

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

Quarterly Report on Consolidated Results for the Twelve-Month period ended 30 June 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u> <u>30.06.2014</u> <u>RM '000</u>	<u>Preceding Year Corresponding Quarter</u> <u>30.06.2013</u> <u>RM '000</u>	<u>Current Year To Date</u> <u>30.06.2014</u> <u>RM '000</u>	<u>Preceding Year Corresponding Period</u> <u>30.06.2013</u> <u>RM '000</u>
Revenue	26,171	26,932	108,423	105,168
Cost of sales	(22,891)	(22,575)	(91,084)	(88,494)
<b>Gross profit</b>	<b>3,280</b>	<b>4,357</b>	<b>17,339</b>	<b>16,674</b>
Other operating income	296	131	1,828	919
Administrative expenses	(2,250)	(1,903)	(6,936)	(7,192)
Distribution expenses	(8)	(9)	(31)	(68)
Other operating expenses	(167)	(294)	(836)	(1,004)
Finance costs	(11)	(8)	(41)	(36)
<b>Profit before tax</b>	<b>1,140</b>	<b>2,274</b>	<b>11,323</b>	<b>9,293</b>
Income tax expense	70	(323)	(2,181)	(1,790)
<b>Profit for the year</b>	<b>1,210</b>	<b>1,951</b>	<b>9,142</b>	<b>7,503</b>
<b>Other comprehensive (loss)/income</b>				
<b>Items that are or may be reclassified subsequently to profit and loss</b>				
Foreign currency translation differences for foreign operations	(222)	326	(387)	318
<b>Total comprehensive income for the year</b>	<b>988</b>	<b>2,277</b>	<b>8,755</b>	<b>7,821</b>
<b>Profit for the year attributable to:</b>				
Owners of the parent	1,210	1,951	9,142	7,503
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the parent	988	2,277	8,755	7,821
Earnings per ordinary share (sen)				
- Basic	1.51	2.44	11.43	9.38
- Diluted	NA	NA	NA	NA

**Note:**

The unaudited condensed consolidated statement of profit or loss and other comprehensive income 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.

NA denotes "Not Applicable"

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 30 June 2014 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	23,875	19,162
Investment property	142	144
	<u>24,017</u>	<u>19,306</u>
<b>Current assets</b>		
Inventories	23,164	28,650
Trade and other receivables	35,590	35,078
Cash and bank balances	33,344	27,112
Tax recoverable	207	1,512
	<u>92,305</u>	<u>92,352</u>
<b>TOTAL ASSETS</b>	<u>116,322</u>	<u>111,658</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Reserves	70,000	64,045
<b>Total equity - profit attributable to owners of the parent</b>	<u>110,000</u>	<u>104,045</u>
<b>Non-current liability</b>		
Deferred taxation	1,104	1,294
<b>Current liabilities</b>		
Trade and other payables	5,150	6,249
Tax payable	68	70
	<u>5,218</u>	<u>6,319</u>
<b>TOTAL LIABILITIES</b>	<u>6,322</u>	<u>7,613</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>116,322</u>	<u>111,658</u>
Net assets per share (RM)	<u>1.38</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>12 months ended 30 June 2013</u></b>					
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>
<b><u>12 months ended 30 June 2014</u></b>					
Balance as at 1 July 2013 (Audited)	40,000	2,857	120	61,068	104,045
Profit for the year	-	-	-	9,142	9,142
Other comprehensive loss	-	-	(387)	-	(387)
Total comprehensive (loss)/income	-	-	(387)	9,142	8,755
Dividends	-	-	-	(2,800)	(2,800)
Balance as at 30 June 2014	<u>40,000</u>	<u>2,857</u>	<u>(267)</u>	<u>67,410</u>	<u>110,000</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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>12 Months Ended 30.06.2014 RM'000</b>	<b>12 Months Ended 30.06.2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,323	9,293
Adjustments for:-		
Interest expenses	41	36
Interest income	(665)	(769)
Non-cash items	3,601	1,844
Operating profit before working capital changes	<u>14,300</u>	<u>10,404</u>
Changes in working capital		
Net change in current assets	3,164	(13,734)
Net change in current liabilities	(1,080)	1,522
Cash generated from/(depleted in) operations	<u>16,384</u>	<u>(1,808)</u>
Taxes paid	(2,610)	(2,923)
Taxes refunded	1,541	913
Interest paid	(41)	(36)
Interest received	665	769
Net cash generated from/(used in) operating activities	<u>15,939</u>	<u>(3,085)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(6,352)	(1,483)
Proceeds from disposal of property, plant and equipment	33	17
Net cash used in investing activities	<u>(6,319)</u>	<u>(1,466)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Net repayment of bills payables	-	(1,276)
Dividend paid	(2,800)	(2,800)
Net cash used in financing activity	<u>(2,800)</u>	<u>(4,076)</u>
Net changes in cash and cash equivalents	6,820	(8,627)
Effect of foreign exchange rate changes	(588)	130
Cash and cash equivalents at beginning of financial year	27,112	35,609
Cash and cash equivalents at end of the financial year	<u>33,344</u>	<u>27,112</u>
<b>Cash and cash equivalent at the end of the financial year comprise the following:</b>		
Short term deposits with licensed banks	1,217	1,026
Cash on hand and at banks	8,292	4,071
	<u>9,509</u>	<u>5,097</u>
Short term cash investments	23,835	22,015
<b>Cash and bank balances</b>	<u>33,344</u>	<u>27,112</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)

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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		

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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 2014 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 2013 amounting to RM2,800,000 was paid on 20 January 2014.



