

IMASPRO CORPORATION BERHAD (Registration No. 200401019024 (657527-H))

Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2023 RM '000	Preceding Year Corresponding Quarter 31.12.2022 RM '000	Current Year To Date 31.12.2023 RM '000	Preceding Year Corresponding Period 31.12.2022 RM '000
Revenue	12,231	9,772	26,639	22,555
Cost of sales	(8,732)	(7,921)	(18,142)	(17,077)
Gross profit	3,499	1,851	8,497	5,478
Other operating income	565	(8)	1,720	857
Administrative expenses	(2,342)	(1,782)	(4,841)	(3,875)
Distribution cost	(184)	(115)	(443)	(289)
Other operating expenses	(330)	(448)	(944)	(766)
Finance cost	(37)	(35)	(74)	(65)
Profit/(loss) before tax	1,171	(537)	3,915	1,340
Income tax expense	(647)	70	(1,293)	(320)
Profit/(loss) from continuing operations	524	(467)	2,622	1,020
Discontinued operations				
Loss from discontinued operations	(47)	(122)	(69)	(58)
Profit/(loss) for the period	477	(589)	2,553	962
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Continuing operations				
- Foreign currency translation	(9)	(25)	(7)	(2)
Items that may not be reclassified subsequently to profit or loss:				
Continuing operations				
- Changes in the fair value of equity investment at fair value through other comprehensive income	(14)	(101)	(291)	(418)
Discontinued operations				
- Changes in the fair value of equity investment at fair value through other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	454	(715)	2,255	542

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONT'D)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2023 RM '000	Preceding Year Corresponding Quarter 31.12.2022 RM '000	Current Year To Date 31.12.2023 RM '000	Preceding Year Corresponding Period 31.12.2022 RM '000
Profit/(loss) for the period attributable to:				
Owners of the Company				
- Continuing operations	524	(467)	2,622	1,020
- Discontinued operations	(47)	(122)	(69)	(58)
	<u>477</u>	<u>(589)</u>	<u>2,553</u>	<u>962</u>
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company				
- Continuing operations	501	(593)	2,324	600
- Discontinued operations	(47)	(122)	(69)	(58)
	<u>454</u>	<u>(715)</u>	<u>2,255</u>	<u>542</u>
Earnings per share attributable to owners of the Company:				
Basic (sen)				
- Continuing operations	0.66	(0.58)	3.28	1.28
- Discontinued operations	(0.06)	(0.15)	(0.09)	(0.07)
	<u>0.60</u>	<u>(0.73)</u>	<u>3.19</u>	<u>1.21</u>
- Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

NA denotes "Not Applicable"

IMASPRO CORPORATION BERHAD (Registration No. 200401019024 (657527-H))**Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 2023****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 31.12.2023 RM '000	Audited As At 30.06.2023 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	26,663	26,403
Investment properties	14,500	14,620
Investment	7,857	8,148
	<u>49,020</u>	<u>49,171</u>
Current assets		
Inventories	16,945	15,932
Trade and other receivables	7,342	13,622
Cash and bank balances	54,683	51,008
Tax recoverable	4,410	4,399
Assets of disposal group classified as held-for-sale	3,813	3,897
	<u>87,193</u>	<u>88,858</u>
TOTAL ASSETS	<u><u>136,213</u></u>	<u><u>138,029</u></u>
EQUITY AND LIABILITIES		
Share capital	42,857	42,857
Reserves	84,460	82,205
Total equity - profit attributable to owners of the Company	<u>127,317</u>	<u>125,062</u>
Non-current liabilities		
Borrowings	1,905	2,052
Deferred tax liabilities	1,078	1,078
	<u>2,983</u>	<u>3,130</u>
Current liabilities		
Trade and other payables	5,553	9,448
Borrowings	312	321
Tax payable	39	56
Liabilities directly associated with disposal group classified as held-for-sale	9	12
	<u>5,913</u>	<u>9,837</u>
TOTAL LIABILITIES	<u>8,896</u>	<u>12,967</u>
TOTAL EQUITY AND LIABILITIES	<u><u>136,213</u></u>	<u><u>138,029</u></u>
Net assets per share (RM)	<u>1.59</u>	<u>1.56</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Company →				Total equity RM '000
	Share capital RM '000	Fair value reserve RM '000	Foreign currency translation reserve RM '000	Unappropriated profit RM '000	
<u>6 months ended 31 December 2022</u>					
At 1 July 2022 (Audited)	42,857	1,177	2,109	80,074	126,217
Profit for the period	-	-	-	962	962
Other comprehensive income	-	(418)	(2)	-	(420)
Total comprehensive income	-	(418)	(2)	962	542
At 31 December 2022	42,857	759	2,107	81,036	126,759
<u>6 months ended 31 December 2023</u>					
At 1 July 2023 (Audited)	42,857	1,001	2,134	79,070	125,062
Profit for the period	-	-	-	2,553	2,553
Other comprehensive income	-	(291)	(7)	-	(298)
Total comprehensive income	-	(291)	(7)	2,553	2,255
At 31 December 2023	42,857	710	2,127	81,623	127,317

