512	1,159
	<u>92,352</u>	<u>86,626</u>
TOTAL ASSETS	<u><u>111,658</u></u>	<u><u>106,191</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Reserves	64,045	59,024
Total equity - profit attributable to owners of the parent	<u>104,045</u>	<u>99,024</u>
Non-current liability		
Deferred taxation	1,294	1,199
Current liabilities		
Trade and other payables	6,249	4,660
Borrowings	-	1,276
Tax payable	70	32
	<u>6,319</u>	<u>5,968</u>
TOTAL LIABILITIES	<u>7,613</u>	<u>7,167</u>
TOTAL EQUITY AND LIABILITIES	<u><u>111,658</u></u>	<u><u>106,191</u></u>
	-	-
Net assets per share (RM)	<u>1.30</u>	<u>1.24</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 2012 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	
12 months ended 30 June 2012					
Balance as at 1 July 2011 (Audited)	40,000	2,857	(961)	54,070	95,966
Profit for the year	-	-	-	5,095	5,095
Other comprehensive income	-	-	763	-	763
Total comprehensive income	-	-	763	5,095	5,858
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>
12 months ended 30 June 2013					
Balance as at 1 July 2012 (Audited)	40,000	2,857	(198)	56,365	99,024
Profit for the year	-	-	-	7,503	7,503
Other comprehensive income	-	-	318	-	318
Total comprehensive income	-	-	318	7,503	7,821
Dividends	-	-	-	(2,800)	(2,800)
Balance as at 30 June 2013	<u>40,000</u>	<u>2,857</u>	<u>120</u>	<u>61,068</u>	<u>104,045</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months Ended 30.06.2013 RM'000	12 Months Ended 30.06.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,293	6,535
Adjustments for:-		
Interest expenses	36	54
Interest income	(769)	(791)
Non-cash items	1,844	1,836
Operating profit before working capital changes	<u>10,404</u>	<u>7,634</u>
Changes in working capital		
Net change in current assets	(13,734)	647
Net change in current liabilities	1,522	509
Cash generated from operations	<u>(1,808)</u>	<u>8,790</u>
Taxation paid	(2,923)	(1,627)
Taxes refunded	913	153
Interest paid	(36)	(54)
Interest received	769	791
Net cash generated from operating activities	<u>(3,085)</u>	<u>8,053</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,483)	(1,187)
Proceeds from disposal of property, plant and equipment	17	50
Net cash used in investing activities	<u>(1,466)</u>	<u>(1,137)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/proceeds of bills payables	(1,276)	1,277
Dividend paid	(2,800)	(2,800)
Net cash used in financing activities	<u>(4,076)</u>	<u>(1,523)</u>
Net changes in cash and cash equivalents	(8,627)	5,393
Effect of foreign exchange rate changes	130	(51)
Cash and cash equivalents at beginning of financial year	35,609	30,267
Cash and cash equivalents at end of the financial year	<u><u>27,112</u></u>	<u><u>35,609</u></u>
Cash and cash equivalent at the end of the financial year comprise the following:		
Short term deposits with licensed banks	1,026	1,312
Cash on hand and at banks	4,071	5,190
	<u>5,097</u>	<u>6,502</u>
Short term cash investments	22,015	29,107
Cash and bank balances	<u><u>27,112</u></u>	<u><u>35,609</u></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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 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 2012. The 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 2012.

A2. Changes in Accounting Policies

The Group adopted the new IFRS-compliant framework, MFRS with effect from 1 July 2012. In adopting the new framework, the Group has applied MFRS 1, *First-time Adoption of MFRS*. The adoption of MFRS 1 did not result in a significant impact on the financial statements of the Group. In addition, the financial statements comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The 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 2012 except for the adoption of the following MFRSs, Amendments to MFRSs and Interpretations:

		<u>Effective dates</u>
MFRS 124	Related Party Disclosures (revised)	1 January 2012
Amendments to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to MFRS 7	Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to MFRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any financial impact on 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 2012 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 year ended 30 June 2013 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.

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 2012 amounting to RM2,800,000 was paid on 21 January 2013.

A9. Operating Segments

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.

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	Malaysia RM'000	Indonesia RM'000	Bulgaria RM'000	Belgium RM'000	Others RM'000	Elimi- nations RM'000	Total RM'000
Current Year To-Date Ended 30.06.2013							
Segment revenue							
Sales to external customers	46,562	18,115	13,463	12,515	14,513	-	105,168
Inter-segment sales	2,800	-	-	-	-	(2,800)	-
Total	<u>49,362</u>	<u>18,115</u>	<u>13,463</u>	<u>12,515</u>	<u>14,513</u>	<u>(2,800)</u>	<u>105,168</u>
Profit before tax							9,293
Income tax expense							(1,790)
Profit for the year							<u>7,503</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 2012.