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**A9. Operating Segments - continued**

	Malaysia RM'000	Indonesia RM'000	Bulgaria RM'000	Belgium RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Segment revenue							
Sales to external customers	46,902	12,743	18,868	10,764	19,146	-	108,423
Inter-segment sales	1,476	-	-	-	-	(1,476)	-
Total	<u>48,378</u>	<u>12,743</u>	<u>18,868</u>	<u>10,764</u>	<u>19,146</u>	<u>(1,476)</u>	<u>108,423</u>
Profit before tax							11,323
Income tax expense							(2,181)
Profit for the year							<u>9,142</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 2013.

**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 27 August 2014 which had affected substantially the results of the Group for the financial quarter ended 30 June 2014.

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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		
	30.06.2014	30.06.2013	Variance	30.06.2014	30.06.2013	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	26,171	26,932	(2.8)	108,423	105,168	3.1
Profit before tax	1,140	2,274		11,323	9,293	
Income tax expense	70	(323)		(2,181)	(1,790)	
Profit for the period	1,210	1,951	(38.0)	9,142	7,503	21.8

For the current quarter under review, the Group registered a revenue of RM26.171 million as compared to the preceding year corresponding quarter of RM26.932 million, a decrease of 2.8%. This is due to revenue in the Malaysia segment decreasing by 9.9% as compared to the preceding year corresponding quarter. The decrease in revenue in the Malaysia segment was due to the prolonged drought conditions in the country. For the current quarter under review, the revenue in the overseas segment increased by 3.2% largely due to the Group penetrating into Vietnam, a new market segment.

For the twelve months ended 30 June 2014, total revenue increased from RM105.168 million to RM108.423 million, an increase of RM3.255 million or 3.1%. This is mainly contributed by the overseas segment.

Profit for the period decreased by 38.0% to RM1.210 million in the current quarter under review as compared to the preceding year corresponding quarter of RM1.951 million. The decrease in the profit for the period is due mainly to the inventory written down and written off in the current quarter.

For the twelve months ended 30 June 2014, profit after tax increased from RM7.503 million last year to RM9.142 million, an increase of RM1.639 million or 21.8% due mainly to higher sales achieved in the overseas segment.

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

	<b>3 Months Ended</b>		<b>Variance</b>
	<b>30.06.2014</b>	<b>31.03.2014</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	<u>26,171</u>	<u>32,628</u>	19.8
Profit before tax	<u>1,140</u>	<u>4,044</u>	71.8

For the current quarter under review, the Group's profit before tax was RM1.140 million compared to the Group's profit before tax of RM4.044 million in the immediate preceding quarter. This 71.8% decrease in profit before tax in comparison with the immediate preceding quarter was due to lower sales achieved in the current quarter coupled with the inventory written down and written off in the current 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**

	<b>Current</b>	<b>Current Year</b>
	<b>Quarter Ended</b>	<b>To-Date Ended</b>
	<b>30.06.2014</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax:		
- Malaysian income tax	<u>70</u>	<u>(2,181)</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.

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**B6. Corporate Proposals**

There were no corporate proposals announced but not completed as at 27 August 2014.

**B7. Borrowings**

	As at 30.06.2014 RM'000	As at 30.06.2013 RM'000
<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 27 August 2014.

**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 2014.

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 RM1.210 and current year to-date of RM9.142 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**

	<b>Current Quarter Ended 30.06.2014 RM'000</b>	<b>Current Year To-Date Ended 30.06.2014 RM'000</b>
Profit before tax is stated after (charging)/crediting:		
Rental income	1	6
Interest income	152	665
Foreign exchange gain-realised	(39)	856
Foreign exchange loss-unrealised	(19)	(108)
Reversal of allowance for impairment of trade receivables	30	236
Gain on disposal of property, plant and equipment	30	33
Interest expenses	(11)	(41)
Depreciation and amortisation	(399)	(1,641)
Impairment loss on trade receivables	101	(79)
Inventories written off	(471)	(471)
Inventories written down	(1,570)	(1,570)

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 2014.

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

Total unappropriated profit as at 30 June 2014 and 30 June 2013 is analysed as follows:

	<b>As at 30.06.2014 (Unaudited) RM'000</b>	<b>As at 30.06.2013 (Audited) RM'000</b>
Total unappropriated profit of the Company and its subsidiaries		
- Realised	93,702	87,839
- Unrealised	(951)	(991)
	<u>92,751</u>	<u>86,848</u>
Consolidation adjustments	(25,341)	(25,780)
Total Group unappropriated profit as per consolidated accounts	<u>67,410</u>	<u>61,068</u>