

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		

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 year ended 30 June 2015 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.

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

	Malaysia RM'000	Indonesia RM'000	Bulgaria RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Current Quarter Ended 30.06.2015						
Segment revenue						
Sales to external customers	12,101	1,408	270	9,342	-	23,121
Inter-segment sales	361	-	-	-	(361)	-
Total	<u>12,462</u>	<u>1,408</u>	<u>270</u>	<u>9,342</u>	<u>(361)</u>	<u>23,121</u>
Profit before tax						1,643
Income tax expense						(457)
Profit for the period						<u>1,186</u>

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A9. Operating Segments - continued

	Malaysia RM'000	Indonesia RM'000	Bulgaria RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Current Year To-Date Ended 30.06.2015						
Segment revenue						
Sales to external customers	52,113	9,521	14,034	29,736	-	105,404
Inter-segment sales	1,050	-	-	-	(1,050)	-
Total	<u>53,163</u>	<u>9,521</u>	<u>14,034</u>	<u>29,736</u>	<u>(1,050)</u>	<u>105,404</u>
Profit before tax						12,876
Income tax expense						(2,872)
Profit for the year						<u>10,004</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 2014.

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 25 August 2015 which had affected substantially the results of the Group for the financial quarter ended 30 June 2015.

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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		
	30.06.2015	30.06.2014	Variance	30.06.2015	30.06.2014	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	23,121	26,171	(11.7)	105,404	108,423	(2.8)
Profit before tax	1,643	1,140		12,876	11,323	
Income tax expense	(457)	70		(2,872)	(2,181)	
Profit for the period	1,186	1,210	(2.0)	10,004	9,142	9.4

The Group recorded a decreased of 11.7% in revenue for the current quarter at RM23.121 million as compared to the preceding year corresponding quarter mainly due to lower revenue generated in the overseas segment for glyphosate products. For the twelve months ended 30 June 2015, total revenue decreased from RM108.423 million to RM105.404 million, a marginal decrease of RM3.019 million or 2.8%. This is due mainly to volatile and fluctuating prices during the 12 months of glyphosate affecting the demand and revenue of glyphosate products.

Profit for the period decreased by 2.0% to RM1.186 million in the current quarter under review as compared to the preceding year corresponding quarter of RM1.210 million. For the twelve months ended 30 June 2015, profit after tax increased from RM9.142 million to RM10.004 million, an increase of RM0.862 million or 9.4%. The increase in the profit after tax was mainly contributed by the higher margin products for both overseas and local segments.

B2. Variation of Results Against Preceding Quarter

	3 Months Ended		Variance
	30.06.2015	31.03.2015	
	RM'000	RM'000	
Revenue	23,121	38,139	(39.4)
Profit before tax	1,643	5,789	(71.6)

B2. Variation of Results Against Preceding Quarter - continued

For the current quarter under review, the Group's profit before tax was RM1.643 million compared to the Group's profit before tax of RM5.789 million in the immediate preceding quarter. This 71.6% decrease in profit before tax in comparison with the immediate preceding quarter was mainly due to lower revenue generated from both overseas and local segments.

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 30.06.2015 RM'000	Current Year To-Date Ended 30.06.2015 RM'000
Current tax:		
- Malaysian income tax	<u>(457)</u>	<u>(2,872)</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 25 August 2015.

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B7. Borrowings

	As at 30.06.2015 RM'000	As at 30.06.2014 RM'000
RM denominated borrowings		
Short Term Borrowings		
Secured:		
Term loan	324	-
Long Term Borrowings		
Secured:		
Term loan	1,476	-

There are no borrowings denominated in foreign currency.

B8. Changes in Material Litigation

There were no material litigations involving the Group as at 25 August 2015.

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 2015.

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 RM1.186 million and current year to-date of RM10.004 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 30.06.2015 RM'000	Current Year To-Date Ended 30.06.2015 RM'000
Profit before tax is stated after (charging)/crediting:		
Rental income	3	7
Interest income	246	1,027
Foreign exchange gain-realised	268	885
Foreign exchange loss-unrealised	(39)	(60)
Reversal of allowance for impairment of trade receivables	(293)	61
Interest expenses	(33)	(81)
Depreciation and amortisation	(443)	(1,622)
Impairment loss on trade receivables	(232)	(412)
Gain on disposal of property, plant and equipment	71	71
Property, plant and equipment written off	<u>(45)</u>	<u>(45)</u>

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 25 August 2015.

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C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

Total unappropriated profit as at 30 June 2015 and 30 June 2014 is analysed as follows:

	As at 30.06.2015 (Unaudited) RM'000	As at 30.06.2014 (Audited) RM'000
Total unappropriated profit of the Company and its subsidiaries		
- Realised	101,614	93,702
- Unrealised	(878)	(951)
	<u>100,736</u>	<u>92,751</u>
Consolidation adjustments	(26,122)	(25,341)
Total Group unappropriated profit as per consolidated accounts	<u><u>74,614</u></u>	<u><u>67,410</u></u>