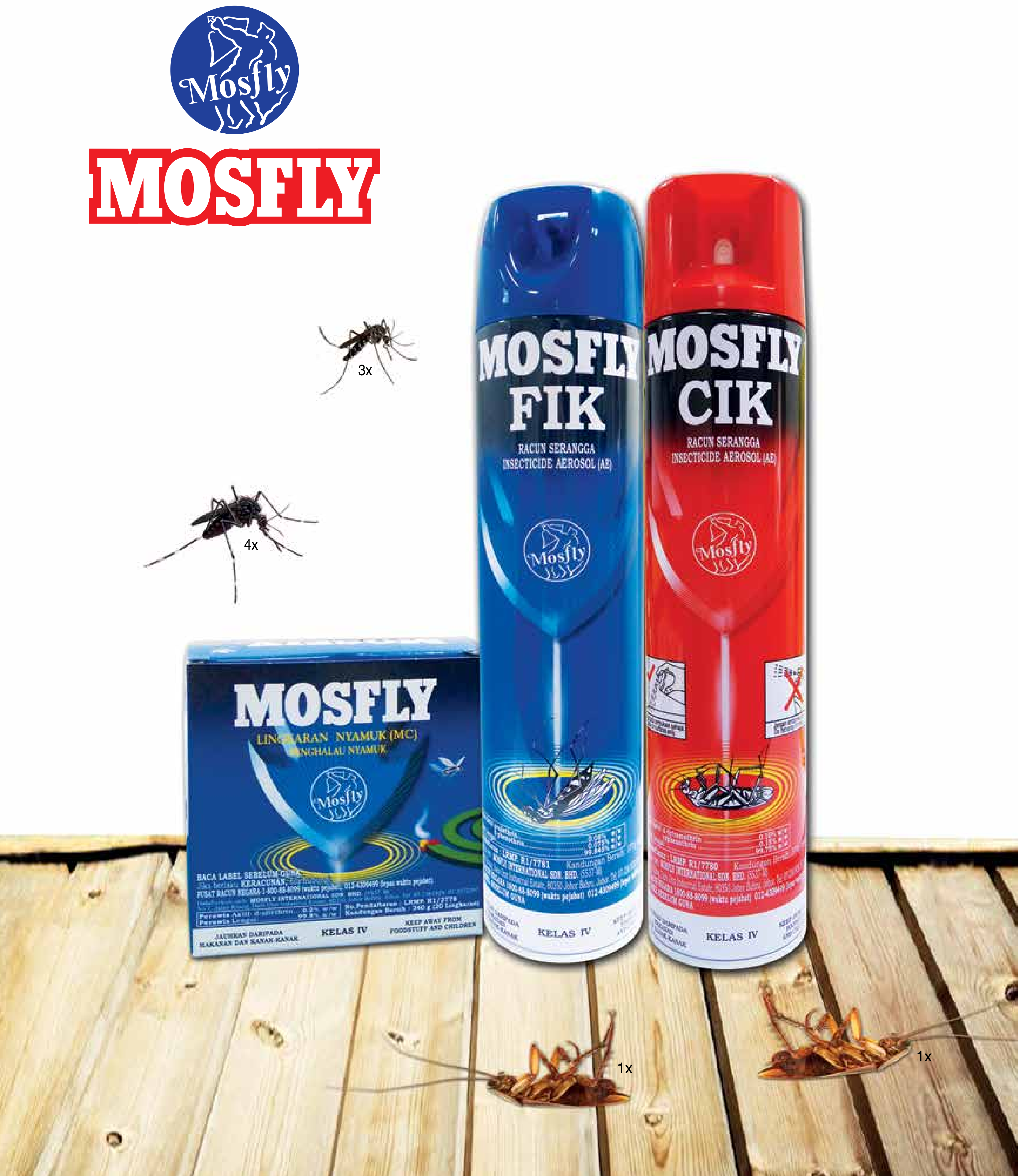
poised for ACCELERATED global GROWTH

ANNUAL REPORT
2017

IMASPRO CORPORATION BERHAD
(Incorporated in Malaysia) (657527-H)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KELAS IV
KEEP AWAY FROM FOODSTUFF AND CHILDREN
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CONTENTS

ANNUAL REPORT
2017

FINANCIAL STATEMENTS

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders

On behalf of the Board of Directors of Imaspro Corporation Berhad ("ICB"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 June 2017.

I am proud of the progress we have made as a company this past year and excited about the opportunity for even more progress in the year ahead. At ICB, we believe in making the connections between technologies and nature. These connections hold the keys to unlocking positive potential for growers and consumers.

In the fiscal year of 2017, we have advanced our mission to unlock that potential for farmers around the globe. We have continued to cultivate the IMASPRO culture in which people connect their individual energies and passions for agriculture to this mission. In the face of unprecedented headwinds, ICB has successfully helped growers sustainably increase their productivity, delivered on key milestone and created positive momentum moving into 2018.

The current slowing global economy have affected both our local and export markets but we are ever more ready to build an even studier foundation for a brighter future.

In comparison to the previous fiscal year, the sales of our agrochemical products in the local market has decreased by 7.5% largely due to the impact of last year's dry spell continues to be felt, with local traders importing above average quantities of palm oil and related products from Indonesia for processing. Nevertheless, the agriculture sector is expected to rebound as yields slowly recover from the El Nino weather phenomenon during the previous fiscal year. Expert analysis expect crude palm oil price (futures) to be at the USD577 per metric tonne later in 2017.

In regards to our export market, we can see an increase of sales in the Indonesia market by more than 100% but our sale to Russia and Bulgaria which have been our largest buyers in Europe is still suffering a decrease.

In the fiscal year 2016, the Group acquired Mosfly International Sdn Bhd ("MISB") complementing and expanding the ICB's grasp in the insecticide industry and also completing ICB's strategic move into the business-to-consumer (B2C) market. Currently holding the 3rd rank in the pesticide brand in Vietnam according to Euromonitor International's report in 2017, MISB has contributed to ICB's profitability positively.

In line to direction of ICB, we have been working closely with the public sector on the development of more effective products.

Once again, the Group is upholding its excellent standards of occupational safety and health practices by conforming to all regulatory requirements and exercising quality management standard thus creating and maintaining ICB's safety and health culture. Our goal has always been to provide an injury and illness free environment for our employees in order to achieve maximum efficiency.

Dengue is a major public health problem, and our ongoing Corporate Social Responsibility ("CSR") initiative is geared towards working with relevant authorities to create greater public awareness via various awareness campaigns so that the community can be empowered with the knowledge, attitude and practices on how to prevent and control mosquito-borne diseases. Cash donations were also made to community service project and service organisation. In order to cope with higher cost of living, food assistance in the form of free distribution of rice to our factory workers was also carried out.

PROPOSED DIVIDEND

The Board of Directors has recommended that it would be in the Group's best interest to pay single tier dividend of 3.5 cents per share for approval at the forthcoming Annual General Meeting.

CHAIRMAN'S STATEMENT (continued)

OUTLOOK AND PROSPECTS

In accordance to the reports released by Bank Negara Malaysia ("BNM") (Central Bank of Malaysia), it is forecasted that the agricultural sector will have an expansion of 4% this year. Although the decline of agriculture sector's contribution to the GDP has continued for decades as Malaysia's economy has shifted towards manufacturing and services, nevertheless, we can see improvement in the industry this year which should help bring about the BNM's GDP growth forecast of between 4.5% and 4.8%.

On April 2017, the World Economic Outlook Update, IMF anticipate a picking up in the long-awaited cyclical recovery with an expected rise in growth from 3.1% in 2016 to 3.5% in 2017. In July 2017, the pickup in global growth that was anticipated in April remains on track and a stronger and more sustainable cyclical rebound will be expected.

In view of this, ICB being a global player in the industry has taken initiatives to take advantage on the global growth. I am confident and optimistic that ICB will grow with a slow but steady pace and shall remain profitable in the coming financial year in both the domestic and export markets.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at ICB is shown in pages 20 to 31.

CHANGES TO THE BOARD

In the fiscal year 2017, the Board, in addition to the contribution from Mr Chan Kim Hing, remained ever strong and positive.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of ICB, I would like to thank our management, staff of the Group for their unwavering loyalty and hard work in the execution of the Group's business strategies. On behalf of the Directors, I would also like to thank our business associates, investors and all other stakeholders for their continuous belief in, and support to, the Group.

We shall remain prudent, agile and ever resilient as we look out for potential opportunities to add value to the Group. I am confident that with the continued support of all our stakeholders, ICB can overcome the challenges ahead as we strive for organisational and business excellence.

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
CHAIRMAN

CHAIRMAN'S STATEMENT (continued)

1 & 2 DRAGON 585 EC promotional activity by our distributor to local Vietnam's farmers on 22 June 2017 in Nam Boon, Tien Giang.

3 & 4 Our Regulatory Affairs & Development Manager, Dr. Ang Ling Hui (left) was conducting a trial in Indonesia together with Mr. Busyairi, S.P., from PT Biotis (right).

5 Imaspro Resources Sdn Bhd's Factory Manager, Mr. Ngo Hea Sing (left) receiving a certificate of appreciation from the Pesticides Board of Malaysia during their visitation and study tour to our factory located in Port Klang.

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
(Independent Non-Executive Chairman)

TONG CHIN HEN
(Managing Director)

CHEN SUNG FANG
(Independent Non-Executive Director)

CHAN WENG FUI
(Independent Non-Executive Director)

CHAN KIM HING
(Independent Non-Executive Director)

SECRETARIES

WONG WAI FOONG (MAICSA 7001358)

WONG PEIR CHYUN (MAICSA 7018710)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel No.: + (603) 2783 9191
Fax No.: + (603) 2783 9111

HEAD/MANAGEMENT OFFICE

37, Jalan 5, Kawasan 16 , Taman Intan
41300 Klang, Selangor Darul Ehsan

Tel No.: + (603) 3343 1633
Fax No.: + (603) 3343 1868
E-mail: imaspro@imaspro.com
Website: http://www.imaspro.com

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel No.: + (603) 2783 9299
Fax No.: + (603) 2783 9222

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants
(A member of HLB International)

AUDIT COMMITTEE

CHAN WENG FUI (Chairman)

CHEN SUNG FANG (Member)

CHAN KIM HING (Member)

REMUNERATION COMMITTEE

CHAN WENG FUI (Chairman)

CHEN SUNG FANG (Member)

DATUK CAPTAIN HAMZAH BIN MOHD NOOR (Member)

NOMINATION COMMITTEE

CHEN SUNG FANG (Chairman)

DATUK CAPTAIN HAMZAH BIN MOHD NOOR (Member)

CHAN KIM HING (Member)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

CHEN SUNG FANG
Email : sungfangchen@imaspro.com

GROUP PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

AmFunds Management Berhad

OCBC Bank Berhad

SOLICITORS

Teh & Lee
A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock Name: Imaspro
Stock Code: 7222

PROFILE OF DIRECTORS

Name	**DATUK CAPTAIN HAMZAH BIN MOHD NOOR**
Age	67
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Chairman
Date of Appointment	11 April 2016

Qualification

- Bachelor of Science in Nautical Science (awarded with Commendation), Liverpool, United Kingdom
- Master (Mariner, Class I) Foreign Going Certificate of Competency, Liverpool, United Kingdom
- Fellow, Ikhtisas Kelautan Malaysia
- Liveryman, Honourable Company of Master Mariners, London, United Kingdom
- Fellow of the Nautical Institute (FNI), United Kingdom
- Member of the Chartered Institute of Logistics and Transport (Malaysia)
- Members of various other professional bodies

Working Experience

He started his career in 1967 with a British merchant shipping company in various capacities from cadet apprenticeship to senior officer on board ships. Subsequently, he came back to Malaysia in 1979 to serve the government under Jabatan Laut Semenanjung Malaysia as Marine Officer and authored the amendments to the Domestic Shipping part of the Merchant Shipping Ordinance, 1952. He rose through the ranks and in 1980 was promoted as the Harbour Master for Johor, concurrently as Maritime Advisor to the fledgling Johor Port Authority (LPJ). In 1981-1989, he was seconded as Principal (now CEO) of the to-be founded, Akademi Laut Malaysia (ALAM). In 1990-1991, he was appointed as a Consultant with International Maritime Organisation (IMO), a specialised Maritime agency of the United Nations (UN) in advising ASEAN governments regarding certain aspects of their maritime national legislation. In 1993, he was posted as the Harbour Master of Selangor, concurrently as the Registrar of Malaysian Ships at Port Klang, Director of the Light Dues Fund and member of the Pilotage Committee of the Port of Port Klang.

In 1996, after leaving government service, he ventured into his own consultancy business specialising in maritime consultancy, ship owning, ship brokerage, ship chartering, ship management and etc. In 2003, he was appointed by Ministry of Foreign Affairs, Malaysia as the Maritime Advisor to the National Technical Committee and Head of the Navigation Sub Committee involved in the Arbitral (International) Tribunal on the Law of the Sea (ITLOS). In 2008, he was appointed as Advisor to the Johor State government, also regarding United Nations Conference of the law of the Sea (UNCLOS, 1982).

PROFILE OF DIRECTORS (continued)

Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	• Member of the Remuneration Committee • Member of the Nomination Committee

PROFILE OF DIRECTORS (continued)

Name	**TONG CHIN HEN**
Age	61
Nationality	Malaysian
Gender	Male
Position on Board	Managing Director
Date of Appointment	15 November 2005
Qualification	Member of the Institute of Directors, United Kingdom
Working Experience	His career started in 1975 when he joined Ancom Sdn. Bhd., which went public in 1990 and was the first agrochemical plant to be established in Malaysia. He left the company in end of 1992 while he was the Executive Commercial Manager. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of IRSB to be a leading pesticide player in Malaysia over the last 24 years. His ability to lead a Malaysian agrochemical company to break into and increase its overseas presence amidst growing trade protectionism reflects his market-savvy approach to business and the extent of his networking in the international agrochemical business. He has been a regular participant in the Annual British Crop Protection Conference & Exhibition in the United Kingdom, the largest annual gathering of players in the global agrochemical industry since the 1990s.
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	Nil

PROFILE OF DIRECTORS (continued)

Name	**CHEN SUNG FANG**
Age	44
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	22 May 2013
Qualification	Bachelor of Laws (Honours) Degree in University of London, United Kingdom
Working Experience	Mr Chen is a member of the Malaysian Bar and he was admitted as an advocate and solicitor of the High Court of Malaya in 1999 and has been active in legal practice since then. He has been involved in corporate exercises involving Initial Public Offering, mergers and acquisitions, reverse takeover, rights issue and others for companies from different industries including software, plantation, timber concession and engineered hardwood flooring. He is also a registered trademarks agent since 2003 and he has been actively involved in the registration of trade marks for companies.
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	• Chairman of the Nomination Committee • Member of the Remuneration Committee • Member of the Audit Committee

PROFILE OF DIRECTORS (continued)

Name	**CHAN WENG FUI**
Age	43
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	4 December 2014
Qualification	Bachelor of Science (Hons) degree in Accounting and Finance from Queen's University of Belfast, Northern Ireland, United Kingdom
Working Experience	He joined Price Waterhouse in 1997, where he started in the audit department. After three years working in the audit department of Price Waterhouse, he then joined Aseambankers Malaysia Berhad (the investment arm of Maybank) in 1999 and began his career in corporate finance. Subsequently in 2001, he joined Arab-Malaysian Merchant Bank, which also specialised in corporate finance and investment banking. After nine years in the banking industry, he left Arab-Malaysian Merchant Bank to join YNH Property Bhd in 2007 to venture into property development and construction. He is still currently with YNH Property Bhd as the Director/Head of Corporate Strategy.
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	• Chairman of the Audit Committee • Chairman of Remuneration Committee

PROFILE OF DIRECTORS (continued)

Name	**CHAN KIM HING**
Age	50
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	26 May 2016
Qualification	• Bachelor of Science (Honours) Degree, Major in Computer Science and Accounting from Monash University, Melbourne, Victoria, Australia • Chartered Accountant (CA), member of Malaysian Institute of Accountant (Member No:9099) • Fellow member of CPA Australia (FCPA) (Member No:1629170)
Working Experience	He started his career with Arthur Andersen & Co, Malaysia (top 5 global Public Accountant firm) in 1991, with working experiences covering Audit, Assurance, Business Advisory, Management Consulting and Computer Risk Management, specialising in financial and information-technology systems review-audits, internal controls, standard operating policies and procedures, compliance reviews and special assignments related to business mergers, systems-integration, reorganisation and restructuring of business activities of companies operating in the financial and capital market industry. In 1994, he was recruited to join M&A Securities Sdn Bhd (M&A) to head its Finance, Treasury and subsequently Operational Departments, where he successfully reorganised, restructured and expand its business activities, which include acquisition of another stockbroking company to facilitate opening of branch offices. He was later promoted as the Executive Director cum Head of Operations of M&A, overseeing the finance, treasury, corporate finance, inter-broking, online-trading, settlement, margin financing, credit control, IT systems and business development. He was an elected management committee member of the Association of Stockbroking Companies of Malaysia (ASCM 2008 to 2012) and Securities Market Operations Committee (SMOC), working in consultation with the Regulatory authorities in addressing industry issues, implementation of rules and policies for the capital market industry. He left M&A in January 2016 to pursue his private interest and to further develop his professional skills and experiences.
Other directorships of public companies and listed issuers	NIL
Family relationship with any director and/or major shareholders of the Company	NIL

PROFILE OF DIRECTORS (continued)

Conflict of interest with the Company	NIL
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	NIL
Committee	• Member of the Audit Committee • Member of the Nomination Committee

PROFILE OF KEY SENIOR MANAGEMENT

CHUNG SIEW KEONG
Senior Manager, Finance & Corporate Strategy

Mr. Chung, Malaysian, aged 48, male, is the Senior Manager for Finance and Corporate Strategy of Imaspro Corporation Berhad ("ICB") and he has been with the Group since 15 June 2015.