A13. Capital Commitments

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

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Forth Quarter and Twelve-Month period ended 30 June 2013

A14. Material Subsequent Events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 27 August 2013 which had affected substantially the results of the Group for the financial quarter ended 30 June 2013.

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

B1. Performance Review

	3 Months Ended			12 Months Ended		
	30.06.2013	30.06.2012	Variance	30.06.2013	30.06.2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	26,932	23,713	13.6	105,168	76,484	37.5
Profit before tax	2,274	2,260		9,293	6,535	
Tax	(323)	(521)		(1,790)	(1,440)	
Profit after tax	1,951	1,739	12.2	7,503	5,095	47.3

For the current quarter under review, the Group registered a revenue of RM26.932 million as compared to the preceding year corresponding quarter of RM23.713 million, an increase of 13.6%.

For the financial year end 30 June 2013, total revenue increased from RM76.484 million to RM105.168 million, an increase of RM28.684 million or 37.5%

Profit after tax has increased by 12.2% to RM1.951 million in the current quarter under review from the preceding year corresponding quarter of RM1.739 million. The increase in profit for the quarter was due to the higher revenue achieved in comparison with the preceding year corresponding quarter.

For the financial year end 30 June 2013, profit after tax increased from RM5.095 million to RM7.503 million, an increase of RM2.408 million or 47.3%, due mainly to higher revenue achieved.

Revenue in the Malaysia segment decreased due to the stock-up of inventory by customers in the previous quarter but this was offset by the increase in revenue in the overseas segment largely due to strong sales to the European heartland where our Group continues to tap and gain from the opportunities of the European agrochemical market whilst the revenue increase in Indonesia was due to the increase in demand for our products to counter pest population caused by climate change.

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B2. Variation of Results Against Preceding Quarter

	3 Months Ended		Variance %
	30.06.2013 RM'000	31.03.2013 RM'000	
Revenue	<u>26,932</u>	<u>38,030</u>	(29.2)
Profit before tax	<u>2,274</u>	<u>3,682</u>	(38.2)

For the current quarter under review, the Group's profit before tax was RM2.274 million compared to the Group's profit before tax of RM3.682 million in the immediate preceding quarter. This 38.2% decrease in profit before tax was due to lower 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 market expansion, cost control to ensure sustainability of its financial performance.

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 30.06.2013 RM'000	Current Year To-Date Ended 30.06.2013 RM'000
Current tax: - Malaysian income tax	<u>(323)</u>	<u>(1,790)</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 27 August 2013.

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B7. Borrowings

	As at 30.06.2013 RM'000	As at 30.6.2012 RM'000
RM denominated borrowings		
Short Term Borrowings		
Secured:-		
Bills Payable	<u>-</u>	<u>1,276</u>

There are no borrowings denominated in foreign currency.

B8. Changes in Material Litigation

There were no material litigations involving the Group as at 27 August 2013.

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 2013.

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.

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 RM1.951 million and current year to-date of RM7.503 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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B11. Profit Before Tax

	Current Quarter Ended 30.06.2013 RM'000	Current Year To-Date Ended 30.06.2013 RM'000
Profit before tax is stated after (charging)/crediting:		
Rental income	1	6
Interest income	163	769
Foreign exchange gain-unrealised	84	26
Profit on disposal of property, plant and equipment	7	12
Reversal of allowance for impairment of trade receivables	15	102
Interest expenses	(8)	(36)
Depreciation and amortisation	(425)	(1,679)
Impairment loss on trade receivables	(68)	(248)
Property, plant and equipment written off	(57)	(57)

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

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 27 August 2013.

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C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Total unappropriated profit as at 30 June 2013 and 30 June 2012 is analysed as follows:

	As at 30.06.2013 (Unaudited) RM'000	As at 30.06.2012 (Audited) RM'000
Total unappropriated profit of the Company and its subsidiaries		
- Realised	87,839	82,976
- Unrealised	(991)	(1,138)
	<u>86,848</u>	<u>81,838</u>
Consolidation adjustments	(25,780)	(25,473)
Total Group unappropriated profit as per consolidated accounts	<u>61,068</u>	<u>56,365</u>