

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 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>31.12.2014</u> <u>RM '000</u>	<u>Preceding Year Corresponding Quarter</u> <u>31.12.2013</u> <u>RM '000</u>	<u>Current Year To Date</u> <u>31.12.2014</u> <u>RM '000</u>	<u>Preceding Year Corresponding Period</u> <u>31.12.2013</u> <u>RM '000</u>
Revenue	25,356	27,970	44,144	49,624
Cost of sales	(21,464)	(23,211)	(36,635)	(41,019)
Gross profit	3,892	4,759	7,509	8,605
Other operating income	674	610	1,442	1,204
Administrative expenses	(1,579)	(1,751)	(3,079)	(3,183)
Distribution cost	(17)	7	(28)	(16)
Other operating expenses	89	(225)	(381)	(449)
Finance cost	(7)	(8)	(19)	(22)
Profit before tax	3,052	3,392	5,444	6,139
Income tax expense	(613)	(749)	(1,169)	(1,384)
Profit for the period	2,439	2,643	4,275	4,755
Other comprehensive income/(loss)				
Items that are or may be reclassified subsequently to profit and loss				
Foreign currency translation differences for foreign operations	593	(434)	762	(119)
Total comprehensive income for the period	3,032	2,209	5,037	4,636
Profit for the period attributable to:				
Owners of the parent	2,439	2,643	4,275	4,755
Total comprehensive income for the period attributable to:				
Owners of the parent	3,032	2,209	5,037	4,636
Earnings per ordinary share (sen)				
- Basic	3.05	3.30	5.34	5.94
- 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 2014 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 Six-Month period ended 31 December 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31 December 2014 RM '000	Audited As At 30 June 2014 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	23,453	23,875
Investment property	141	142
	<u>23,594</u>	<u>24,017</u>
Current assets		
Inventories	18,962	23,164
Trade and other receivables	30,549	35,590
Cash and bank balances	51,316	33,344
Tax recoverable	218	207
	<u>101,045</u>	<u>92,305</u>
TOTAL ASSETS	<u><u>124,639</u></u>	<u><u>116,322</u></u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Reserves	75,037	70,000
Total equity - profit attributable to owners of the parent	<u>115,037</u>	<u>110,000</u>
Non-current liability		
Deferred taxation	1,104	1,104
Current liabilities		
Trade and other payables	8,404	5,150
Tax payable	94	68
	<u>8,498</u>	<u>5,218</u>
TOTAL LIABILITIES	<u>9,602</u>	<u>6,322</u>
TOTAL EQUITY AND LIABILITIES	<u><u>124,639</u></u>	<u><u>116,322</u></u>
Net assets per share (RM)	<u>1.44</u>	<u>1.38</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 2014 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>6 months ended 31 December 2013</u>					
Balance as at 1 July 2013 (Audited)	40,000	2,857	120	61,068	104,045
Profit for the period	-	-	-	4,755	4,755
Other comprehensive loss	-	-	(119)	-	(119)
Total comprehensive (loss)/income	-	-	(119)	4,755	4,636
Balance as at 31 December 2013	<u>40,000</u>	<u>2,857</u>	<u>1</u>	<u>65,823</u>	<u>108,681</u>
<u>6 months ended 31 December 2014</u>					
Balance as at 1 July 2014 (Audited)	40,000	2,857	(267)	67,410	110,000
Profit for the period	-	-	-	4,275	4,275
Other comprehensive income	-	-	762	-	762
Total comprehensive income	-	-	762	4,275	5,037
Balance as at 31 December 2014	<u>40,000</u>	<u>2,857</u>	<u>495</u>	<u>71,685</u>	<u>115,037</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 2014 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 Six-Month period ended 31 December 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended 31.12.2014 RM'000	6 Months Ended 31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,444	6,139
Adjustments for:-		
Interest expenses	19	22
Interest income	(425)	(335)
Non-cash items	561	861
Operating profit before working capital changes	<u>5,599</u>	<u>6,687</u>
Changes in working capital		
Net change in current assets	10,566	6,269
Net change in current liabilities	3,033	1,490
Cash generated from operations	<u>19,198</u>	<u>14,446</u>
Taxes paid	(1,155)	(1,256)
Taxes refunded	-	257
Interest paid	(19)	(22)
Interest received	425	335
Net cash generated from operating activities	<u>18,449</u>	<u>13,760</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(367)</u>	<u>(449)</u>
Net cash used in investing activity	<u>(367)</u>	<u>(449)</u>
Net changes in cash and cash equivalents	18,082	13,311
Effect of foreign exchange rate changes	(110)	(397)
Cash and cash equivalents at beginning of financial period	<u>33,344</u>	<u>27,112</u>
Cash and cash equivalents at end of the financial period	<u>51,316</u>	<u>40,026</u>
Cash and cash equivalent at the end of the financial period comprise the following:		
Short term deposits with licensed banks	2	2
Cash on hand and at banks	4,057	11,951
	<u>4,059</u>	<u>11,953</u>
Short term cash investments	47,257	28,073
Cash and bank balances	<u>51,316</u>	<u>40,026</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

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 2014. 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 2014.