He is a Chartered Accountant with Malaysian Institute of Accountants. He received his Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology, Australia in 1993. He started his career in the auditing industry and was last attached to a "Big Four" accounting firm before venturing into commercial sector. He had gained much exposure in the insurance, property and construction industry for about six years. Prior joining ICB, he was attached to a leading group of automotive companies whereby he had gained wide exposure in financial and management accounting, taxation, treasury and supply chain management.

CHAN YEE PANG, JACKY
Market Development Manager

Mr. Jacky, Malaysian, aged 47, male, is the Market Development Manager of ICB and he has worked with the Group since 1 March 2016.

He holds a Master of Business Administration (Marketing) and served 20 years of Sales and Marketing in Industrial Chemicals industry that transcend local boundaries encompassing Singapore, Philippines, Vietnam, Cambodia and Myanmar.

YAP KIM YOK
Accounts and Administration Manager

Ms. Yap, Malaysian, aged 49, female, is the Accounts and Administration Manager of Imaspro Resources Sdn. Bhd. ("IRSB"), a wholly owned subsidiary company of ICB. She has been with the Group since 1 August 2003.

She graduated in 1992 with a Diploma in Management Accounting from Tunku Abdul Rahman College. She is a finalist of the Chartered Institute of Management Accountants (CIMA), United Kingdom.

She had worked with ISO Quality Management standards and is well versed with the standards and procedures of the Contamination Preventive Audit, which is practiced by leading multinational agrochemical companies. Her work experience covers taxation, corporate finance, financial and management accounting. She also handles the overall administration, finance and management accounting functions of the company.

NGO HEA SING
Production Manager

Mr. Ngo, Malaysian, aged 43, male, is the Production Manager of IRSB and he has worked with the Group since 1 December 1999.

He received his Bachelor of Engineering Honours Degree in Chemical Engineering in 1998 and a Masters of Engineering Degree in Engineering Management from Universiti Teknologi Malaysia in 1999. Prior joining IRSB, he worked in the gas technology, textile manufacturing and engineering project management industries.

PROFILE OF KEY SENIOR MANAGEMENT (continued)

LEE TAN YAN
Regulatory Affairs & Research and Development Manager

Ms. Lee, Malaysian, aged 47, female, is the Regulatory Affairs & Research and Development Manager of IRSB and she has worked with the Group since 1 April 1996.

She graduated in 1994 from Universiti Putra Malaysia with a Bachelor of Science Degree majoring in Agricultural Science (Crop Protection). She began her career as a Chemist at a manufacturer of household toiletries and personal care products, where she was in-charge of quality assurance, product formulation improvement and new product development.

She joined IRSB in 1996 as Technical Development Officer. Subsequently she was promoted to Business Development Executive in 1998 and Assistant Business Manager in 2000. In 2003, she was promoted to the position of Business Manager before assuming her current position in 2004. Her responsibilities in the Company include overseeing the Company's product development initiatives, managing the product registration process locally as well as overseas countries and providing technical support on all matters relating to research and development and laboratory testing and methods. In addition to managing the Company's patent affairs, she is also in-charge of trademark registration of the Company's products.

TEE BEE HEOH
Product Development Manager

Ms. Tee, aged 43, female, is the Product Development Manager of IRSB and she has been with the Group since 16 January 2003.

She graduated in 1999 with Bachelor Degree in Agricultural Science majoring in Agricultural Science, and Master Degree in Science from Universiti Putra Malaysia in 2001. She joined one of the leading publishing group in Malaysia in 2001 as an editor and writer, responsible for educational book writing and editing.

She is responsible for product development work, product improvement work and new product registration work in IRSB, for crop protection and non-crop protection products, both locally and internationally.

DR ANG LING HUI
Regulatory Affairs & Development Manager

Dr Ang, aged 31, male, is the Regulatory Affairs & Development Manager of IRSB and he has worked with the Group since 7 November 2016.

He graduated in 2009 with Bachelor Degree in Applied Science majoring in Biology and Management of Vector and Parasite, and Doctor of Philosophy in Urban and Industrial Entomology from Universiti Sains Malaysia in 2013. He joined a public health chemical company in Thailand after his PhD graduation as regulatory affairs and technical support, responsible for product registration in SEA countries and technical support of public health products.

He currently handles development projects of new crop protection products in IRSB and the product registration in local and oversea countries.

Note:
1) None of the Key Senior Management has any directorship in public companies and listed issuers.
2) None of the Key Senior Management has any family relationship with any Directors and/or major shareholders of the Company.
3) None of the Key Senior Management has any conflict of interest with the Company.
4) None of the Key Senior Management has any conviction for offences within the past five (5) years other than traffic offences, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF IMASPRO CORPORATION BERHAD

Imaspro Corporation Berhad is a leading agrochemical manufacturer in ASEAN countries. The Group manufactures and markets a comprehensive range of quality and cost-effective agrochemicals, public health and environmental science products to cater for both the crop and non-crop protection requirements of our customers.

The Group's range of products can be categorise as:
- Herbicides
- Insecticides
- Fungicides
- Specialty products
- Household insecticides.

The Group's research is carried out at its own 52-acre agriculture Research and Development ("R & D") center which equipped with facilities for bio-efficacy trials and houses the only custom-designed termite research facility in Malaysia. The Group stays at the forefront of the industry by undertaking continuous R & D so that its products meet the evolving requirements of both the crop and non-crop protection of the industries.

The Group had built up a comprehensive network of overseas distribution channels since its first export to Bulgaria in year 1993. It continues to grow its overseas market by leveraging on these efficient channels, seeking new products from its own R & D pipeline and via agency to add on to its existing product portfolio.

OBJECTIVES AND STRATEGIES

The vision of the Group is to continue to be the leading agrochemical manufacturer in ASEAN countries. The Group's long term objective is to remain resilient and sustainable in its core business competency, at the same time, delivering sustainable shareholder value to all stakeholders. In meeting its long term objective, the Group employed continual cost efficiency improvements, strengthening productivity, enhancing quality and delivery of our products.

FINANCIAL REVIEW

The Group recorded a total revenue of RM66.0 million and profit before tax of RM8.1million in Financial Year 2017 ("FY 2017") compared to total revenue of RM73.6 million and profit before tax of RM11.3 million in Financial Year 2016 ("FY 2016"). The decrease in revenue by 10% as compared to the previous financial year was due to lower sales in local and overseas market, mainly attributed by slower market demand and aggressive competition affecting both the local and overseas market.

SEGMENTAL REVIEW

The performance review of main business divisions are as follows:

Herbicides

The herbicides division achieved a revenue of RM30.6 million and profit before tax of RM3.2 million for FY 2017 (FY 2016: RM42.0 million and RM4.7 million respectively). The revenue decreased by about 27% mainly due to slower demand from overseas market especially countries in Europe and the aggressive competition in the local market.

Insecticides

The insecticides division achieved a revenue of RM20.9 million and profit before tax of RM3.4 million for FY 2017 (FY 2016: RM14.3 million and RM2.9 million respectively). The revenue increased by about 46% mainly due to higher demand in overseas market especially Indonesia.

Fungicides

The fungicides division achieved a revenue of RM11.7 million and profit before tax of RM1.7 million for FY 2017 (FY 2016: RM13.2 million and RM2.4 million respectively). The revenue decreased by about 11% mainly due to lower demand from overseas market especially in Vietnam and Lebanon.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SEGMENTAL REVIEW (continued)

Household insecticides

The household insecticides division achieved a revenue of RM1.1 million and profit before tax of RM0.05 million for FY 2017 (FY 2016: RM0.08 million and RM0.01 million respectively). The increase was mainly due to first full year of contributions from this division since it was acquired towards end of FY 2016.

CHALLENGES

Overall, the agrochemical industry will remain challenging due to hypercompetitive global environment whereby profit margins will be squeeze as global players are fighting for market share aggressively. With ongoing mergers and acquisitions between these global players, the market remains more competitive.

On the local front, volatility of Ringgit will determine the competitiveness of the cost structure of our products and intense competition from the local and global players will affect our overall market share and profit margins.

PROSPECTS

Even though the agrochemical industry remains challenging but with the improved sentiments in countries like Indonesia and Vietnam, the Group will capitalise fully to improve its performances moving forward.

The strengthening of Ringgit will also make our products more competitive and provide more opportunities for the Group to market its products competitively.

STATEMENT OF FINANCIAL POSITION

The Group adopted a prudent and best business practices in past years to ensure all investments made are within the business objectives. Our financial position as at 30 June 2017 is as follows:

1. **Assets:**

   a. **Property, plant and equipment**

   The increase in property, plant and equipment was mainly due to the acquisition of a three storey semi-detached shop office amounting to RM5.3 million for future expansion purposes.

	FY2017 RM'000	FY2016 RM'000	Increase (+) %
Property, plant and equipment	30,395	24,993	+22

   b. **Investment properties**

   The increase in investment properties was mainly due to the acquisition of a piece of land with factory and office amounting to RM2.7 million and a cluster factory amounting to RM2 million for future expansion purposes.

	FY2017 RM'000	FY2016 RM'000	Increase (+) %
Investment properties	18,827	13,973	+35

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

1. Assets: (continued)

c. Inventories

There was an increase in inventories to RM18.5 million from RM13.8 million of FY 2016. This was mainly due to increase in the pricing of raw materials and the weakening of Ringgit Malaysia. The Group has been adopting a prudent inventory management practice of stocking sufficient inventory and not overstocking due to weaker economic sentiments and cautious buying trends of our dealers.

	FY2017 RM'000	FY2016 RM'000	Increase (+) %
Inventories	18,532	13,832	+34

d. Cash and bank balances

The decrease in cash and bank balances from RM44.1 million to RM31.6 million was mainly due to cash being utilised for working capital purposes and acquisition of some properties as explained in items (a) and (b).

	FY2017 RM'000	FY2016 RM'000	Decrease (-) %
Cash and bank balances	31,642	44,124	-28

2. Liabilities:

Trade and other payables

The decrease in trade and other payables from RM9.1 million to RM4.8 million was mainly due to slower market demand in both the local and overseas market, thus lower purchases from our suppliers. The Group practices prudent spending and cost maximisation to counter slower market demand.

	FY2017 RM'000	FY2016 RM'000	Decrease (-) %
Trade and other payables	4,804	9,068	-47

STATEMENT OF CASH FLOW

Operating Activities

Net cash generated from operating activities was RM1.2 million in FY 2017 compared to RM25.5 million generated in FY 2016. The lower amount generated from operating activities in FY 2017 was mainly due to an increase in cash utilised for working capital purposes, mainly to purchase higher price of raw materials and lesser collections from receivables due to slower demand in both the local and overseas market.

Investing Activities

The Group utilised RM10.9 million for investing activities in FY 2017 compared to RM29.8 million in FY 2016. The lower amount spent on investing activities in FY 2017 as compared with FY 2016 was due to the acquisition of a new subsidiary amounting to RM20.7 million in FY 2016.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

STATEMENT OF CASH FLOW (continued)

Financing Activities

No drawdown of new loan for FY 2017. Net cash was utilised in repayment of term loan and payment of dividend.

IDENTIFICATION OF RISKS

Cost management is important, in particular, the volatility of Ringgit as it will affect the cost structure of our products, which may adversely affect our profitability. The Group is aware of raw material price volatility and mitigate our risks by monitoring raw materials prices regularly and entering purchase contracts more cautiously and timely.

In this prevailing highly competitive environment, the Group differentiate ourselves from our competitors by providing higher quality products and researching for more new and better quality products into the market to attract consumers.

CAPITAL MANAGEMENT

The Group's capital management strategy involves adopting and maintaining a prudent net gearing level, securing financing on favorable market terms, and adopting an active interest rate management strategy to manage the risks associated with interest rates.

The Group continues to generate healthy cash flow from its business operations. Its loan and borrowings were mainly used to finance purchases of properties for investments and future expansion purposes.

GROUP FINANCIAL HIGHLIGHTS *(for the financial year ended 30 June)*

		2017	2016	2015	2014	2013
Statements of Comprehensive Income						
Revenue	**RM'000**	66,017	73,603	105,404	108,423	105,168
Profit before taxation	**RM'000**	8,098	11,311	12,875	11,323	9,293
Profit after taxation	**RM'000**	5,762	9,305	10,004	9,142	7,503
Profit attributable to owners of the parent	**RM'000**	5,762	9,305	10,004	9,142	7,503
Gross dividend paid	**RM'000**	2,800	2,800	2,800	2,800	2,800
Statements of Financial Position						
Total assets	**RM'000**	141,179	142,001	128,860	116,322	111,658
Share capital*	**RM'000**	42,857	40,000	40,000	40,000	40,000
Shareholders' equity	**RM'000**	129,509	125,661	118,988	110,000	104,045
Financial Ratios						
Return on equity	**%**	4.4	7.4	8.4	8.3	7.2
Earnings per share	**sen**	7.2	11.6	12.5	11.4	9.4
Gross dividend per share	**sen**	3.5	3.5	3.5	3.5	3.5
Net asset per share	**RM**	1.62	1.57	1.49	1.38	1.30

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

GROUP FINANCIAL HIGHLIGHTS *(for the financial year ended 30 June)* **(continued)**

* The new Companies Act 2016 ("the Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM2,857,032 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.

ECONOMIC AND INDUSTRY OUTLOOK

Based on report released by Bank Negara Malaysia (BNM), the Malaysian economy was projected to grow by 4.5% - 4.8% in 2017 (2016: 4.2%). The projected improvements are premised upon expectations of a gradual improvement in global economy, higher commodity prices and sustained domestic demand.

The global economic activity was also projected to expand at a faster pace in 2017, supported by an expansion in domestic demand in the advanced and emerging market economies, and expectations of a recovery in trade activity in the emerging regions despite the presence of new and prevailing risks.

With regards to the global agrochemical industry outlook, the industry is marked by a hypercompetitive environment in which companies must vie for profitable growth in global markets that each have their own shortcomings and that offer little support. The coming years will be decisive in determining market share for many established agrochemical players. Due to these, we believe that the global market outlook for the Group will be challenging.

On the domestic market, it is expected to remain challenging with intense competition from all players and continuing costs pressure due to currency volatility.

As a global player, the Group takes heed of these warnings and we are well positioned to face these challenges. The Group is cautiously optimistic that given the Group's strong and resilient business fundamentals, the Group will grow, albeit at a slower pace, and remain profitable in the coming financial year.

DIVIDEND

The Board is pleased to recommend a final single tier dividend of 3.5 sen per ordinary share for FY 2017. The Board has been consistently paying dividend of 3.5 sen per ordinary share for the previous financial years.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Imaspro Corporation Berhad ("Imaspro" or "the Company") ("the Board") is committed to ensure the highest standards of Corporate Governance are maintained within Imaspro and its subsidiaries ("the Group").

