

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

Quarterly Report on Consolidated Results for the Three-Month period ended 30 Sept 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 30.09.2013 RM '000</b>	<b>Preceding Year Corresponding Quarter 30.09.2012 RM '000</b>	<b>Current Year To Date 30.09.2013 RM '000</b>	<b>Preceding Year Corresponding Period 30.09.2012 RM '000</b>
Revenue	21,654	19,431	21,654	19,431
Cost of sales	(17,808)	(16,170)	(17,808)	(16,170)
<b>Gross profit</b>	<b>3,846</b>	<b>3,261</b>	<b>3,846</b>	<b>3,261</b>
Other income	594	162	594	162
Administrative expenses	(1,432)	(1,679)	(1,432)	(1,679)
Selling and distribution expenses	(23)	(39)	(23)	(39)
Other expenses	(224)	(240)	(224)	(240)
Finance costs	(14)	(10)	(14)	(10)
<b>Profit before tax</b>	<b>2,747</b>	<b>1,455</b>	<b>2,747</b>	<b>1,455</b>
Income tax expense	(635)	(325)	(635)	(325)
<b>Profit for the period</b>	<b>2,112</b>	<b>1,130</b>	<b>2,112</b>	<b>1,130</b>
<b>Other comprehensive income/(loss)</b>				
Foreign currency translation	315	(106)	315	(106)
<b>Total comprehensive income for the period</b>	<b>2,427</b>	<b>1,024</b>	<b>2,427</b>	<b>1,024</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	2,112	1,130	2,112	1,130
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	2,427	1,024	2,427	1,024
Earnings per ordinary share (sen)				
- Basic	2.64	1.41	2.64	1.41
- 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)**

Quarterly Report on Consolidated Results for the Three-Month period ended 30 Sept 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 30 Sept 2013 RM '000</b>	<b>Audited As At 30 June 2013 RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	19,062	19,162
Investment properties	144	144
	<u>19,206</u>	<u>19,306</u>
<b>Current assets</b>		
Inventories	37,886	28,650
Trade and other receivables	27,459	35,078
Cash and bank balances	30,081	27,112
Tax recoverable	1,319	1,512
	<u>96,745</u>	<u>92,352</u>
<b>TOTAL ASSETS</b>	<u><u>115,951</u></u>	<u><u>111,658</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Reserves	66,472	64,045
<b>Total equity - profit attributable to owners of the parent</b>	<u>106,472</u>	<u>104,045</u>
<b>Non-current liability</b>		
Deferred taxation	1,294	1,294
<b>Current liabilities</b>		
Trade and other payables	8,094	6,249
Tax payable	91	70
	<u>8,185</u>	<u>6,319</u>
<b>TOTAL LIABILITIES</b>	<u>9,479</u>	<u>7,613</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>115,951</u></u>	<u><u>111,658</u></u>
	-	
Net assets per share (RM)	<u>1.33</u>	<u>1.30</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 2013 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	
<b><u>3 months ended 30 Sept 2012</u></b>					
Balance as at 1 July 2012 (Audited)	40,000	2,857	(198)	56,365	99,024
Profit for the period	-	-	-	1,130	1,130
Other comprehensive loss	-	-	(106)	-	(106)
Total comprehensive (loss)/income	-	-	(106)	1,130	1,024
Balance as at 30 September 2012	<u>40,000</u>	<u>2,857</u>	<u>(304)</u>	<u>57,495</u>	<u>100,048</u>
<b><u>3 months ended 30 Sept 2013</u></b>					
Balance as at 1 July 2013 (Audited)	40,000	2,857	120	61,068	104,045
Profit for the period	-	-	-	2,112	2,112
Other comprehensive income	-	-	315	-	315
Total comprehensive income	-	-	315	2,112	2,427
Balance as at 30 September 2013	<u>40,000</u>	<u>2,857</u>	<u>435</u>	<u>63,180</u>	<u>106,472</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 2013 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 Three-Month period ended 30 Sept 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 Months Ended 30.9.2013 RM'000</b>	<b>3 Months Ended 30.9.2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,747	1,455
Adjustments for:-		
Interest expenses	14	10
Interest income	(165)	(206)
Non-cash items	469	657
Operating profit before working capital changes	<u>3,065</u>	<u>1,916</u>
Changes in working capital		
Net change in current assets	(1,278)	(1,141)
Net change in current liabilities	1,906	(3,007)
Cash generated from/(used in) operations	<u>3,693</u>	<u>(2,232)</u>
Taxation paid	(619)	(356)
Taxes refunded	197	-
Interest paid	(14)	(10)
Interest received	165	206
Net cash generated from/(used in) operating activities	<u>3,422</u>	<u>(2,392)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(313)	(27)
Net cash used in investing activity	<u>(313)</u>	<u>(27)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Net repayment of bills payables	-	(1,276)
Net cash used in financing activity	<u>-</u>	<u>(1,276)</u>
Net changes in cash and cash equivalents	3,109	(3,695)
Effect of foreign exchange rate changes	(140)	(340)
Cash and cash equivalents at beginning of financial period	27,112	35,609
Cash and cash equivalents at end of the financial period	<u>30,081</u>	<u>31,574</u>
<b>Cash and cash equivalent at the end of the financial period comprise the following:</b>		
Short term deposits with licensed banks	1,048	1,011
Cash on hand and at banks	7,298	2,932
	<u>8,346</u>	<u>3,943</u>
Short term cash investments	21,735	27,631
<b>Cash and bank balances</b>	<u>30,081</u>	<u>31,574</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013