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 2023 and the accompanying explanatory notes attached to the interim financial

IMASPRO CORPORATION BERHAD (Registration No. 200401019024 (657527-H))**Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 2023****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 Months Ended 31.12.2023 RM '000	6 Months Ended 31.12.2022 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing operations	3,915	1,340
- Discontinued operations	(69)	(58)
	<u>3,846</u>	<u>1,282</u>
Adjustments for:-		
Interest expenses	74	65
Interest income	(646)	(262)
Non-cash items	552	842
	<u>3,826</u>	<u>1,927</u>
Operating profit before working capital changes		
Changes in working capital		
Net changes in current assets	2,474	6,392
Net changes in current liabilities	(3,899)	1,921
	<u>2,401</u>	<u>10,240</u>
Cash generated from operations		
Dividend received	110	110
Interest paid	(74)	(65)
Interest received	646	262
Taxes paid	(1,339)	(1,120)
	<u>1,744</u>	<u>9,427</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(873)	(447)
Proceed from disposal of property, plant and equipment	50	264
	<u>(823)</u>	<u>(183)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITY		
Net repayment of borrowing	(156)	(155)
	<u>(156)</u>	<u>(155)</u>
Net cash used in financing activity		
Net changes in cash and cash equivalents	765	9,089
Effect of foreign exchange rate changes	(7)	(2)
Cash and cash equivalents at beginning of financial period	54,181	40,699
Cash and cash equivalents at end of the financial period	<u>54,939</u>	<u>49,786</u>

IMASPRO CORPORATION BERHAD (Registration No. 200401019024 (657527-H))

Quarterly Report on Consolidated Results for the Six-Month period ended 31 December 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	6 Months Ended 31.12.2023 RM '000	6 Months Ended 31.12.2022 RM '000
Cash and cash equivalents at the end of the financial period comprise the following:		
Short term deposits with licensed banks	2	2
Cash on hand and at banks	30,122	29,145
	<u>30,124</u>	<u>29,147</u>
Short term cash investments	24,559	17,571
Cash and bank balances	54,683	46,718
Cash on hand and at banks included in assets of disposal group classified as held-for-sale	256	3,068
	<u>54,939</u>	<u>49,786</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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*, International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, provision of the Companies Act 2016 in Malaysia 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 2023. 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 2023.

A2. Accounting Policies

(i) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year, except in current financial period, the Group and the Company adopted all the new and revised standards which are effective for financial year beginning on or after 1 July 2023.

Effective for financial year beginning on or after 1 July 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)
Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policies)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
Amendments to MFRS 112	Income Taxes (International Tax Reform – Pillar Two Model Rules, Paragraphs 88B to 88D)

The adoption of the abovementioned standard, Amendments and Interpretation do not have material impact on the financial statements of the Group and the Company.

A2. Accounting Policies – continued

(ii) Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following new and revised standards have been issued by the Malaysian Accounting Standards Board ("MASB"), but are not yet effective and have not been adopted by the Group and the Company.

Effective for financial year beginning on or after 1 July 2024

Amendments to MFRS 16	Leases (Lease Liability in a Sale and Leaseback)
Amendments to MFRS 101	Presentation of Financial Statements (Non-current Liabilities with Covenants)
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures (Supplier Finance Arrangements)

Effective for financial year beginning on or after 1 July 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)
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Effective for financial year beginning on or after a date yet to be determined

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2023 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 2023 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.