The new Malaysian Code on Corporate Governance ("new MCCG") came into force on 26 April 2017 and supersedes Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or "the Code"). However, the Company will only be required to report its application of the recommended practices of the new MCCG in the 2018 Annual Report. Hence, the Company had applied the Principles and recommendations stated under each Principles ("Recommendations") in MCCG 2012 issued by the Securities Commission Malaysia ("SC") for the financial year ended 30 June 2017. The Code has served as a fundamental guide to the Board in discharging its principal duty to act in the best interests of the Company as well as monitoring and overseeing the business and affairs of the Group efficiently.

By promoting integrity and professionalism in the management of the Group's affairs, the Board aims to enhance business efficacy, transparency, accountability and also to protect and achieve the ultimate objective of realising long-term shareholders' value, the financial performance of the Group as well as the interests of other stakeholders.

The Board is therefore pleased to share the manner in which the Principles of the Code have been applied within the Group and the extent to which the Group has complied with the Recommendations of the Code during the financial year ended 30 June 2017.

BOARD OF DIRECTORS

Functions of the Board and Management

1. Board

The Board together with Management of the Group ("Management") has established a clear set of functions reserved for the Board and those delegated to the Management to ensure accountability of both parties towards the Group to ensure the needs of the Group are consistently met.

The roles and responsibilities of the Board are set out in Imaspro's Board Charter ("Charter"), which includes management oversight, overseeing strategic plan premised on sustainability and promoting ethical conduct in business dealings.

The responsibilities of the Board include, inter-alia, the following:

- review, evaluate, adopt and approve the strategic corporate plans and programmes;
- review, evaluate, adopt and approve annual budgets, including major capital commitments;
- review, evaluate and approve any major corporate proposals, new business ventures or joint ventures;
- review, evaluate and approve any material acquisitions and disposals of undertakings and properties;
- review, evaluate, adopt and approve any change of management and control structure within the Company and the Group, including key policies, delegated authority limits; and
- review, evaluate and update whistle-blowing policy.

The Board also formed different Board Committees, comprising mainly the Non-Executive and Independent Directors, to support and provide independent oversight of management and to ensure that appropriate checks and balances in place. The various Board Committees include Audit Committee, Nomination Committee and Remuneration Committee. Each of the Board Committee operates within its respective terms of reference that also clearly define its respective functions and authorities.

The Board had reviewed the Company's and Group's overall strategic plans, annual budget and annual operating plans for the coming financial year. The Board had also reviewed together with Management the Group's resources and processes in formulating these strategies.

The Board is responsible for the adequacy and integrity of the Company's and the Group's internal control system. Details of the Company's internal control system and review of its effectiveness are set out in the Statement on Risk Management Report on pages 36 to 38 of this Annual Report.

2. Management

Management is led by the Managing Director whom is accountable for the conduct and performance of the business within the agreed business strategies. The Managing Director is involved in leadership roles, overseeing the day-to-day operations and management

STATEMENT ON CORPORATE GOVERNANCE (continued)

2. Management (continued)

within his assigned responsibilities. The Managing Director represents the Company at the highest level and a decision maker on matters within his scope of authority.

Separation of Roles of the Chairman and Managing Director

The division of responsibilities between the Chairman and Managing Director is clearly defined in the Charter to ensure that there is a balance of power and authority. The Chairman role is currently held by Datuk Captain Hamzah Bin Mohd Noor, whilst Mr Tong Chin Hen is the Managing Director of the Company.

1. Chairman

The Chairman's main responsibility is to ensure effective conduct of the Board and that all Executive and Non-Executive have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages active participation and deliberation by Board members in the Board meetings, to tap the wisdom of all Board members and promotes consensus building.

2. Managing Director

The Managing Director has the overall responsibility over the operating units, organisational effectiveness and coordinating the development and implementation of business and corporate strategy as well as the implementation of Board's policies and decisions.

The Managing Director develops and implements the strategic goals of the Group as well as assesses all the potential business opportunities. He will report the aforesaid matters and the Board's reserved matters to the Board for endorsement before implementation.

Board Committees

The Board, in assisting the discharge of its stewardship role, has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, comprising of Non-Executive and Independent Directors, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The Charter serves as a reference point for the Board's activities where the Board has established clear functions reserved for the Board and those delegated to Management. The Charter sets out the roles and responsibilities of the Board, Chairman, Managing Director and Board Committees and was recently updated and reviewed on 29 August 2017 to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The Board Charter is available at the Company's website at www.imaspro.com.

Code of Ethics and Conduct

The Board has established and adopted a Code of Ethics and Conducts ("CEC") for Directors and employees of the Group. The CEC was incorporated in the Charter and formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

The CEC is to be observed by all Directors and employees of the Group, and the core areas of conducts include the following:

- Compliance at all times with the CEC and the Charter.
- Not to misuse information gained in the course of duties for personal gain or for political purposes.
- Uphold accountability and act in good faith and in the best interests of the Company and the Group.
- Observe high standards of corporate governance at all times.
- Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.
- Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Code of Ethics and Conduct (continued)

- Ensure full, fair, accurate, timely and understandable disclosure.
- Declaration of any personal, professional or business interest that may conflict with responsibilities.
- Foster business sustainability through transparency, stakeholder engagement and proper employee development.
- Promote ethics and integrity where all business stakeholders who deal with the Group are encouraged to raise any concerns they may have in good faith with regard to any wrongdoing by the Group's employees. Under the Group's internal whistle-blowing policy, whistleblowers are protected. Details of our Group's whistle-blowing policy are available at the Company's website at www.imaspro.com.
- Observe Principle 8 of the Code relating to strengthening relationship between the Company and shareholders.

The Board has updated and reviewed the CEC on 29 August 2017 to ensure that it continues to remain relevant and appropriate. The CEC is also made available at the Company's website at www.imaspro.com.

Sustainability

The Board views the commitments to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Board reviews annually the strategic direction of the Company and the progress of the Company's operations, taking into account changes in the business and political environment and risk factors such as level of competition. The Group also ensures its operations are managed in compliance with the relevant statutory regulations on safety and health to promote a "green" environment to the community.

The Group strives to achieve a sustainable long term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been included in the eight and ninth paragraph of the Chairman Statement as set out in the Annual Report.

Board Composition and Balance

The Board currently has five (5) members, comprising one (1) Executive Director and four (4) Independent Non-Executive Directors. Hence, the Company fulfill the prescribed requirements for one-third (1/3) of the membership of the Board to be independent members pursuant to Paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The Board is well-balanced with an effective mix of Executive Director and Independent Non-Executive Directors, which is in line with the Code and is of the appropriate size and with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to the Group and to bring informed and independent judgement to many aspects of the Group's strategies and performances so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained within the Group.

The Board acknowledges the importance of boardroom diversity in terms of age, gender and ethnicity as well as recognises the benefits of such diversity. The Board also recognises that having Board members with different backgrounds, skills and experiences is essential to ensure diverse range of viewpoints, to facilitate optimal and effective decision making and governance. The Board views that while promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience to strengthen the Board, should remain a priority. Thus, the Group does not set any specific target for boardroom diversity but will actively work towards achieving the appropriate boardroom diversity.

The Managing Director who has good knowledge of the business is responsible for developing and implementing strategic business direction, plans and policies of the Group. He ensures the efficiency and effectiveness of the Group's operations as well as supervises head of divisions and departments who are responsible for all functions, contributing to the success of the Group. He also oversees the day to day management of the Group with the powers, discretions and delegations authorised by the Board from time to time.

The Independent Directors play a pivotal role in corporate accountability. None of the Independent Directors participate in the day-to-day management of the Group. The Board recognises the presence of the Independent Non-Executive Directors are essential in providing unbiased and independent opinions, advice and judgements to ensure that the interests, not only of the Group, but also of shareholders, stakeholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented and taken into account.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Board Composition and Balance (continued)

The Board, through the Nomination Committee, had assessed the independence of its Independent Directors based on the criteria set out in the Listing Requirements.

Considering the recommendation of the Code on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years, none of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years.

In order to uphold the independence of Independent Directors, the Board has adopted the following policies:

- Subject to the Board justification and Shareholder's approval, the tenure of Independent Directors should not exceed a cumulative nine (9) years;
- An annual assessment of independence of its Independent Directors focusing on the events that would affect the ability of Independent Directors to continue bringing independent and objective judgement to board deliberation and the regulatory definition of Independent Directors; and
- The Independent Directors must declare themselves to be independent from management and free of any business or other relationship which could interfere with the exercise of their independent judgement and objective participation and decision making process of the Board.

A Senior Independent Non-Executive Director provides an additional communication channel between the Directors and the Shareholders. The Board had appointed Mr Chen Sung Fang, Chairman of the Nomination Committee, to be the Senior Independent Non-Executive Director, to provide Shareholders with an alternative to convey their concerns and seek clarifications from the Board via his e-mail address: sungfangchen@imaspro.com.

Board Meetings and Supply of Information

The Board meets regularly on a quarterly basis with additional meetings being convened as and when necessary. During the meetings, the Board deliberate and consider matters relating to the Group's financial performance, significant investments, corporate developments, strategic issues and business plan. The Company Secretary is responsible for ensuring all proceedings of the Board and Board Committees are recorded and draft minutes are circulated to the Directors for confirmation prior to being approved.

There were five (5) Board meetings held during the financial year. Details of the attendance of the Directors at the Board meetings held in the financial year ended 30 June 2017 are as follows:

Name of Director	No. of meetings attended
Tong Chin Hen	5/5
Chen Sung Fang	5/5
Chan Weng Fui	4/5
Datuk Captain Hamzah Bin Mohd Noor	5/5
Chan Kim Hing	5/5

Directors' commitment, resources and time allocated to the Company are evident from the attendance record, whereby all the Directors attended the Board meetings held during the financial year ended 30 June 2017.

All the Directors are provided with agenda and Board papers prior to each Board meeting. The Board papers include minutes of the last Board meeting, agenda for the current meeting and any report and documents pertaining to the issues to be discussed at the Board Meeting. The Board papers are required to be circulated to the Board members at least seven (7) days prior to the Board meeting to enable the Directors to understand the issues to be deliberated and make an informed decision. The Chairman of the Board chairs the Board meetings while the Managing Director leads the presentation and provides explanations on the Board Reports. Senior Management staff may be invited to attend the Board meetings to explain and clarify on the matters being tabled.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Board Meetings and Supply of Information (continued)

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship and such notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Currently, all the Directors of the Company hold not more than five (5) directorships in the public listed corporation, which is in compliance with Paragraph 15.06 of the Listing Requirements.

To facilitate the Directors' time management, a corporate calendar will be prepared and circulated to all the Directors in advance i.e. at the beginning of every new calendar year. The corporate calendar provides Directors with the scheduled dates for meetings of the Board, Committees of the Board, the Annual General Meeting and the closed periods for dealings in securities by the Directors based on the targeted dates of announcement of the Company's quarterly results.

The Board is supplied with and assured of full and timely access to all relevant information to discharge its duties effectively. All Directors also have direct access to the advice and the services of the Company Secretary. The Directors are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements. In addition, the Board may also seek professional and independent advice from external consultants in the course of fulfilling their responsibilities, if necessary, at the Company's expense. If appropriate, any advice received will be made available to the Board.

The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Company has two qualified Company Secretaries who are members of the Malaysia Institute of Chartered Secretaries and Administrator ("MAICSA").

The roles and responsibilities of the Company Secretaries are as follows:

- advising the Board on the compliance of regulatory requirements and guidelines;
- updating the Board on the changes in the Listing Requirements and directives issued by the regulatory authorities;
- supporting the Board by ensuring adherence to board policies and procedures, rules, relevant laws and best practices in Corporate Governance;
- attending Board and Board Committee meetings and ensuring that the Board meetings are properly convened and proceedings are properly recorded;
- ensuring timely communication of Board level decisions to Management;
- ensuring that all appointments to the Board and Committees are properly made; and
- maintaining a complete statutory records that includes minutes of Board and Board Committees.

Appointment and Re-election of Board Members

The Board appoints its members through a formal process that is consistent with the Company's Constitution. The Nomination Committee has been entrusted with the responsibilities for proposing and recommending the right candidates to the Board for appointment. In addition, the Nomination Committee also has the function of assessing the effectiveness of the Board, reviewing the skills, professionalism, integrity and competencies of individual Directors and the composition of the various Board Committees.

The process for the appointment of a Board Member is summarised as follows:

- Identification of a candidate upon the recommendation by the existing Board Members, Senior Management staff, shareholders and/or other consultants;
- The Nomination Committee to considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Directors, the candidate's independence, in evaluating the suitability of the candidates;
- Recommendation of candidates to be made by the Nomination Committee to the Board, as well as recommendation for appointment as a member of the various Board Committees, where necessary; and
- Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

In accordance to the Company's Constitution, all Directors who are appointed during the financial year shall hold office only until the following Annual General Meeting ("AGM") and shall then be eligible for re-election.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Appointment and Re-election of Board Members (continued)

The Constitution also requires all Directors including Managing Director, to retire from office at least once in each three (3) years and one-third (1/3) of the Directors are subject to retirement by rotation and are eligible for re-election at every AGM.

The Board, through its delegation to the Nomination Committee, has set up and implemented the process for the assessments of its Chairman, the individual Board Members and the Board as a whole. For the financial year ended 30 June 2017, the Board as, through the Nomination Committee, reviewed the skills mix and experience of the individual Directors and assessed the effectiveness of the Board as a whole. A separate assessment for Independent Directors is also undertaken annually.

At the forthcoming Thirteenth AGM, the following Directors will be retiring pursuant to Article 75 of the Company's Constitution and be eligible for re-election:

(i) Tong Chin Hen
(ii) Chan Weng Fui

The profile of the above Directors are set out in page 8 and 10 of the Annual Report.

Board Evaluation Criteria

The Board evaluations comprise of performance evaluations of the Board, Board Committees and individual Director self/peer evaluation.

The assessment of the Board is based on four (4) main areas relating to the Board structure, Board operations, Board and Chairman's roles and responsibilities as well as Board Committees' roles and responsibilities.

For individual Director self/peer evaluation, the assessment criteria includes abilities and competencies, caliber and personality, technical knowledge, objectivity and the level of participation of Board and Committee meeting, including individual contributions to the Board processes, business strategies and performance of the Group.

During the year under review, the Board through Nomination Committee conducted an internally facilitated Board assessment. The Board provided anonymous feedback on their peers' performance and individual performance contribution to the Board. The review supported the Board's decision to endorse all retiring Directors standing for re-election.

Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to regulatory requirements and the impact of such regulatory requirements to the Group.

All Directors had attended the Mandatory Accreditation Programme as required by the Listing Requirements. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the Listing Requirements.

During the financial year under review, the Directors have attended the following conference, seminar and training programmes:

Director	Name of conferences, seminar and training programmes	Date
Tong Chin Hen	• CAC 2017 – 18th China International Agrochemical and Crop Protection Exhibition.	28 February – 3 March 2017
Chen Sung Fang	• CSI Property Roadshow: UK and Australia Property Expo.	3 June 2017
Chan Kim Hing	• CIMB Preferred: Financial Advisory Series.	14 April 2017
Chan Weng Fui	• SMART Expo – Property expo and seminar in Hong Kong.	3-4 June 2017
Datuk Captain Hamzah Bin Mohd Noor	• 2nd MIMA International Seminar on Security of the South China Sea.	29-30 August 2016

STATEMENT ON CORPORATE GOVERNANCE (continued)

Directors' Training (continued)

The Board of Directors were regularly updated and advised by Company Secretaries and independent professionals on regulatory changes and matters on governance, to enable them to discharge their responsibilities effectively.

The Board of Directors will individually, on a continuous basis, evaluate and determine their respective training needs to assist them in the discharge of their duties as Directors.

Directors' Remuneration

The Board of Directors is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as Directors serving as members of the Board Committees. The Board has thus established formal and transparent remuneration policies and procedures for the Board and Board Committees. The remuneration of the Executive Directors consists of basic salary and other emoluments. Any salary review takes into account market rates and the performance of the individual and the Group.

The Non-Executive Directors' remuneration comprises fees that reflect their expected roles and responsibilities, including any additional work and contributions required. In addition, each Director is paid a meeting allowance for each Board and Committee meeting they attended.