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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 2013. 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 2013.

### A2. Changes in Accounting Policies

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 2013 except for the adoption of the following MFRSs, Amendments to MFRSs and Interpretations:

		<u>Effective dates</u>
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (revised)	1 January 2013
MFRS 127	Separate Financial Statements (revised)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (revised)	1 January 2013
Amendments to MFRS 1	First-time Adoption of MFRSs – Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11	Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Annual Improvements to IC	Interpretations and MFRSs 2009 – 2011 Cycle	

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

**Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013**

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**A2. Changes in Accounting Policies - continued**

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any financial impact on the Group.

**A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 30 June 2013 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**

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

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

Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013

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## 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.

### Geographical Segments

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) Australia
- (iv) Others: these consist of segments which cover mainly Vietnam and Bulgaria but individually fall below the 10% threshold of a reportable segment

	Malaysia RM'000	Indonesia RM'000	Australia RM'000	Others RM'000	Elimi- nations RM'000	Total RM'000
<b>Current Quarter Ended 30.09.2013</b>						
Segment revenue						
Sales to external customers	15,091	2,801	2,963	799	-	21,654
Inter-segment sales	659	-	-	-	(659)	-
Total	<u>15,750</u>	<u>2,801</u>	<u>2,963</u>	<u>799</u>	<u>(659)</u>	<u>21,654</u>
Profit before tax						2,747
Income tax expense						(635)
Profit for the period						<u>2,112</u>

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

**Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013**

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**A9. Operating Segments - continued**

	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Australia RM'000</b>	<b>Others RM'000</b>	<b>Elimi- nations RM'000</b>	<b>Total RM'000</b>
<b>Current Year To-Date Ended 30.09.2013</b>						
Segment revenue						
Sales to external customers	15,091	2,801	2,963	799	-	21,654
Inter-segment sales	659	-	-	-	(659)	-
<b>Total</b>	<b>15,750</b>	<b>2,801</b>	<b>2,963</b>	<b>799</b>	<b>(659)</b>	<b>21,654</b>
Profit before tax						2,747
Income tax expense						(635)
Profit for the year						<u>2,112</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**

On 30 July 2013, the Company acquired 2 ordinary shares of RM1 each representing 100% equity interest in Plant Science Centre Sdn. Bhd., a newly incorporated company in Malaysia for a cash consideration of RM2.

**A12. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since 30 June 2013.

**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 First Quarter and Three-Month period ended 30 September 2013**

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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 19 November 2013 which had affected substantially the results of the Group for the financial quarter ended 30 September 2013.