A9. Operating Segments

Business Segments

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, other agrochemicals, mosquito coils, disinfectants and household insecticides. The Group's business segments are presented as follows:

	3 Months Ended		6 Months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Agrochemicals	12,231	9,772	26,639	22,555
Total	12,231	9,772	26,639	22,555

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) Others: these consist of segments which cover Cambodia, Indonesia, Singapore, Taiwan and Vietnam individually fall below the 10% threshold of a reportable segment

	Malaysia	Others	Elimina-	Total
	RM'000	RM'000	tions	RM'000
			RM'000	RM'000
Current Quarter Ended 31.12.2023				
Segment revenue:				
Sales to external customers	10,867	1,364	-	12,231
Total	10,867	1,364	-	12,231
Profit before tax				1,124
Income tax expense				(647)
Profit for the period				<u>477</u>

A9. Operating Segments – continued

	Malaysia RM'000	Others RM'000	Elimina- tions RM'000	Total RM'000
Current Year To-Date Ended 31.12.2023				
Segment revenue:				
Sales to external customers	23,289	3,350	-	26,639
Total	<u>23,289</u>	<u>3,350</u>	<u>-</u>	<u>26,639</u>
Profit before tax				3,846
Income tax expense				<u>(1,293)</u>
Profit for the year				<u><u>2,553</u></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 2023.

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 21 February 2024 which had affected substantially the results of the Group for the financial quarter ended 31 December 2023.

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		
	31.12.2023	31.12.2022	Variance	31.12.2023	31.12.2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing operations						
Revenue	12,231	9,772	25.2	26,639	22,555	18.1
Profit/(loss) before tax	1,171	(537)		3,915	1,340	
Income tax expense	(647)	70		(1,293)	(320)	
Profit/(loss) from continuing operations	524	(467)	212.2	2,622	1,020	157.1
Discontinued operations						
Loss from discontinued operations	(47)	(122)		(69)	(58)	
Profit/(loss) for the period	477	(589)	181.0	2,553	962	165.4

For the current quarter under review, the Group registered revenue of RM12.231 million as compared to the preceding year corresponding quarter of RM9.772 million, an increase of RM2.459 million or 25.2%. This increase was due to higher demand in the local segment as compared to the preceding year corresponding quarter.

For the current quarter under review, the Group's profit for the period was RM0.477 million as compared to the Group's loss for the period of RM0.589 million in the preceding year corresponding quarter, an increase of RM1.066 million or 181.0%. This increase was due to higher revenue generated in the current quarter as compared to the preceding year corresponding quarter.

B2. Variation of Results Against Preceding Quarter

	3 Months Ended		Variance
	31.12.2023	30.09.2023	
	RM'000	RM'000	%
Continuing operations			
Revenue	12,231	14,408	(15.1)
Profit before tax	1,171	2,744	(57.4)

For the current quarter under review, the Group's profit before tax was RM1.171 million as compared to the Group's profit before tax of RM2.744 million in the immediate preceding quarter. This 57.3% decrease was mainly due to lower gross profit margin in the current quarter coupled with decrease in other operating income.

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 31.12.2023 RM'000	Current Year To-Date Ended 31.12.2023 RM'000
Current tax:		
- Malaysian income tax	(647)	(1,293)

The effective tax rate of the Group for the current year to-date is higher than the statutory tax rate of 24% principally due to certain expenses that were not deductible for tax purposes.

B6. Corporate Proposals

There were no corporate proposals announced but not completed as at 21 February 2024.

B7. Borrowings

	As at 31.12.2023 RM'000	As at 30.06.2023 RM'000
RM denominated borrowings		
Short Term Borrowings Secured:		
Term Loan	312	321
Long Term Borrowings Secured:		
Term Loan	1,905	2,052

There are no borrowings denominated in foreign currency.

B8. Changes in Material Litigation

There were no material litigations involving the Group as at 21 February 2024.

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 2023.

The dividend payable amounting to RM2.8 million has been approved by the shareholders of the Company at the Annual General Meeting of the Company and will be paid on 16 January 2024.

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's unaudited profit for the period attributable to owners of the Company for the current quarter profit of RM0.477 million and current year to-date profit of RM2.553 million divided by the number of ordinary shares in issue during the period of 80,000,000.

(b) Diluted

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.

B11. Profit/(Loss) Before Tax

	Current Quarter Ended 31.12.2023 RM'000	Current Year To-Date Ended 31.12.2023 RM'000
Profit/(loss) before tax is stated after (charging)/crediting:		
Dividend income	-	110
Foreign exchange gain – realised	35	105
Foreign exchange gain – unrealised	(16)	131
Gain on disposal of property, plant and equipment	6	38
Interest income	338	646
Rental income	69	149
Reversal of allowance for impairment of trade receivables	5.6	9.5
Depreciation and amortisation	(369)	(720)
Impairment loss on trade receivables	(60)	(120)
Interest expenses	(37)	(74)

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 21 February 2024.