The Company will seek the shareholders' approval at the forthcoming AGM for the Directors' fees payable to the Non-Executive Directors, for the financial year ended 30 June 2017 and for the period from 1 July 2017 until the next AGM in 2018, as well as the Directors' benefits payable to the Non-Executive Directors for the period from 1 July 2017 until next AGM in 2018. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

Details of remuneration of Directors who served during the financial year ended 30 June 2017 are as follows:

Aggregate Remuneration by Category	Executive Directors RM	Non-Executive Directors RM
Salaries and bonuses	1,650,950	-
Fees	144,000	108,000
Pension costs – defined contribution plan	273,700	-
Benefits in-kind	13,325	-
Total	2,081,975	108,000

For the financial year ended 30 June 2017, the numbers of Directors whose remuneration fall within the respective bands are as follows:

	Number of Directors	
Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 & below	-	4
RM2,050,001 to RM2,100,000	1	-

Board Committees

The Board delegates certain responsibilities to the respective Board Committees which operate with specific terms of references to support and assist the Board in discharging its fiduciary responsibilities. These Committees have the authority to examine particular issues and report to the Board with their proceedings and deliberations. Where Committees have no authority to make decisions on matters reserved for the Board, recommendations would be made to the Board for approval.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Board Committees (continued)

The Board Committees for the financial year under review are as follows:

(a) Audit Committee

The composition, attendance for the meetings and work of activities of the Audit Committee are set out in the Audit Committee Report on pages 32 to 35 of this Annual Report. The Terms of Reference of the Audit Committee is made available on the Company's website at www.imaspro.com.

(b) Nomination Committee

The Nomination Committee has been entrusted with the responsibility of proposing and recommending new nominees to the Board and of assessing Directors on an on-going basis. The roles and responsibilities of the Nomination Committee are set out in Terms of Reference of the Nomination Committee, which is made available on the Company's website at www.imaspro.com.

The Nomination Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. In compliance with the recommendation of the Code, the Chairman of the Nominating Committee is also the Senior Independent Non-Executive Director as identified by the Board, to whom any concern from the Shareholders may be conveyed.

The composition of the Nominating Committee is as follows:
i) Chen Sung Fang (Independent Non-Executive Director) – Chairman
ii) Datuk Captain Hamzah Bin Mohd Noor (Independent Non-Executive Chairman) – Member
iii) Chan Kim Hing (Independent Non-Executive Director) – Member

The Nomination Committee meets as and when required. During the financial year ended 30 June 2017, the Committee met once and the meeting was attended by all of its members.

The Nomination Committee has carried out the following activities during the meeting held on 30 August 2016:

- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director, the independence of the Independent Directors and the effectiveness of the Board and the Board Committees;
- discussed and recommended to the Board, the Directors who retired and be eligible for re-election at the Twelfth AGM;
- reviewed the performance of the Audit Committee.

Each year, the Nomination Committee assesses the effectiveness of the Board and Board Committees, contributions and performance of each individual Director, as well as the Managing Director, and the independence of the Independent Directors. It also ensures an appropriate framework and plan for Board and management succession for the Group.

The Nomination Committee reviews annually and recommends to the Board the structure, size, balance and composition of the Board and Board Committees. This requires a review of the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently. Thereafter, the Board carries out its own assessment of the recommendations made by the Nomination Committee and determines the appointments to be made. The Company Secretary ensures that all appointments are properly made and that legal and regulatory obligations are met.

The Nomination Committee is empowered by the Board through its Terms of Reference to carry out the following functions:

- to review, recommend and consider suitable candidates to the Board of the Company and subsidiaries of the Group, including committees of the Board;
- to recommend to the Board the optimum size of the Board, formalise a transparent procedure for proposing new nominees to the Board and Board Committees and ensure that the investment of the minority shareholders are fairly reflected on the Board;

STATEMENT ON CORPORATE GOVERNANCE (continued)

(b) Nomination Committee (continued)

- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors, whenever necessary;
- to develop the criteria to assess the independence of Independent Non-Executive Directors annually, especially on those who has served for more than nine (9) years;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- to provide feedbacks to Directors in respect of their individual performance;
- to provide constructive input to each individual Director as to how he or she may be better contribute to the functioning of the Board;
- to ensure the composition of the Board is in accordance with the Company's Constitution, Listing Requirements and the Code; and
- to facilitate achievement of Board gender diversity policies and targets.

The Board is in the midst of formalising a succession plan to ensure orderly succession at the Board level and boardroom diversity.

The Board acknowledges the importance of boardroom diversity in terms of age, gender, ethnicity and socio-economic background and recognises the benefits of such diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on effective blend of competencies, skills and extensive experience and knowledge to strengthen the Board should remain a priority.

While the Board recognises the initiative by the government to enlarge women's representation at boardroom and as the Board size is small, the Board does not, for the time being, have any gender diversity policies, targets or set any measures to meet any target. The Board through the Nomination Committee will consider the gender diversity before considering the selection of women directors as part of its future selection process should the need arises.

Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

All recommendations of the Nomination Committee are subject to the endorsement of the Board.

(c) Remuneration Committee

The Remuneration Committee is responsible for carrying out annual reviews where upon recommendations are submitted to the Board on the overall remuneration policy for Directors and Key Senior Management Officers, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value, and is in tandem with its culture and strategy.

The Remuneration Committee believes in a remuneration policy that fairly supports the Director's responsibilities and fiduciary duties in steering the Group to achieve its long term goals and enhance shareholders' value. The main objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as Directors.

The Remuneration Committee comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the Remuneration Committee is as follows:

i) Chan Weng Fui (Independent Non-Executive Director) – Chairman
ii) Chen Sung Fang (Independent Non-Executive Director) – Member
iii) Datuk Captain Hamzah Bin Mohd Noor (Independent Non-Executive Chairman) – Member

The Remuneration Committee meeting is held as and when required, but at least once a year. During the financial year ended 30 June 2017, the Committee met once and the meeting was attended by all of its members.

STATEMENT ON CORPORATE GOVERNANCE (continued)

(c) Remuneration Committee (continued)

The duties and responsibilities of the Remuneration Committee are as follows:

- to establish and review the terms and conditions of employment and remuneration of Executive Director and Key Senior Management Officers of the Group to ensure that rewards commensurate with their contributions to the Group's growth and profitability and supports the Group's objectives and shareholders' value as well as consistent with the Group's culture and strategy;
- to review annually the performance of the Executive Director and recommend to the Board specific adjustments in remuneration and/or reward payments, if any, reflecting their contributions for the year;
- to ensure the level of remuneration for Non-Executive Directors and Independent Directors reflects their experience and level of responsibilities undertaken and contribution to the effective functioning of the Board. Reviews and recommends changes to the Board where necessary; and
- to keep abreast of the terms and conditions of service of the Executive Director including their total remuneration package for market comparability. Reviews and recommends changes to the Board where necessary.

All recommendations of the Remuneration Committee are subject to the endorsement of the Board.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board acknowledges the importance of maintaining transparency and accountability to all its stakeholders, particularly its shareholders and investors as it ensures that market credibility and investors' confidence are maintained. Through extensive disclosures of appropriate and relevant information, using various channels of communication on a timely basis, the Group aims to effectively provide shareholders and investors with information to fulfill transparency and accountability objectives.

At this juncture, the channel of communication to shareholders, stakeholders and general public for the overall performance and operations of the Group's business activities are press releases, public announcements on quarterly basis, annual report and disclosures to Bursa Securities.

Meetings with institutional investors, fund managers and analysts from time to time provide an additional avenue for the Board and Management to convey information about Group performance, strategy and other matters affecting shareholders' interests.

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The Notice of meeting and the Annual Report are required to be sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. A presentation will be given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during the AGM.

The Notice of the Thirteenth AGM of the Company is circulated twenty-eight (28) days prior to the date of the meeting, to allow the shareholders to have more ample of time to go through the Annual Report.

Shareholders are encouraged to participate in the Question and Answer session on the proposed resolutions or about the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Constitution to attend and vote on their behalf. The Board and Senior Management are present to provide clarification on shareholders' queries. The External Auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company will be subjected to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

Besides the key channels of communication through the annual report, general meetings and announcements to Bursa Securities as well as analyst and media briefings, there is also continuous effort to enhance the Group's website at www.imaspro.com as a channel of communication and information dissemination. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access. The Group recognises the importance of being transparent and accountable to its shareholders and, as such, is in the midst of constructing a communication policy that enables the Board and Management to communicate effectively with investors, financial community and the public generally.

STATEMENT ON CORPORATE GOVERNANCE (continued)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board seeks to present a clear, balanced, insightful and timely assessment of the Group's financial position, performance and prospects, by ensuring quality financial reporting through the annual audited financial statements and quarterly financial results to its stakeholders, in particular, shareholders, investors and the regulatory authorities.

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Directors are primarily responsible for ensuring that all applicable accounting standards and regulatory disclosure requirements have been complied with. The Board is assisted by the Audit Committee in scrutinising the financial statements and information for disclosure to ensure accuracy, adequacy and completeness.

In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets for the Group and to prevent and detect fraud as well as other irregularities.

A Statement of Directors' Responsibilities in respect of the audited financial statements is presented on page 39 of this Annual Report.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. Such a system is designed to reduce rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, frauds or losses. The effectiveness of the systems of internal controls of the Group is reviewed periodically by the Audit Committee.

The Statement on Risk Management and Internal Control, which provides an overview of the state of the internal control and risk management within Group, is set out on pages 36 to 38 of this Annual Report.

Relationship with Auditors

The Group's External Auditors continue to provide independent assurance to shareholders on the Group's operational control and financial statements. The Board has maintained a close and transparent relationship with the External Auditors in seeking professional advice.

The auditors are invited to attend the Audit Committee meetings as and when required apart from the scheduled meetings when the External Auditors present the audited financial statements of the Group to the Committee. During such meetings, the External Auditors highlight and discuss the nature, scope of the audit, internal controls and problems that may require the attention of the Board.

The Audit Committee meets with the External Auditors to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the External Auditors without the presence of the Executive Directors and Management twice during the financial year.

The Audit Committee, adhering to the policies and procedures to assess the suitability and independence of External Auditors, undertakes an annual assessment of the quality of audit which encompassed the performance and quality of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standard and devising tools to obtain relevant data. The areas of assessment include among others, the External Auditors' caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit and non-audit fees.

The External Auditors, as part of Audit Committee's assessment of their independence, will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are required to declare their independence annually to the Audit Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors had provided the declaration in their annual audit plan presented to the Audit Committee.

Upon completion of the assessment, the Audit Committee will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment shall subject to shareholders' approval at the forthcoming Annual General Meeting.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Relationship with Auditors (continued)

A summary of activities and the role of the Audit Committee in relation to both the Internal and External Auditors are described in the Audit Committee Report on pages 32 to 35 of this Annual Report.

Corporate Disclosure Policy

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the company and its subsidiaries to the regulators, shareholders and stakeholders. The Board formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To augment the process of disclosure, the Board established a dedicated section for corporate information on the Company's website where information on the company's announcements, financial information and the Company's Annual Report could be accessed.

Compliance with the Code

The Board is satisfied that the Group has maintained a high standard of Corporate Governance and has strived to achieve the highest level of integrity and ethical standard, in all its business dealings, and has complied with the Code throughout the financial year ended 30 June 2017.

This Statement is made in accordance with the resolution of the Board.

AUDIT COMMITTEE REPORT

The Board of Directors of Imaspro Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2017.

MEMBERSHIP AND MEETINGS

The Audit Committee presently comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors. During the financial year under review, the Audit Committee held five (5) meetings.

In addition to the above meetings, the Audit Committee also met with the External Auditors in separate private session twice during the financial year without the presence of Management.

The members of the Audit Committee and the attendance at the meetings during the financial year ended 30 June 2017 are stated below:

Name of Director	Designation	No. of Meetings Attended
Chan Weng Fui	Chairman, Independent Non-Executive Director	4/5
Chen Sung Fang	Independent Non-Executive Director	5/5
Chan Kim Hing	Independent Non-Executive Director	5/5

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the Audit Committee outline the composition of the Audit Committee, Chairman of the Committee, Committee Members, objectives of the Committee, authority of the Committee, functions of the Committee, Committee meetings, Secretary of the Committee, disclosures and revision. The terms of reference of the Audit Committee is accessible via the Company's website at www.imaspro.com.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The Audit Committee carried out its duties in accordance with its terms of reference during the financial year. The activities and work undertaken by the Audit Committee included the following:

1) Financial Reporting

a) Reviewed the quarterly financial statements including the draft announcements relating to the quarterly reporting of the Group and made recommendations to the Board for approval of the same as follows:

Date of meetings	Review of Quarterly Financial Statements
30 August 2016	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 June 2016
17 November 2016	First quarter results for financial year ended 30 June 2017
25 January 2017	Second quarter results for financial year ended 30 June 2017
24 May 2017	Third quarter results for financial year ended 30 June 2017

AUDIT COMMITTEE REPORT (continued)

1) Financial Reporting (continued)

The above review is to ensure that the Company's quarterly financial reporting and disclosure present to a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standards (MFRS) 134 – Interim Financial Reporting Standards in Malaysia and International Accounting Standards (IAS) 34 – Interim Financial Reporting as well as applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and the Group for the financial year ended 30 June 2016 at its meeting held on 20 September 2016, ensuring that the financial statements were prepared in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 1965. Prior to that, the Audit Committee had reviewed the status report on the Audit Plan for the financial year ended 30 June 2016 prepared by the External Auditors at the meeting held on 25 May 2016.

Any significant matters, unusual events or transactions resulting from the audit of the financial statements by the External Auditors were deliberated. These significant matters, unusual events or transactions resulting from the audit will be tabled by the External Auditors to the Audit Committee whom will deliberate on the explanations of the Management and the External Auditors recommendations on these issues.

2) External Audit

a) Evaluated the performance of the External Auditors for the financial year ended 30 June 2017 covering areas such as scope of work, caliber, quality processes, audit team, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The Audit Committee having been satisfied with the independence, suitability and performance of Messrs HLB Ler Lum (HLB), had recommended to the Board for approval, the re-appointment of HLB as External Auditors for the ensuring financial year of 30 June 2018 at its meeting held on 29 August 2017;

b) Discussed and considered the significant accounting adjustment and auditing issues from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had private discussion with the External Auditors on 20 September 2016 and 24 May 2017 without the presence of Management to review on the issues relating to financial controls and operational efficiencies of the Company and the Group.

c) Reviewed with the External Auditors on 24 May 2017, their audit plan for the financial year ended 30 June 2017, outlining the audit scope, methodology, timetable, audit materiality, area of focus, fraud considerations and risk of management override and also the new and revised auditors reporting standards.

3) Internal Audit

a) The Audit Committee reviewed four (4) Internal Audit reports which covered the following areas:

i) Registry of Risk, Risk Matrix and Change Log;
ii) Sales & Marketing (Overseas and Local Sales) functions;
iii) Production functions;
iv) Follow-up status on previously reported audited findings on Production, Sales and Marketing, Finance and Accounts, Safety and Health, Inventory Management and Laboratory & Quality Assurance functions.

The Audit Committee also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto. The Internal Auditor monitored the implementation of Management's action plan on outstanding issues through follow-up reports to ensure that all key risks and control weaknesses are being properly addressed.

b) Reviewed and approved the Internal Audit Plan for financial year ended 30 June 2017 to ensure there is adequate scope and comprehensive coverage over the activities of the Group and all the risk areas are audited annually.

AUDIT COMMITTEE REPORT (continued)

4) Recurrent Related Party Transactions and Related Party Transactions

a) Reviewed and discussed Recurrent Related Party Transactions ("RRPT") that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of the minority shareholders.

b) Considered transactions with a Related Party and/or interested persons to ascertain that such transactions are conducted at arm's length basis and on normal commercial terms, and that the internal control procedures with regards to such transactions are sufficient, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

5) Other Activities

Reviewed the application of Corporate Governance principles and the extent of the Group's compliance with the Best Practices set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing the Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group in its effort to provide an adequate and effective internal control system had appointed an independent consulting firm to undertake its internal audit function. The independent consulting firm acts as Internal Auditor and reports directly to the Audit Committee quarterly during the Audit Committee meeting. The Audit Committee is chaired by an Independent Non-Executive Director, and its members comprises of Independent Non-Executive Directors.

Internal Audit reports were reviewed and adopted by the Audit Committee on a quarterly basis. During the financial year, the Internal Auditors had reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

Internal Audit Review emphasises more on the best practices and management assurance that encompasses all business risks. Thus, it provides a valuable resource to evaluate processes and give assurances concerning the internal control effectiveness.

For the financial year ended 30 June 2017, the following activities were conducted:

1) Tabled Internal Audit Plan for the Audit Committee's review and endorsement.