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 2014 except for the adoption of the following MFRSs, Amendments to MFRSs and Interpretations:

		<u>Effective dates</u>
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets: Recoverable Amount Disclosures for Non – Financial Assets	1 January 2014
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to IC Interpretations and MFRSs 2010 – 2012 Cycle		
Annual Improvements to IC Interpretations and MFRSs 2011 – 2013 Cycle		

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

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 2014 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 December 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

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 Second Quarter and Six-Month period ended 31 December 2014**

A9. Operating Segments - continued

	Malaysia RM'000	Indonesia RM'000	Belgium RM'000	Australia RM'000	Bulgaria RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Current Year To-Date Ended 31.12.2014								
Segment revenue								
Sales to external customers	23,329	2,816	1,849	2,273	12,062	1,815	-	44,144
Inter-segment sales	553	-	-	-	-	-	(553)	-
Total	<u>23,882</u>	<u>2,816</u>	<u>1,849</u>	<u>2,273</u>	<u>12,062</u>	<u>1,815</u>	<u>(553)</u>	<u>44,144</u>
Profit before tax								5,444
Income tax expense								(1,169)
Profit for the year								<u>4,275</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 15 December 2014, the company acquired 2 ordinary shares of RM1 each representing 100% equity interest in Millennium Station 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 2014.

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 Second Quarter and Six-Month period ended 31 December 2014

A14. Material Subsequent Events

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 12 February 2015 which had affected substantially the results of the Group for the financial quarter ended 31 December 2014.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

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

B1. Performance Review

	3 Months Ended			6 Months Ended		
	31.12.2014	31.12.2013	Variance	31.12.2014	31.12.2013	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	25,356	27,970	(9.3)	44,144	49,624	(11.0)
Profit before tax	3,052	3,392		5,444	6,139	
Income tax expense	(613)	(749)		(1,169)	(1,384)	
Profit for the period	2,439	2,643	(7.7)	4,275	4,755	(10.1)

For the current quarter under review, the Group registered a revenue of RM25.356 million as compared to the preceding year corresponding quarter of RM27.970 million, a decrease of 9.3%. For the six months ended 31 December 2014, total revenue decreased from RM49.624 million to RM44.144 million, a decrease of RM5.480 million or 11.0% due mainly to lower revenue generated in both local and export segment.

Profit for the period decreased by 7.7% to RM2.439 million in the current quarter under review as compared to the preceding year corresponding quarter of RM2.643 million. For the six months ended 31 December 2014, profit after tax decreased from RM4.755 million to RM4.275 million, a decrease of RM0.480 million or 10.1%. The decrease in the profit for the period was due to lower margin caused by fluctuating prices of a main raw material, Glyphosate Technical.

B2. Variation of Results Against Preceding Quarter

	3 Months Ended		Variance
	31.12.2014	30.09.2014	
	RM'000	RM'000	%
Revenue	25,356	18,788	35.0
Profit before tax	3,052	2,392	27.6

For the current quarter under review, the Group's profit before tax was RM3.052 million compared to the Group's profit before tax of RM2.392 million in the immediate

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

preceding quarter. This 27.6% increase in profit before tax in comparison with the immediate preceding quarter was due to higher revenue achieved 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

	Current Quarter Ended 31.12.2014 RM'000	Current Year To-Date Ended 31.12.2014 RM'000
Current tax:		
- Malaysian income tax	<u>(613)</u>	<u>(1,169)</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 12 February 2015.

B7. Borrowings

	As at 31.12.2014 RM'000	As at 30.06.2014 RM'000
RM denominated borrowings		
Short Term Borrowings		
Secured:-		
Bills Payable	<u>-</u>	<u>-</u>

There are no borrowings denominated in foreign currency.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

B8. Changes in Material Litigation

There were no material litigations involving the Group as at 12 February 2015.

B9. Dividend

The Board of Directors has recommended 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 has been approved by the shareholders of the Company at the Annual General Meeting of the Company and will be paid on 19 January 2015.

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 RM2.439 million and current year to-date of RM4.275 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 31.12.2014 RM'000	Current Year To-Date Ended 31.12.2014 RM'000
Profit before tax is stated after (charging)/crediting:		
Rental income	1	3
Interest income	221	425
Foreign exchange loss-realised	852	601
Foreign exchange gain-unrealised	(213)	13
Reversal of allowance for impairment of trade receivables	29	336
Interest expenses	(7)	(19)
Depreciation and amortisation	(396)	(789)
Impairment loss on trade receivables	(60)	(120)

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

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 12 February 2015.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

Quarterly Report for the Second Quarter and Six-Month period ended 31 December 2014

C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Total unappropriated profit as at 31 December 2014 and 30 June 2014 is analysed as follows:

	As at 31.12.2014 (Unaudited) RM'000	As at 30.06.2014 (Audited) RM'000
Total unappropriated profit of the Company and its subsidiaries		
- Realised	98,384	93,702
- Unrealised	(1,162)	(951)
	<u>97,222</u>	<u>92,751</u>
Consolidation adjustments	(25,537)	(25,341)
Total Group unappropriated profit as per consolidated accounts	<u>71,685</u>	<u>67,410</u>