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

**Quarterly Report for the First Quarter and Three-Month period ended 30 September 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			3 Months Ended		
	30.09.2013 RM'000	30.09.2012 RM'000	Variance %	30.09.2013 RM'000	30.09.2012 RM'000	Variance %
Revenue	21,654	19,431	11.4	21,654	19,431	11.4
Profit before tax	2,747	1,455		2,747	1,455	
Income tax expense	(635)	(325)		(635)	(325)	
Profit for the period	2,112	1,130	86.9	2,112	1,130	86.9

For the current quarter under review, the Group registered a revenue of RM21.654 million as compared to the preceding year corresponding quarter of RM19.431 million, an increase of 11.4%.

Profit for the period increased by 86.9% to RM2.112 million in the current quarter under review from the preceding year corresponding quarter of RM1.130 million. The increase in profit for the quarter was due to the higher revenue achieved in comparison with the preceding year corresponding quarter.

Revenue in Malaysia segment has increased by 33.0% as compared to the preceding year corresponding quarter. The increase in revenue in the Malaysia segment was due to aggressive local marketing strategies, however the revenue in overseas segment has decreased by 18.8% largely due to over stock-up of inventory by customers in the immediate preceding quarter especially customers in the European heartland.

The revenue increase in Indonesia was due to the continuous demand for our products to counter pest population whilst the revenue increase in Australia was due to the new products penetration.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013

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**B2. Variation of Results Against Preceding Quarter**

	3 Months Ended		Variance %
	30.09.2013 RM'000	30.06.2013 RM'000	
Revenue	<u>21,654</u>	<u>26,932</u>	(19.6)
Profit before tax	<u>2,747</u>	<u>2,274</u>	20.8

For the current quarter under review, the Group's profit before tax was RM2.747 million compared to the Group's profit before tax of RM2.274 million in the immediate preceding quarter. This 20.8% increase in profit before tax was due to higher sales margins 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 and non-controlling interests and forecast profit and non-controlling interests and for the shortfall in profit guarantee are not applicable.

**B5. Income Tax Expense**

	Current Quarter Ended 30.09.2013 RM'000	Current Year To-Date Ended 30.09.2013 RM'000
Current tax: - Malaysian income tax	<u>(635)</u>	<u>(635)</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.

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

**Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013**

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**B6. Corporate Proposals**

There were no corporate proposals announced but not completed as at 19 November 2013.

**B7. Borrowings**

	<b>As at 30.09.2013 RM'000</b>	<b>As at 30.06.2013 RM'000</b>
<b>RM denominated borrowings</b>		
Short Term Borrowings		
Secured:-		
Bills Payable	-	-

There are no borrowings denominated in foreign currency.

**B8. Changes in Material Litigation**

There were no material litigations involving the Group as at 19 November 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 has been approved by the shareholders of the Company at the Annual General Meeting of the Company and will be paid on 20 January 2014.

**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 and current year to-date of RM2.112 million divided by the number of ordinary shares in issue during the period of 80,000,000.

(b) Diluted

Not applicable.

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

**Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013**

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**B11. Profit Before Tax**

	<b>Current Quarter Ended 30.09.2013 RM'000</b>	<b>Current Year To-Date Ended 30.09.2013 RM'000</b>
Profit before tax is stated after (charging)/crediting:		
Rental income	1	1
Interest income	165	165
Foreign exchange gain-realised	423	423
Foreign exchange gain-unrealised	88	88
Reversal of allowance for impairment of trade receivables	93	93
Interest expenses	(14)	(14)
Depreciation and amortisation	(414)	(414)
Impairment loss on trade receivables	(60)	(60)

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 19 November 2013.

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

**Quarterly Report for the First Quarter and Three-Month period ended 30 September 2013**

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

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

	<b>As at 30.09.2013 (Unaudited) RM'000</b>	<b>As at 30.06.2013 (Audited) RM'000</b>
Total unappropriated profit of the Company and its subsidiaries		
- Realised	90,041	87,839
- Unrealised	(896)	(991)
	<u>89,145</u>	<u>86,848</u>
Consolidation adjustments	(25,965)	(25,780)
Total Group unappropriated profit as per consolidated accounts	<u>63,180</u>	<u>61,068</u>