2) Follow-up review on previously reported findings on Production, Sales and Marketing, Finance and Accounts, Safety and Health, Inventory Management, Laboratory & Quality Assurance functions that the agreed recommendations were effectively implemented.

3) Conducted audit review on Sales and Marketing (Overseas and Local Sales) functions of its subsidiary to ensure there is ongoing process in generating more sales, identify new market while maintaining the efficiency and effectiveness in handling customers and compliance with established policies and procedures.

4) Conducted audit review on Production functions of its subsidiary to ensure reliability and integrity of operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.

5) Reviewed the Registry of Risk, Risk Matrix and Change Log prepared by Management, including risk factors identified, risk measurement impact and likelihood and risk control actions.

AUDIT COMMITTEE REPORT (continued)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (continued)

6) Issued Internal Audit reports incorporating audit recommendations and Management's responses in relation to audit findings on weaknesses in the systems and controls to the Audit Committee and Management.

7) Presented Internal Audit reports to the Audit Committee for review.

This Report is made in accordance with the resolution of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 30 June 2017. This Statement has been prepared in accordance to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2012 and "Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers".

Board Responsibility

The Board of Directors affirms its overall responsibility for maintaining the Group's system of internal control, risk management and reviewing the adequacy and integrity of these systems. The Board recognises the importance of risk management and internal audit to establish and maintain a sound system of internal control. In view of the limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives and strategies. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of financial information, loss or fraud.

The Board has received and reviewed the reports on the effectiveness of the risk management and internal control system, and is of the view that the risk management and internal control system is adequate to safeguard shareholders' interest and the Group's assets. The role of Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate the suitable internal control system to manage risks. The Board has obtained assurance from the Managing Director and the Senior Manager (Finance & Corporate Strategy) that the Group's system of risk management and internal control is operating adequately and effectively throughout the financial year under review and up to date of this Statement.

Risk Management

As part of the Risk Management process, a Registry of Risk and the Risk Management Handbook were adopted. The Registry of Risk is maintained to identify principal business risk and updated for on-going changes in the risk profile. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts.

The risk identification process reviews and identifies issues arising from changes in both the external business environment and internal operating conditions. The risk measurement guidelines consist of financial and non-financial qualitative measure of risk consequences. The risk measurement guidelines are applied in allocating risk likelihood rating and risk impact rating. The risk control actions are designed and implemented based on the priority sequence.

The respective risk owners are entrusted to identify risks and ensure that adequate control systems are implemented to mitigate significant risks faced by the Group. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions. Risks Factors identified are regularly reported to the Managing Director for further elaboration and strategic decision making.

The Board confirmed that there is an on-going process of identifying, assessing and responding to risks to achieve the objectives of the Group for the financial year under review. The Board will review the risk management process for continuous improvement as well as when new risks are identified as risk management forms an integral part of the Group's business operations to achieve profitability and sustainable growth.

The process is in place for the year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

Key Elements of Internal Control

Key features of the process established within the Group which can contribute to a sound system of internal control and enables the management to ensure that established policies, guidelines and procedures are followed and complied with are as follows:

- Within the Group, there are organisational structures in place for each operating unit with clearly defined responsibilities and levels of authority. Management of each operating unit has clear responsibilities for identifying risks and the overall Group's business as a whole. They are also responsible for instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Key Elements of Internal Control (continued)

- Limits of Authority are established within the Group to provide a functional framework of authority in approving revenue, operating expenses and capital expenditure.

- Operating policies and procedures that serve as a general management guide for daily operations. These policies and procedures are reviewed on a regularly basis to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.

- As part of the performance monitoring process, management information in the form of forecasts and quarterly management accounts and reports are provided to the Board for review and approval.

- The Audit Committee reviews the quarterly and annual financial statements as well as results announcements and recommends to the Board for approval.

- Regular meetings are held to discuss on the overall Group and operating subsidiaries' operational matters and to resolve key operational, financial, human resource and other related issues.

- Regular internal audit reviews are carried out to identify any area of improvement, besides compliance with internal control best practices, guidelines and objectives.

- Adequate insurance coverage and security measures on major assets of the Group are provided to ensure that it sufficiently safeguards against any mishap that will result in material losses to the Group.

- Training and development programs are established to ensure that staff is constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

Internal Audit Function

The Group in its efforts to provide adequate and effective internal control system had appointed an independent consulting firm to undertake its internal audit function. The independent consulting firm acts as Internal Auditor and reports directly to the Audit Committee on quarterly basis during the Audit Committee meeting.

On quarterly basis, the Internal Auditors report to the Audit Committee on areas for possible improvements and Management's response to such recommendations. Follow-up audits were also carried out and the audit outcomes were reported to the Audit Committee to ensure audit findings identified are being addressed.

The Internal Audit adopts risk-based internal audit approach in developing its audit plan, which addressed and reviewed the critical business processes, risk and internal control gaps, effectiveness and adequacy of existing state of internal control of the major subsidiaries as well as recommends possible improvements to the internal control process. The internal audit plans are reviewed and approved by the Audit Committee, to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group. For the financial year ended 30 June 2017, the total costs incurred for the outsourced internal audit function is RM36,947.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

For the financial year ended 30 June 2017, the following subsidiaries were audited by the independent consulting firm:

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
July – September 2016	November 2016	Imaspro Resources Sdn Bhd	Sales and Marketing (Overseas and Local Sales) functions.
October – December 2016	February 2017	Imaspro Resources Sdn Bhd	Production functions.
January – March 2017	May 2017	Imaspro Resources Sdn Bhd	Follow up Status Report on Previously Reported Audit Findings • Internal audit review conducted in October to December 2016 on Production functions. • Internal audit review conducted in July to September 2016 on Sales and Marketing functions. • Internal audit review conducted in January to March 2016 on Finance and Accounts functions. • Internal audit review conducted in October to December 2015 on Safety and Health functions. • Internal audit review conducted in April to June 2015 on Inventory Management, Laboratory & Quality Assurance functions. • Internal audit review conducted in July – September 2014 on Production functions. • Internal audit review conducted in April – June 2014 on Safety and Health functions.
April – June 2017	August 2017	Imaspro Corporation Berhad and its subsidiaries	Review of the Risk Profile (Risk registry and risk matrix) identified by Management.

Review of the Statement by External Auditors

The External Auditors have reviewed the Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

The Board continues to take appropriate action plans to strengthen the risk management and internal control systems to meet the Group's objectives in light of the continuous changes in the business environment.

Conclusion

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system currently in place is as far as practicable, adequate and effective to safeguard the Group's interests and assets. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

This Statement is made in accordance with the resolution of the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 ("the Act") to ensure that the financial statements prepared for each financial year give a true and fair view of the financial position of the Group and the Company as at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year then ended.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records to enable the Group and the Company to disclose, with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act, Financial Reporting Standards and also the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In addition, the Directors are also responsible for the assets of the Group and of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements for the year ended 30 June 2017, the Directors have:

a) adopted suitable accounting policies and then applied them consistently;

b) made judgement and estimates that are reasonable and prudent;

c) ensure applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements; and

d) prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

This Statement is made in accordance with the resolution of the Board.

FINANCIAL STATEMENTS

ANNUAL REPORT
2017

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 6 to the Financial Statements. There were no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	5,761,964	34,225,198
Profit attributable to:		
Owners of the Company	5,761,964	34,225,198
Non-controlling interests	-	-
	5,761,964	34,225,198

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividend paid by the Company since 30 June 2016 was as follows:

In respect of the financial year ended 30 June 2016

	RM
A first and final single tier dividend of 3.5 sen per share paid on 17 January 2017	2,800,000

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2017 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2018.

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served on the Board of the Company during the financial year and during the period commencing from the end of the financial year and ending on the date of this Report are:-

Tong Chin Hen
Chan Weng Fui
Chen Sung Fang
Datuk Captain Hamzah Bin Mohd Noor
Chan Kim Hing

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit, (other than benefits included in the aggregate amount of remunerations received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in the notes to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for as disclosed in the notes to the financial statements.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares in the Company			
	At 1.7.2016	Acquired	Disposed	At 30.6.2017
Shareholdings in the name of the Director:				
Tong Chin Hen	150,000	-	-	150,000
Chan Weng Fui	1,633,000	526,000	-	2,159,000
Shareholdings in which the Director is deemed to have an interest:				
Tong Chin Hen	33,947,064	-	-	33,947,064 *

Notes:
* Deemed interest by virtue of interest in Swiss Revenue Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

Other than as disclosed, the other Directors do not hold any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 23 to the Financial Statements.

DIRECTORS' REPORT (continued)

ISSUE OF SHARES

There were no changes in the issued share capital of the Company during the financial year ended 30 June 2017.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance had been made for impairment of receivables; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business including the values of current assets had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (continued)

AUDITORS

The auditors, Messrs. HLB Ler Lum, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 21 to the Financial Statements.

Signed on behalf of the Board in accordance with a resolution of the Directors

TONG CHIN HEN
Director

CHAN WENG FUI
Director

Petaling Jaya

Date : 29 August 2017

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of IMASPRO CORPORATION BERHAD do hereby state on behalf of the Directors that in our opinion, the accompanying financial statements together with the notes thereon, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

In the opinion of the Directors, the supplementary information set out on page 96 have been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors

TONG CHIN HEN	**CHAN WENG FUI**
Director	Director

Petaling Jaya

Date : 29 August 2017

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, TONG CHIN HEN, being the Director primarily responsible for the financial management of IMASPRO CORPORATION BERHAD do solemnly and sincerely declare that the accompanying financial statements together with the notes thereon, are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)	
by the abovenamed at Kuala Lumpur)	Before me
in the Federal Territory this)	
day of 29 August 2017)	
	Commissioner for Oaths

LAI DIN
KUALA LUMPUR
FEDERAL TERRITORY

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Imaspro Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2017 of the Group and of the Company, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 51 to 95.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment assessment of goodwill and trademarks

The risk

We refer to Note 8 to the Financial Statements.

The Group recorded goodwill and trademarks of RM9,178,533 as at 30 June 2017, primarily allocated to the household insecticides segment, based on the value in use ("VIU"). The goodwill and trademarks represents 6.5% of the Group's total assets.

The impairment assessment of goodwill and trademarks are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the cash-generating unit ("CGU"), which is based on value in use ("VIC"), has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of gross margin, growth rate and pre-tax discount rate.

Our response:

We focused on this area as the estimation of the recoverable amount is inherently uncertain and requires significant judgement on the future cash flows, growth rate, gross margin and pre-tax discount rate applied to the estimated VIUs.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

We performed the following audit procedures :

- Agreed the VIU cash flows of the each CGU to the financial budgets approved by the management;
- Reviewing the assumptions used, in particular the pre-tax discount rate, gross margin and growth rate;
- Assessed reasonableness of the discount rate which reflects the specific risk relating to the goodwill and trademarks based on inputs that are publicly available; and
- Checked and disclosures in respect of the sensitivity analysis performed by management on discount rate used in deriving the VIU.

2. Impairment assessment on cost of investment in the investment in the separate financial statements of the Company

The risk

The cost of investment of Mosfly International Sdn. Bhd. ("Mosfly Int") in the separate financial statement of the Company as at 30 June 2017 amounted to RM 26 million. Given that Mosfly Int.'s shareholders' funds are lower than the cost of investment, the Company has performed an impairment assessment on Mosfly Int. The recoverable amount was determined by the management based on VIU.

Our response:

We focus to this area due to the estimation of the recoverable amount is inherently uncertain and requires signification judgement on the future cash flows, growth rate, gross margin and pre-tax discount rate applied to the calculation of VIU.

We performed the following audit procedures :

- Agreed the VIU cash flows of the CGU to the financial budgets approved by the management;
- Reviewing the assumptions used, in particular the pre-tax discount rate, gross margin and growth rate;
- Assessed reasonableness of the discount rate which reflects the specific risk relating to the investment in subsidiary based on inputs that are publicly available; and
- Checked sensitivity analysis performed by management on discount rate used in deriving the VIU.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out on page 96 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM
AF 0276
Chartered Accountants

DATO' LER CHENG CHYE
00871/03/2019 J
Chartered Accountant

Date : 29 August 2017

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	30,394,700	24,993,229	-	-
Investment properties	5	18,826,864	13,973,193	-	-
Investment in subsidiary companies	6	-	-	57,467,623	57,467,623
Investment in associate	7	13,145,676	9,549,344	-	-
Intangible assets	8	9,178,533	14,845,478	-	-
Deferred tax asset	9	180,000	-	-	-
		71,725,773	63,361,244	57,467,623	57,467,623
Current assets					
Inventories	10	18,532,243	13,832,245	-	-
Trade and other receivables	11	18,430,169	20,220,584	18,826,210	11,899,021
Tax recoverable		849,100	462,912	10,000	27,958
Cash and bank balances	12	31,641,516	44,124,070	5,523,417	7,002,182
		69,453,028	78,639,811	24,359,627	18,929,161
TOTAL ASSETS		141,178,801	142,001,055	81,827,250	76,396,784
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:					
Share capital	13	42,857,032	40,000,000	42,857,032	40,000,000
Share premium	13	-	2,857,032	-	2,857,032
Foreign currency translation reserve	14	2,572,214	1,685,975	-	-
Retained profits	15	84,080,164	81,118,200	38,904,031	7,478,833
Total equity		129,509,410	125,661,207	81,761,063	50,335,865
Non – current liabilities					
Deferred tax liabilities	9	1,196,878	1,244,746	-	-
Loan and borrowings	16	4,718,549	5,574,299	-	-
		5,915,427	6,819,045	-	-
Current liabilities					
Trade and other payables	17	4,804,485	9,067,910	66,187	26,060,919
Loan and borrowings	16	665,358	420,899	-	-
Tax payable		284,121	31,994	-	-
		5,753,964	9,520,803	66,187	26,060,919
TOTAL LIABILITIES		11,669,391	16,339,848	66,187	26,060,919
TOTAL EQUITY AND LIABILITIES		141,178,801	142,001,055	81,827,250	76,396,784

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Continuing Operations					
Revenue	18	66,016,580	73,603,222	34,500,000	4,500,000
Cost of sales		(48,671,106)	(56,497,647)	-	-
Gross profit		17,345,474	17,105,575	34,500,000	4,500,000
Other operating income	19	2,338,675	4,034,023	91,266	137,765
Distribution cost		(1,031,991)	(1,319,403)	-	-
Administration expenses		(9,222,317)	(7,203,873)	(366,068)	(591,255)
Other operating expenses		(1,067,892)	(994,928)	-	-
Operating profit		8,361,949	11,621,394	34,225,198	4,046,510
Finance cost	20	(330,208)	(265,766)	-	-
Share of associate's result		65,846	(44,182)	-	-
Profit before tax	21	8,097,587	11,311,446	34,225,198	4,046,510
Income tax expense	24	(2,335,623)	(2,006,724)	-	-
Profit for the year		5,761,964	9,304,722	34,225,198	4,046,510
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
- Share of associate's results		264,046	79,501	-	-
- Foreign currency translation		622,193	88,899	-	-
Total comprehensive income for the year		6,648,203	9,473,122	34,225,198	4,046,510
Profit attributable to:					
Owners of the Company		5,761,964	9,304,722	34,225,198	4,046,510
Non controlling interests		-	-	-	-
		5,761,964	9,304,722	34,225,198	4,046,510
Total comprehensive income attributable to:					
Owners of the Company		6,648,203	9,473,122	34,225,198	4,046,510
Non controlling interests		-	-	-	-
		6,648,203	9,473,122	34,225,198	4,046,510
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	7.20	11.63		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		<---- Attributable to owners of the Company ----				
			Non - Distributable		Distributable	
Group	**Note**	**Share Capital RM**	**Share Premium RM**	**Foreign Currency Translation Reserve RM**	**Retained Profits RM**	**Total Equity RM**
At 1 July 2015		40,000,000	2,857,032	1,517,575	74,613,478	118,988,085
Profit for the year		-	-	-	9,304,722	9,304,722
Other comprehensive income for the year		-	-	168,400	-	168,400
Transaction with owners						
Dividends	26	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2016		40,000,000	2,857,032	1,685,975	81,118,200	125,661,207
At 1 July 2016		40,000,000	2,857,032	1,685,975	81,118,200	125,661,207
Profit for the year		-	-	-	5,761,964	5,761,964
Other comprehensive income for the year		-	-	886,239	-	886,239
Transition to no par value regime (Note 13)		2,857,032	(2,857,032)	-	-	-
Transaction with owners						
Dividends	26	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2017		42,857,032	-	2,572,214	84,080,164	129,509,410

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		<---- Attributable to owners of the Company			---->
			Non - Distributable	Distributable	
	Note	**Share Capital RM**	**Share Premium RM**	**Retained Profits RM**	**Total Equity RM**
Company					
At 1 July 2015		40,000,000	2,857,032	6,232,323	49,089,355
Profit for the year		-	-	4,046,510	4,046,510
Other comprehensive income for the year		-	-	-	-
Transaction with owners					
Dividends	26	-	-	(2,800,000)	(2,800,000)
At 30 June 2016		40,000,000	2,857,032	7,478,833	50,335,865
At 1 July 2016		40,000,000	2,857,032	7,478,833	50,335,865
Profit for the year		-	-	34,225,198	34,225,198
Other comprehensive income for the year		-	-	-	-
Transition to no par value regime (Note 13)		2,857,032	(2,857,032)	-	-
Transaction with owners					
Dividends	26	-	-	(2,800,000)	(2,800,000)
At 30 June 2017		42,857,032	-	38,904,031	81,761,063

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	8,097,587	11,311,446	34,225,198	4,046,510
Adjustments for:				
Amortisation	1,210,398	146,370	-	-
Depreciation of property, plant and equipment	1,558,157	1,575,499	-	-
Depreciation of investment properties	208,841	147,583	-	-
Dividend income	-	-	(34,500,000)	(4,500,000)
Gain on disposal of property, plant and equipment	(30,768)	(34,448)	-	-
Impairment loss on trade receivables	112,857	61,311	-	-
Interest expenses	330,208	265,766	-	-
Interest income	(934,296)	(1,341,554)	(91,266)	(137,765)
(Gain)/Loss on foreign exchange				
- unrealised	(40,381)	149,432	-	-
Property, plant and equipment written off	1	8,213	-	-
Reversal of allowance for impairment of trade receivables	(102,306)	(309,016)	-	-
Share of associate's results	(65,846)	44,182	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	10,344,452	12,024,784	(366,068)	(591,255)
Inventories	(4,699,998)	2,004,953	-	-
Receivables	1,953,678	15,709,472	(6,927,189)	(723,983)
Payables	(4,263,424)	(2,590,547)	(2,669,732)	20,819,668
CASH GENERATED FROM/(ABSORBED BY) OPERATIONS	3,334,708	27,148,662	(9,962,989)	19,504,430
Interest paid	(330,208)	(265,766)	-	-
Interest received	934,296	1,341,554	91,266	137,765
Taxes paid	(2,716,646)	(2,670,873)	-	(10,792)
Taxes refunded	19,094	3,365	17,958	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	1,241,244	25,556,942	(9,853,765)	19,631,403
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,009,521)	(3,274,116)	-	-
Purchase of investment properties	(5,062,512)	(5,908,695)	-	-
Acquisition of new subsidiary	-	(20,667,952)	-	(20,800,000)
Proceeds from disposal of property, plant and equipment	80,660	81,500	-	-
Dividend received	1,050,410	-	11,175,000	4,500,000
NET CASH (USED IN)/ FROM INVESTING ACTIVITIES	(10,940,963)	(29,769,263)	11,175,000	(16,300,000)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (continued)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(611,291)	(479,802)	-	-
Drawdown of term loan	-	4,675,000	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET (USED IN)/FROM FINANCING ACTIVITIES	(3,411,291)	1,395,198	(2,800,000)	(2,800,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,111,010)	(2,817,123)	(1,478,765)	531,403
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	628,456	35,685	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	44,124,070	46,905,508	7,002,182	6,470,779
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12)	31,641,516	44,124,070	5,523,417	7,002,182

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2017

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 6 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur and the principal place of business of the Company is located at 37 Jalan 5, Kawasan 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2017.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

(i) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS") and Amendments to MFRSs

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRSs	Contained in the document entitled "Annual Improvements to MFRSs 2012-2014 Cycle."

The adoption of these amended MFRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

(ii) Standards issued but not yet effective

The following are accounting standards, Amendments and Interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not been adopted by the Group and the Company:

- MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 107	Disclosure initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2014 – 2016 Cycle".

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

- MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2018

MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 140	Transfers of Investment Property

- MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
IC Interpretation 23	Uncertainty over income tax returns

- MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2021

MFRS 17	Insurance contracts

- MFRSs, Amendments and Interpretations effective date deferred

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above are expected to have no significant impact on the financial statements of the Group and of the Company in the period of initial application except for the following:

(i) MFRS 9 Financial instruments

The complete version of MFRS 9 replaces most of the guidance in MFRS 139. MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentations is still required by is different to that currently prepared under MFRS 139.

This amendment is not expected to have any significant impact on the financial statements of the Group.

(ii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The standard replaces MFRS 118 Revenue and MFRS 111 Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of MFRS 15.

(iii) MFRS 16 Leases

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the income statement. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. MFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early application permitted provided MFRS 15 is also applied.

(b) Basis of Measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for those indicated in the individual policy notes.

(c) Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgements (continued)

(i) Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their useful life. The Group will periodically review the useful life and residual values of property, plant and equipment and investment properties in accordance with the accounting policies. Changes in the expected level of usage and technological developments may impact the economic useful life and the residual values of these assets, therefore future depreciation charges may be revised.

(ii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factor such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 11.

(iii) Allocation and impairment test on goodwill

The Group's determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions such as discount rates used and valuation models applied as well as goodwill allocation.

The Group tests goodwill for impairment annually, in accordance with its accounting policy as disclosed in Note 3(f)(i) to the Financial Statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less costs to sell calculations. These calculations require the use of estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary company or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Consolidation (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill.

When a change in the Group's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) Subsidiary Companies

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

(c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Long term leasehold land and buildings are depreciated over their lease periods range from 79 years to 82 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Office equipment	20%
Furniture and fittings	10% - 15%
Renovation	25%
Motor vehicles	20%
Plant and machinery	10%
Farm structure and equipment	20%

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment and Depreciation (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognised of the asset is included in the profit or loss in the year the asset is derecognised.

(d) Investment Properties

Investment properties are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is to measure investment properties at cost less accumulated amortisation and impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold lands carried at cost are depreciated over its lease periods ranging from 79 years to 99 years. Buildings are depreciated over its lease periods ranging from 50 years to 99 years.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment properties are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use.

(e) Investment in Associated Companies

Associated companies are entities in which the Group is in a position to exercise significant influence but which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions, but not control over their policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence over another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes goodwill identified on acquisition, net of any accumulated impairment loss.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured obligations, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

The most recent available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment in Associated Companies (continued)

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

In the Company's separate financial statements, investments in associated companies are stated at cost less accumulated impairment losses. On disposal of investments in associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(f) Intangible Assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Trademark

Trademark are amortised on the straight-line basis over the lease term less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(g).

(g) Impairment of Non-Financial Assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows {Cash-generating units ("CGU")}.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Non-Financial Assets (continued)

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) Operating Leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(i) Inventories

Inventories which comprise raw materials, packaging materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The costs of raw materials and packaging materials comprise the original cost of purchase plus the cost of bringing the inventories to their present location. The costs of finished goods and work-in-progress comprise cost of raw materials, direct labour, other direct costs and appropriate production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(k) Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of its financial assets at initial recognition, and the categories include loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Assets (continued)

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(l) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(m) Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Borrowing Costs

Borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(o) Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(q) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of goods

Revenue relating to sale of goods is recognised net of discounts, if any and upon the transfer of risks and rewards of the ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(iii) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Royalty income

Royalty income is recognized on accrual basis in accordance with the substance of the relevant agreements.

(s) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined benefit contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(t) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Group's and the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Foreign Currencies (continued)

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating of monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary item that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gain and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

(u) Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Income Taxes (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(v) Operating Segments

An operating segment is a component of the Group that engages in the business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision makers, which in this case is the Managing Director of the Group, to make decision about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(w) Dividends

Interim dividends are accounted for in the shareholders' equity as an appropriation of retained profits in the period. Final dividends are not accounted for until approved at the Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Farm structure & equipment RM	Total RM
Cost										
At 1 July 2015	7,951,878	3,269,162	8,453,946	1,036,549	550,822	679,389	2,835,112	12,853,457	110,608	37,740,923
Additions	1,872,914	-	368,589	44,374	5,036	56,564	278,750	647,889	-	3,274,116
Disposals	-	-	-	-	-	(35,880)	(224,155)	(12,800)	-	(272,835)
Written off	-	-	-	(3,479)	-	-	-	(558,372)	-	(561,851)
Acquisition of subsidiary	-	-	-	3,479	-	-	-	-	-	3,479
At 30 June 2016/1 July 2016	9,824,792	3,269,162	8,822,535	1,080,923	555,858	700,073	2,889,707	12,930,174	110,608	40,183,832
Additions	4,097,016	-	1,428,328	37,002	-	10,000	871,349	564,978	848	7,009,521
Disposals	-	-	-	-	-	-	(186,724)	-	-	(186,724)
Written off	-	-	-	-	-	-	(16,207)	-	-	(16,207)
At 30 June 2017	13,921,808	3,269,162	10,250,863	1,117,925	555,858	710,073	3,558,125	13,495,152	111,456	46,990,422
Accumulated depreciation										
At 1 July 2015	-	372,708	1,046,995	834,563	508,034	667,601	1,962,919	8,978,837	22,122	14,393,779
Depreciation charge for the year	-	40,795	127,123	67,379	17,158	19,930	348,005	932,987	22,122	1,575,499
Disposals	-	-	-	-	-	(35,869)	(178,821)	(11,093)	-	(225,783)
Written off	-	-	-	(816)	-	-	-	(552,822)	-	(553,638)
Acquisition of subsidiary	-	-	-	746	-	-	-	-	-	746
At 30 June 2016 / 1 July 2016	-	413,503	1,174,118	901,872	525,192	651,662	2,132,103	9,347,909	44,244	15,190,603
Depreciation charge for the year	-	40,795	130,400	63,067	13,236	16,224	343,616	928,319	22,500	1,558,157
Disposals	-	-	-	-	-	-	(136,832)	-	-	(136,832)
Written off	-	-	-	-	-	-	(16,206)	-	-	(16,206)
At 30 June 2017	-	454,298	1,304,518	964,939	538,428	667,886	2,322,681	10,276,228	66,744	16,595,722
Net carrying amount										
At 30 June 2017	13,921,808	2,814,864	8,946,345	152,986	17,430	42,187	1,235,444	3,218,924	44,712	30,394,700
At 30 June 2016	9,824,792	2,855,659	7,648,417	179,051	30,666	48,411	757,604	3,582,265	66,364	24,993,229

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES

	Group	
	2017	**2016**
	RM	**RM**
Cost		
At 1 July	14,199,893	8,291,198
Addition	5,062,512	5,908,695
At 30 June	19,262,405	14,199,893
Accumulated depreciation		
At 1 July	226,700	79,117
Depreciation charge for the year	208,841	147,583
At 30 June	435,541	226,700
Net carrying amount		
At 30 June	18,826,864	13,973,193
Estimated fair value	20,820,000	15,000,000

Included in the above are:

	Group	
	2017	**2016**
	RM	**RM**
Net carrying amount		
Freehold land	8,680,458	6,437,402
Buildings	10,146,406	7,535,791
	18,826,864	13,973,193

Investment properties comprise freehold land and buildings. Rental income generated from the investment properties during the financial year amounted to RM39,600 (2016: RM21,600).

Direct operating expenses from investment properties that did not generate rental income of the Group during the year amounted to RM168,408 (2016: RM119,068).

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM5,752 (2016: RM6,744).

The fair values of the above investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 31(e) to the Financial Statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square meter.

Included in investment properties is a shop office amounting to RM9,594,384 (2016: RM9,544,958) pledged to a licensed bank for a term loan facility granted to a subsidiary company (Note 16).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2017 RM	Company 2016 RM
Unquoted shares – at cost	57,467,623	57,467,623

Details of the subsidiary companies are as follows:

Name of Companies	Country of Incorporation	Effective Ownership Interest 2017 (%)	Effective Ownership Interest 2016 (%)	Principal Activities
Direct subsidiary companies of the Company				
Imaspro Resources Sdn. Bhd. ("IRSB")	Malaysia	100	100	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
Ideal Command Sdn. Bhd.	Malaysia	100	100	Investment holding
Plant Science Centre Sdn. Bhd.	Malaysia	100	100	Providing research, development and training with regards of pesticides and agrochemicals
Millennium Station Sdn. Bhd.	Malaysia	100	100	Investment holding
Mosfly International Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of mosquito coils, disinfectants and household insecticides
Direct subsidiary companies of IRSB				
Imaspro Biotech Sdn. Bhd.	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Details of the subsidiary companies are as follows:

All subsidiary companies undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary company undertakings held directly or indirectly by the parent company do not differ from the proportion of ordinary shares held.

The country of incorporation of subsidiary companies is also their place of principal place of business.

Changes in the Group's ownership interest in subsidiary companies without losing control

There were no changes during the year (2016: Nil) in the Group's ownership interest in its significant subsidiary companies.

(a) Acquisition of subsidiary company

On 5 May 2016, the Company acquired entire issued and paid up share capital of Mosfly International Sdn. Bhd.("MISB"), a company incorporated in Malaysia for a total cash consideration of RM26 million.

(b) The assets and liabilities arising from the acquisition of subsidiaries during the financial year and the aggregate effects of such acquisitions on the cash flows of the Group were as follows :-

2016 Identifiable assets and liabilities	**Fair values recognised on acquisition RM**	**Carrying amounts in acquiree's books RM**
Plant & equipment	2,733	2,733
Investment in associates	10,564,435	4,868,035
Intangible assets	7,310,000	-
Inventories	131,130	131,130
Trade and other receivables	79,170	79,170
Tax recoverable	174,374	174,374
Cash and cash equivalents	132,048	132,048
Total assets	18,393,890	5,387,490
Trade & other payables	75,738	75,738
Total liabilities	75,738	75,738
Identifiable net assets acquired	18,318,152	5,311,752
Goodwill (Note 8)	7,681,848	
Total purchase consideration	26,000,000	
Balance of purchase consideration	(5,200,000)	
Cash consideration paid	20,800,000	
Less: Cash & cash equivalents acquired	(132,048)	
Net cash outflow on acquisition	20,667,952	

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) During the year, the Group had completed the purchase price allocation ("PPA") exercise to determine the fair value of the net assets of Mosfly International Sdn. Bhd and its associated company, Mosfly Vietnam Industries Co. Ltd., within the stipulated time period, ie 12 months from the acquisition date of 5 May 2016, in accordance with MFRS 3 "Business Combination". The impact of the purchase price allocation exercise is as follows:

	2016 RM	Reallocation RM	2017 RM
Intangible assets			
Trademark	7,310,000	2,100,000	9,410,000
Goodwill	7,681,848	(6,556,547)	1,125,301
Investment in Associated Company	-	4,456,547	4,456,547
	14,991,848	-	14,991,848

However, the impact from the reallocation of these intangible assets are immaterial in the profit or loss, hence it is immaterial to adjust the amounts retrospectively.

7. INVESTMENT IN ASSOCIATED COMPANY

(a) Investment in associated company

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Unquoted shares, at deem cost	13,418,967	8,962,420	-	-
Share of post-acquisition reserves	(273,291)	586,924	-	-
	13,145,676	9,549,344	-	-

(b) The associated companies of the Group are as follows :

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2017 (%)	Effective Equity Interest 2016 (%)
Held through Mosfly International Sdn. Bhd.				
Mosfly Vietnam Industries Co. Ltd.*^	Vietnam	Producing insect, bacteria exterminating products; producing cosmetics, cleaning, and polishing substances, room sprayer, body deodorizer	50.00	50.00

* Company not audited by HLB Ler Lum
^ Company with financial year ended 31 December

The country of incorporation of associated company is also its principal place of business.

There are no contingent liabilities relating to the Group's interest in the associated company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN ASSOCIATED COMPANY (continued)

(b) The associated companies of the Group (continued)

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 December as the case may be.

(c) The summarised financial information of the Group's associated company (Mosfly Vietnam Industries Co, Ltd.) is as follows :

	2017 **RM**	**2016** **RM**
Effective equity interest	*50%*	*50%*
Summarised financial information		
As at 30 June		
Non-current assets	14,395,791	17,914,809
Current assets	7,988,508	6,924,507
Non-current liabilities	(212,386)	(252,771)
Current liabilities	(4,793,655)	(5,487,858)
Net assets	17,378,258	19,098,687
Year ended 30 June		
Revenue	26,494,968	3,325,573
Profit for the financial year	131,691	(88,364)
Other comprehensive income	528,091	159,002
Total comprehensive income	659,782	70,638
Reconciliation of net assets to carrying amount		
As at 30 June		
Group's share of net assets	8,689,129	9,549,344
Goodwill (refer Note 6(c))	4,456,547	-
Carrying amount in the Statement of Financial Position	13,145,676	9,549,344
Group's share of results		
Year ended 30 June		
Group's share of profit/(loss) for the year	65,846	(44,182)
Group's share of other comprehensive income	264,046	79,501
Group's share of total comprehensive income /(loss)	329,892	35,319
Other information		
Dividend income from associate	1,183,844	1,050,410

Goodwill amounting to RM4,456,547 (2016: Nil) was included in the carrying amount of investment in associated company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INTANGIBLE ASSETS

	Group	
	2017	**2016**
	RM	**RM**
Goodwill [Note 8 (i)]	1,125,301	7,681,848
Trademarks [Note 8 (ii)]	8,053,232	7,163,630
	9,178,533	14,845,478

The movement in each category of intangible assets are as follows :

(i) Goodwill

	Group	
	2017	**2016**
Cost	**RM**	**RM**
At beginning of the year	7,681,848	-
Arising from acquisition of new subsidiary	-	7,681,848
Re-allocation of fair value assets acquired (Note 6(c))	(6,556,547)	-
	1,125,301	7,681,848

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

No geographical segment of the goodwill allocation is prepared as the Group's activities are carried out predominantly in Malaysia.

The CGU's business segment identified is in relation to manufacturing and trading activities.

The recoverable amount was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management. Cash flows beyond the projection period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the chemical/household insecticides products business in which the CGU operates.

(a) Key assumptions used for value-in-use calculations :

	2017	**2016**
	%	**%**
Gross margin [1]	21.6	20 – 25
Growth rate [2]	17.13	16 – 20
Pre-tax discount rate [3]	8.71	5.90

1. Budgeted gross margin
2. Weighted average growth rate used to extrapolate cash flows beyond the budget period
3. Pre-tax discount rate applied to the cash flow projections

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INTANGIBLE ASSETS (continued)

These assumptions were used for the analysis of CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rate used was consistent with the forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the business segment.

(b) Sensitivity to change in key assumption

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's results. The Group's review includes the key assumptions related to sensitivity in the cash flow projections.

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill to equal the corresponding carrying amounts assuming no change in the other variables are as follows :

	2017 %
Gross margin	12.18
Growth rate	(11.79)
Discount rate	11.12

(ii) Trademarks

	Group	
	2017 **RM**	**2016** **RM**
At cost		
At beginning of the year	7,310,000	-
Acquisition of subsidiary (refer Note 6 (b))	-	7,310,000
Re-allocation of fair value assets acquired (refer Note 6 (c))	2,100,000	-
At end of the year	9,410,000	7,310,000
Accumulated amortisation		
At beginning of the year	146,370	-
Charge for the year	1,210,398	146,370
At end of the year	1,356,768	146,370
Net carrying amount	8,053,232	7,163,630

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2017	**2016**
	RM	**RM**
At 1 July	1,244,746	1,300,026
Recognised in profit or loss (Note 24)	(227,868)	(55,280)
At 30 June	1,016,878	1,244,746

Presented after appropriate offsetting as follows:

	Group	
	2017	**2016**
	RM	**RM**
Deferred tax assets	(180,000)	-
Deferred tax liabilities	1,196,878	1,244,746
	1,016,878	1,244,746

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group	**Property, plant and equipment RM**	**Others RM**	**Total RM**
At 1 July 2016	-	-	-
Recognised in profit or loss	4,172	(184,172)	(180,000)
At 30 June 2017	4,172	(184,172)	(180,000)
At 1 July 2015	-	-	-
Recognised in profit or loss	-	-	-
At 30 June 2016	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Investment properties RM	Others RM	Total RM
At 1 July 2016	701,848	542,898	-	1,244,746
Recognised in profit or loss	(93,868)	46,000	-	(47,868)
At 30 June 2017	607,980	588,898	-	1,196,878
At 1 July 2015	669,165	525,229	105,632	1,300,026
Recognised in profit or loss	32,683	17,669	(105,632)	(55,280)
At 30 June 2016	701,848	542,898	-	1,244,746

10. INVENTORIES

	Group	
	2017 RM	2016 RM
At cost:		
Raw materials	12,241,444	8,150,542
Finished goods	4,802,870	4,343,252
Packaging materials	736,742	784,791
Work-in-progress	751,187	553,660
	18,532,243	13,832,245

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM49,486,210 (2016: RM56,407,196).

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables				
- Third parties	16,008,849	17,122,009	-	-
Less : Allowance for impairment	(724,556)	(714,005)	-	-
Trade receivables, net	15,284,293	16,408,004	-	-
Other receivables				
- Deposits	681,326	738,873	-	-
- Prepayments	567,363	651,761	-	7,500
- Amount due from subsidiary companies	-	-	18,826,210	11,891,521
- Amount due from associated company	1,341,976	1,177,627	-	-
- Sundry receivables	555,211	1,244,319	-	-
	3,145,876	3,812,580	18,826,210	11,899,021
Total trade and other receivables (Note 33)	18,430,169	20,220,584	18,826,210	11,899,021

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 180 days (2016: 30 to 180 days). They are recognised at their original invoice amounts which represent their fair value on initial recognition. Other credit terms are assessed and approved on a case to case basis.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2017 RM	Group 2016 RM
Neither past due nor impaired	13,328,962	14,480,395
1 to 30 days past due not impaired	643,018	1,283,392
31 to 60 days past due not impaired	109,904	400,886
61 to 90 days past due not impaired	784,394	138,518
More than 91 days past due not impaired	335,801	46,074
	1,873,117	1,868,870
Impaired	806,770	772,744
	2,679,887	2,641,614
	16,008,849	17,122,009

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that no impairment allowance is necessary in respect of these balance as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group 2017 RM	Group 2016 RM
Individual impaired:		
Trade receivables – nominal accounts	806,770	772,744
Less : Allowance for impairment	(724,556)	(714,005)
	82,214	58,739

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance accounts:

	Group	
	2017 RM	**2016 RM**
At 1 July	714,005	961,710
Charge for the year (Note 21)	112,857	61,311
Reversal of impairment losses (Note 19)	(102,306)	(309,016)
At 30 June	724,556	714,005

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Related party balances

The amounts due from subsidiary and associated companies are unsecured, non-interest bearing and are repayable on demand.

12. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Cash on hand and at banks	7,553,266	19,526,381	9,584	14,919
Deposits with licensed banks	-	632,734	-	-
	7,553,266	20,159,115	9,584	14,919
Short term cash investments	24,088,250	23,964,955	5,513,833	6,987,263
Cash and bank balances (Note 33)	31,641,516	44,124,070	5,523,417	7,002,182

(a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2016: RM2,000) is held under a Director's name on behalf of the Company and pledged to the bank for bank guarantee facility.

(b) The weighted average effective interest rate of deposits with licensed banks at the reporting date for the Group were 2.94% (2016: 2.79%) per annum.

(c) The maturities of deposits with licensed banks as at the end of the financial year for the Group were range from 30 days to 365 days (2016: 30 to 365 days).

(d) The short term cash investments represent investment in short term fixed income fund which provides a stream of monthly income by investing in money market and fixed income instruments. Interest received from the investments is exempted from tax.

(e) Short term cash investments are highly liquid which have an insignificant risk of changes in value which bore effective interest rates at the financial year end ranged from 2.40% to 3.30% (2016: 2.38% to 3.23%) and 3.51% (2016: 3.02%) for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. SHARE CAPITAL

	Number of Ordinary Shares		Amount	
	2017	2016	2017 RM	2016 RM
Authorised				
At 1 July/30 June	-	200,000,000	-	100,000,000
Issued and fully paid				
Ordinary shares with no par value (2016 : par value of RM0.50 each)				
At beginning of the financial year	80,000,000	80,000,000	40,000,000	40,000,000
Transition to no par value regime*	-	-	2,857,032	-
At end of the financial year	80,000,000	80,000,000	42,857,032	40,000,000

* The new Companies Act 2016 ("the Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM2,857,032 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provisions, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM2,857,032 for purposes as set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

14. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

15. RETAINED PROFITS

Under the single tier system, the Company is allowed to frank tax exempt dividend up to maximum amount of retained profits.

16. LOAN AND BORROWINGS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Term loan - secured				
- Non-current	4,718,549	5,574,299	-	-
- Current	665,358	420,899	-	-
	5,383,907	5,995,198	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. LOAN AND BORROWINGS (continued)

The weighted average effective interest rate at the reporting date for term loan of the Group was 5.09% (2016: 5.08%).

The term loan of the Group is secured by the following :

(a) facility agreement;
(b) first party legal charge over one of the investment properties of a subsidiary company (Note 5); and
(c) corporate guarantee by the Company.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables				
- Third parties	3,118,988	2,074,174	-	-
Other payables				
- Deposits received	571,251	563,250	-	-
- Accruals	1,023,561	1,063,465	59,600	56,753
- Sundry payables	90,685	5,367,021	6,587	5,204,166
- Amount due to subsidiary company	-	-	-	20,800,000
	1,685,497	6,993,736	66,187	26,060,919
Total trade and other payables (Note 33)	4,804,485	9,067,910	66,187	26,060,919

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 5 to 90 days (2016: 5 to 90 days).

(b) Other payables

Other payables are non-interest bearing. Other payables are normally settled on an average terms of 30 to 60 days (2016: 30 to 60 days).

Included in sundry payables as at 30 June 2016 is an amount of RM5,200,000 arise from event disclosed in Note 6(a).

18. REVENUE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Sale of goods	65,986,580	73,603,222	-	-
Dividend income	-	-	34,500,000	4,500,000
Rental income	30,000	-	-	-
	66,016,580	73,603,222	34,500,000	4,500,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. OTHER OPERATING INCOME

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Gain on disposal of property, plant and equipment	30,768	34,448	-	-
Gain on foreign exchange- realised	450,250	2,007,071	-	-
Insurance claims	-	241	-	-
Interest income	934,296	1,341,554	91,266	137,765
Rental income	53,600	43,572	-	-
Royalty income	751,907	268,937	-	-
Reversal of allowance for impairment of trade receivables (Note 11)	102,306	309,016	-	-
Sundry income	15,548	29,184	-	-
	2,338,675	4,034,023	91,266	137,765

20. FINANCE COST

	Group	
	2017	2016
Interest expenses on:		
Bills payable	39,029	75,086
Term loan	291,179	190,680
	330,208	265,766

21. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Employee benefits expense (Note 22)	6,723,301	5,457,042	24,000	24,000
Non-Executive Directors' remuneration (Note 23)	108,000	99,169	108,000	99,169
Auditors' remuneration				
- statutory audit	108,699	91,700	31,000	22,000
- others	27,750	2,750	2,750	2,750
Amortisation expense	1,210,398	146,370	-	-
Impairment loss on trade receivables (Note 11)	112,857	61,311	-	-
Depreciation of property, plant and equipment (Note 4)	1,558,157	1,575,499	-	-
Depreciation of investment properties (Note 5)	208,841	147,583	-	-
Property, plant and equipment written off	1	8,213	-	-
Rental of premises	8,435	7,936	-	-
(Gain)/Loss on foreign exchange – unrealised	(40,381)	149,432	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Wages, salaries, bonuses and allowances	5,965,125	4,849,643	24,000	24,000
Social security contribution	41,171	37,069	-	-
Contributions to defined contribution plan	717,005	570,330	-	-
	6,723,301	5,457,042	24,000	24,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM2,068,650 (2016: RM1,290,600) and RM24,000 (2016: RM24,000) respectively as further disclosed in Note 23.

23. DIRECTORS' REMUNERATION

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Executive:				
- Salaries and other emoluments	1,650,950	908,600	-	-
- Fees	144,000	144,000	24,000	24,000
- Contributions to defined contribution plan	273,700	238,000	-	-
	2,068,650	1,290,600	24,000	24,000
Non-Executive:				
- Fees	108,000	99,169	108,000	99,169
	2,176,650	1,389,769	132,000	123,169
Benefits in-kind	13,325	13,325	-	-
	2,189,975	1,403,094	132,000	123,169

24. INCOME TAX EXPENSE

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Income tax:				
Malaysian income tax	(2,253,514)	(2,297,800)	-	-
(Under)/Overprovided in prior year	(309,977)	317,581	-	-
	(2,563,491)	(1,980,219)	-	-
Real property gains tax				
Current financial year	-	-	-	-
Under provision in prior year	-	(81,785)	-	-
	-	(81,785)	-	-
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	227,868	3,278	-	-
Effect of change in tax rate	-	52,002	-	-
	227,868	55,280	-	-
TOTAL	(2,335,623)	(2,006,724)	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. INCOME TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Profit before tax	8,097,587	11,311,446	34,225,198	4,046,510
Taxation at Malaysian statutory tax rate of 24%	(1,943,421)	(2,714,747)	(8,214,048)	(971,162)
Expenses not deductible for tax purposes	(515,264)	(214,178)	(87,856)	(79,379)
Income not subject to tax	359,586	460,400	8,301,904	1,050,541
Expenditure qualified for double deduction	48,422	-	-	-
(Under)/Over-provision of tax expense in prior year	(309,977)	317,581	-	-
Utilisation of reinvestment allowances	81,357	-	-	-
Change in tax rate on deferred tax	-	52,002	-	-
Effect of deferred tax not recognised	-	174,003	-	-
Tax impact of expired pioneer status	(56,326)	-	-	-
Real property gains tax	-	(81,785)	-	-
Tax expense for the year	(2,335,623)	(2,006,724)	-	-

25. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated based on the profit after tax attributable to owners of the Company divided by the weighted average number of ordinary shares of RM0.50 each in issue during the financial year held by the Company.

	Group	
	2017	**2016**
Profit after tax attributable to owners of the Company (RM)	5,761,964	9,304,722
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per share (sen)	7.20	11.63

(b) Diluted

No diluted earnings per share is presented as there are no diluted potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. DIVIDENDS

	Group and Company	
	2017	**2016**
	RM	**RM**
For financial year ended 30 June 2016:		
- A first and final single tier dividend of 3.5 sen per share paid on 17 January 2017	2,800,000	-
For financial year ended 30 June 2015:		
- A first and final single tier dividend of 3.5 sen per share paid on 18 January 2016	-	2,800,000
	2,800,000	2,800,000

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2017 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2018.

27. RELATED PARTY DISCLOSURES

(a) Related party transactions

The Group and the Company had the following transactions with related parties which took place at terms agreed between the parties during the financial year:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	34,500,000	4,500,000
Royalty income receivable from associated company - Mosfly Vietnam Industries Co., Ltd	751,907	127,218	-	-
Sales to associated company - Mosfly Vietnam Industries Co., Ltd.	205,950	78,000	-	-
Sales to Hap Seng Chemicals Sdn. Bhd., a company in which a Director, Tong Chin Hen has equity interest via his shareholding in Imaspro Process Technology Sdn. Bhd.	199,020	156,337	-	-
Salaries and other related expenses paid/payable to persons related to a Director, Tong Chin Hen	57,534	78,700	-	-

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the financial year are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Short term employee benefits	3,175,469	2,349,674	132,000	123,169
Post-employment benefits:				
- Defined contribution plan	421,204	296,208	-	-
	3,596,673	2,645,882	132,000	123,169

Other members of key management personnel comprise persons other than Directors of the Group, having authority and responsibility of planning, directing and controlling the activities of the Group either directly or indirectly.

Included in the total key management personnel are:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Directors' remuneration (Note 23)	2,176,650	1,403,094	132,000	123,169

28. CONTINGENT LIABILITIES

The Directors are of the opinion that provisions are not required in respect of these matters as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Secured:				
Bank guarantee issued in favour of Tenaga Nasional Berhad	2,000	2,000	-	-
Unsecured:				
Corporate guarantee given to a licensed bank for credit facilities granted to subsidiary companies	-	-	36,927,000	36,927,000

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. CAPITAL COMMITMENT

	Group 2017	Group 2016
Approved and contracted for:		
- Investment properties	-	1,930,600

30. OPERATING SEGMENTS

(a) Geographical Segments

In determining the geographical segments of the Group, segment revenue is based on geographical location of customers and these are:

(i) Malaysia
(ii) Indonesia
(iii) Bulgaria
(iv) Vietnam
(v) Others: these consist of segments which cover mainly Australia and Lebanon but which individually fall below the 10% threshold of a reportable segment

Group	Malaysia RM	Vietnam RM	Indonesia RM	Bulgaria RM	Others RM	Elimination RM	Total RM
At 30 June 2017							
Segment revenue:							
Sales to external customers	40,530,513	3,089,227	15,952,757	-	6,444,083	-	66,016,580
Inter-segment sales	2,423,825	-	-	-	-	(2,423,825)	-
	42,954,338	3,089,227	15,952,757	-	6,444,083	(2,423,825)	66,016,580
Profit before tax							8,097,587
Income tax expense							(2,335,623)
Profit for the year							5,761,964
At 30 June 2016							
Segment revenue:							
Sales to external customers	43,820,288	10,665,798	5,901,101	3,008,381	10,207,654	-	73,603,222
Inter-segment sales	1,866,534	-	-	-	-	(1,866,534)	-
	45,686,822	10,665,798	5,901,101	3,008,381	10,207,654	(1,866,534)	73,603,222
Profit before tax							11,311,466
Income tax expense							(2,006,724)
Profit for the year							(9,304,722)

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. OPERATING SEGMENTS (continued)

(a) Geographical Segments (continued)

The revenues of approximately RM3,089,000 (2016: RM6,215,000) and RM15,953,000 (2016: RM5,901,000) are derived from single major external customer in Vietnam and Indonesia respectively.

There are no segment results, assets and capital expenditure are presented as the Group does not have a legal presence in any other country other than Malaysia.

(b) Business Segments

No business segment information has been presented as the Group is mostly involved in the 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. The new business segment involved, manufacturing and trading of mosquito coils, disinfectants and household insecticides via the new subsidiary acquired in last financial year is not substantial for disclosure.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks, liquidity risk, credit risk and foreign currency risk. The Board review and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes. Interest bearing financial assets include deposits with licensed banks and short term cash investments, placed for better yield returns than cash at banks and to satisfy condition for bank guarantee facilities granted to the Group.

The Group's interest bearing financial liabilities mainly comprise bills payable, loan and borrowings which bearing interest at floating rates.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM49,210 (2016: RM45,563) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loan and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2017							
Financial liabilities:							
Trade and other payables (Note 17)	4,804,485	-	4,804,485	4,804,485	-	-	-
Term loan (Note 16)	5,383,907	5.09	6,899,895	914,562	898,511	1,814,785	3,272,037
	10,188,392		11,704,380	5,719,047	898,511	1,814,785	3,272,037
2016							
Financial liabilities:							
Trade and other payables (Note 17)	9,067,910	-	9,067,910	9,067,910	-	-	-
Term loan (Note 16)	5,995,198	5.08	6,146,950	715,840	715,840	1,754,488	2,960,782
	15,063,108		15,214,860	9,783,750	715,840	1,754,488	2,960,782
Company							
2017							
Financial liabilities:							
Other payables (Note 17)	66,187	-	66,187	66,187	-	-	-
2016							
Financial liabilities:							
Other payables (Note 17)	26,060,919	-	26,060,919	26,060,919	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by six (6) (2016: 5) customers which constituted approximately 43% (2016: 40%) of its trade receivables as at the end of the reporting period.

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	2017 RM	2016 RM
By country:		
Malaysia	11,045,412	9,146,330
Japan	1,569,616	-
Vietnam	133,059	2,527,287
Australia	23,040	1,221,230
Indonesia	722,176	588,164
Others	1,790,990	2,924,993
	15,284,293	16,408,004

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or a future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD), Australian Dollars (AUD) and Euro (EUR). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency, given the nature of the business for the time being.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign Currency Risk (continued)

The net unhedged financial assets of the Group that are not denominated in its functional currency are as follows:

	Net Financial Assets/(Liabilities) Held in Non-Functional Currency			
	USD RM	**AUD RM**	**EUR RM**	**Total RM**
Group				
At 30 June 2017				
Cash and bank balances	1,863,481	234,528	10,629	2,108,638
Trade receivables	3,918,319	23,040	-	3,941,359
Trade payables	(2,054,839)	-	(12,200)	(2,067,039)
	3,726,961	257,568	(1,571)	3,982,958
At 30 June 2016				
Cash and bank balances	1,805,605	1,138,535	9,928	2,954,068
Trade receivables	4,065,322	1,221,230	-	5,286,552
Trade payables	(1,551,553)	-	-	(1,551,553)
	4,319,374	2,359,765	9,928	6,689,067

Sensitivity analysis for foreign currency risk

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting date, with all other variables held constant:

Effect on profit after tax	**2017 Increase/ (Decrease) RM**	**2016 Increase/ (Decrease) RM**
USD		
- Strengthened by 5%	186,348	215,969
- Weakened by 5%	(186,348)	(215,969)
AUD		
- Strengthened by 5%	12,878	117,988
- Weakened by 5%	(12,878)	(117,988)
EUR		
- Strengthened by 5%	(79)	496
- Weakened by 5%	79	(496)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Fair Values

The carrying amounts of financial assets and liabilities such as cash and cash equivalent, receivables, payables and loan and borrowings of the Group and of the Company at the financial year end approximated their fair values due to relatively short term nature of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair value measurement hierarchies used to measure financial assets carried at fair value in the Statements of Financial Position as at 30 June 2017 are as follows:

i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
iii) Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

At the end of the reporting period, there were no financial instruments carried at fair value.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or process during the years ended 30 June 2016 and 30 June 2017.

The Group monitors capital using a gearing ratio, which is total net debts divided by total equity. Net debt is calculated as external borrowings less cash and cash equivalents. Total equity is calculated as share capital plus reserves. As the Group's cash and cash equivalent exceeds its net debt, the gearing ratio is not presented.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

		Financial Assets Loans and receivables			
		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Trade and other receivables	11	18,430,169	20,220,584	18,826,210	11,891,521
Less: Prepayment		(567,363)	(651,761)	-	7,500
		17,862,806	19,568,823	18,826,210	11,899,021
Cash and bank balances	12	31,641,516	44,124,070	5,523,417	7,002,182
Total		49,504,322	63,692,893	24,349,627	18,901,203

		Financial Liabilities Other financial liabilities at amortised cost			
		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Trade and other payables	17	4,804,485	9,067,910	66,187	26,060,919
Loan and borrowings	16	5,383,907	5,995,198	-	-
Total		10,188,392	15,063,108	66,187	26,060,919

SUPPLEMENTARY INFORMATION
30 JUNE 2017

BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting date into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Total retained profits of the Company and its subsidiary companies:				
- Realised	101,465,730	96,596,331	38,904,031	7,478,833
- Unrealised	(976,496)	(1,394,037)	-	-
	100,489,234	95,202,294	38,904,031	7,478,833
Less: Consolidated adjustments	(16,409,070)	(14,084,094)	-	-
Total retained profits	84,080,164	81,118,200	38,904,031	7,478,833

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the financial year ended 30 June 2017:

Material Contracts Involving Directors and Substantial Shareholders

Save as otherwise disclosed in Note 27-Related Party Disclosures in the Financial Statements, there are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial year ended 30 June 2017 were as follows:

	Company RM	Group RM
Statutory audit fee paid/payable to:		
- HLB Ler Lum	31,000	108,699
Non-audit fee paid/payable to:		
- HLB Ler Lum	2,750	27,750
- Firm or corporation affiliated to HLB Ler Lum	-	-
Sub total	2,750	27,750
Total	33,750	136,449

The recurring non-audit services were in respect of annual review of the Statement on the Risk Management and Internal Control.

Utilisation of Proceeds

The Company did not raise any funds from any corporate proposals during the financial year ended 30 June 2017.

Recurrent Related Party Transactions of Revenue Nature ("RRPT")

The details of the RRPTs were disclosed in Note 27-Related Party Disclosures in the Financial Statements for the financial year ended 30 June 2017.

PROPERTIES OF THE GROUP

The details of landed properties of the Group are as follows:

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Resources Sdn. Bhd.						
H.S. (D) 13013 Lot No. P.T. 11539 Mukim of Kapar District of Klang State of Selangor 33, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Rented out	Land area: 1,540 Built-up area: 4,386	Freehold	33	134	1 March 1990
H.S. (D) 13012 Lot No. P.T. 11538 Mukim of Kapar District of Klang State of Selangor 35, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Administrative head office	Land area: 1,540 Built-up area: 4,386	Freehold	33	134	10 April 1990
H.S. (D) 13011 Lot No. P.T. 11537 Mukim of Kapar District of Klang State of Selangor 37, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Administrative head office	Land area: 1,540 Built-up area: 4,386	Freehold	33	581	21 May 2004
H.S.(D) 268621 Lot No. P.T. 27861 Mukim Bukit Raja Daerah Petaling State of Selangor 2,Jalan Setia Dagang AK, U13/AK, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan	3-storey Semi Detached Shop Office	Land area: 7,804 Built-up area: 7,350	Freehold	1	5,467	15 February 2017

PROPERTIES OF THE GROUP (continued)

The details of landed properties of the Group are as follows:

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd.						
H.S. (M) 6289, No. P.T. 4258 Mukim of Kapar District of Klang State of Selangor Lot 2, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara, 42000 Port Klang Selangor Darul Ehsan	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 73,378 Built-up area: 31,621	Leasehold interest for 99 years expiring on 9 June 2086	29	3,893	15 November 1996
H.S. (M) 6288, No. P.T. 4257 Mukim of Kapar District of Klang State of Selangor Lot 4, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara, 42000 Port Klang Selangor Darul Ehsan	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 88,146 Built-up area: 44,000	Leasehold interest for 99 years expiring on 9 June 2086	35	5,295	17 January 2007
Geran 43528/M1-A/13/547, No. Petak 547 dalam Tingkat No.13, Bangunan No. M1-A, Lot No. 14, Pekan Subang Jaya Daerah Petaling Negeri Selangor Unit No. CS-10, 10th Floor, Menara Summit Persiaran Kewajipan USJ 1, 47600 UEP Subang Jaya Selangor Darul Ehsan	Office unit/ vacant	Built-up area: 12,056	Freehold	3	3,586	20 November 2014

PROPERTIES OF THE GROUP (continued)

The details of landed properties of the Group are as follows:

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd. (continued)						
Lot No. BP-33A, held under Master Title No. Pajakan Negeri 92907, Lot No. 82246, Mukim and District of Petaling, State of Selangor No. BP-33A, Jalan BPD 1, Business Park D'Alpinia , 47100 Puchong, Selangor Darul Ehsan	4-storey shop office/ vacant	Built-up area: 11,076	Leasehold interest (Master Title)	2	6,009	26 March 2015
H.S.D 524538 P.T.D 167010, Mukim Tebrau District of Johor Bahru No 1, Jalan Perniagaan Setia ½, Taman Perniagaan Setia, 81100 Johor Bahru	2-storey Semi Detached Cluster Factory	Land area: 8,073 Built-up area: 2,436	Freehold	1	2,028	15 August 2016
PM 470 Lot 3244, Mukim Sempang District of Jasin State of Melaka No J9895, Kawasan Perindustrian Merlimau, 77300 Merlimau Melaka	Single Storey Factory with a double storey office	Land area: 82,064 Built-up area: 47,500	Leasehold interest for 99 years expiring on 8 September 2082	34	2,824	09 September 2016

PROPERTIES OF THE GROUP (continued)

The details of landed properties of the Group are as follows:

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Biotech Sdn. Bhd.						
H.S. (D) 60122, No. P.T. 60621 Mukim and District of Klang State of Selangor No. 24, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 11,016 Built-up area: 3,290	Freehold	19	809	17 November 2006
H.S. (D) 60123, No. P.T. 60622 Mukim and District of Klang State of Selangor No. 22, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 7,800 Built-up area: 3,290	Freehold	19	557	17 November 2006

PROPERTIES OF THE GROUP (continued)

The details of landed properties of the Group are as follows:

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Plant Science Centre Sdn. Bhd.						
Lot 3030, Mukim Tebrau 81100 Johor Bahru Johor Darul Takzim	Vacant Land	Land area: 8 acres Built-up area: 7.236 acres	Freehold	Nil	5,234	13 December 2013
H.S.(M) No. 175, 176, 177, 178, 179, 180, 181 and 182 Mukim of RIM District of Jasin State of Melaka Lot 1194-1201, Jalan Maahad Tahfiz, Kampung Cenderah, 77000 Jasin, Melaka	Freehold land with agricultural research centre comprising a single storey office block and laboratory/ Research and development centre of the Group	Land area: 43 acres Built-up area: 168,653	Freehold	15	1,988	7 January 2015
GM 468 Lot No.1203 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 2.0292 hectares	Freehold	Nil	1,038	22 July 2015
GM 472 Lot No.1204 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 1.6346 hectares	Freehold	Nil	835	22 July 2015

PROPERTIES OF THE GROUP (continued)

The details of landed properties of the Group are as follows:

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Millennium Station Sdn. Bhd.						
Geran 34407, Lot 1749N, Geran 34408, Lot 1750N, Geran 34409, Lot 1751N, Geran 34410, Lot 1752N, Geran 34360, Lot 1753N, Bandar Ipoh (U), Daerah Kinta Negeri Perak. No.12, Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan	3-storey shop office/ vacant	Land area: 7,005 Built-up area: 18,840	Freehold	3	4,247	24 December 2014

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 29 SEPTEMBER 2017

Issued Share Capital	: RM40,000,000 comprising 80,000,000 ordinary shares
Class of Shares	: Ordinary shares
Voting Right	: One vote for every ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 29 SEPTEMBER 2017

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 99	7	1.17	250	0.00
100 – 1,000	285	47.65	74,750	0.10
1,001 – 10,000	174	29.10	801,300	1.00
10,001 – 100,000	95	15.89	3,641,400	4.55
100,001 – 3,999,999 (*)	33	5.52	28,112,632	35.14
4,000,000 and above (**)	4	0.67	47,369,668	59.21
Grand total	**598**	**100.00**	**80,000,000**	**100.00**

* Less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2017

	Direct		Deemed	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Yu Kuan Chon	18,609,704	23.26	1,371,000##	1.71
Tong Chin Hen	150,000	0.19	33,947,064#	42.43

\# Deemed interest through Swiss Revenue Sdn. Bhd.
\#\# Deemed interest through shares held by his spouse, Chan Sow Keng.

DIRECTORS' SHAREHOLDINGS AS AT 29 SEPTEMBER 2017

	Direct		Deemed	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**
Tong Chin Hen	150,000	0.19	33,947,064#	42.43
Chan Weng Fui	1,297,000	1.62	-	-
Chen Sung Fang	-	-	-	-
Datuk Captain Hamzah Bin Mohd Noor	-	-	-	-
Chan Kim Hing	-	-	-	-

\# Deemed interest through Swiss Revenue Sdn. Bhd.

SHAREHOLDERS' INFORMATION (continued)

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 29 SEPTEMBER 2017

No.	Name of Shareholders	No. of shares held	%
1	Swiss Revenue Sdn. Bhd.	33,947,064	42.43
2	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	4,906,900	6.13
3	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	4,473,000	5.59
4	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	4,042,704	5.05
5	Siow Chin How	3,975,500	4.97
6	Tong Sew Teng	3,445,190	4.31
7	Ong Beng Chuan	2,600,000	3.25
8	Stephen Kuek Hock Eng	2,274,300	2.84
9	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	1,960,000	2.45
10	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An For UBS Switzerland AG (Client Assets)	1,580,000	1.98
11	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	1,474,000	1.84
12	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tong Seech Wi	1,292,100	1.62
13	Agrimart Sdn. Bhd.	940,000	1.18
14	Tong Seech Wi	873,200	1.09
15	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Chan Sow Keng	750,000	0.94
16	Ku Kooi Khang	630,838	0.79
17	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Sow Keng	621,000	0.78
18	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	616,900	0.77
19	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Yu Kuan Chon	600,000	0.75
20	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	510,000	0.64
21	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming	505,000	0.63
22	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Yu Kuan Chon	419,200	0.52
23	Mercsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	407,000	0.51
24	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming	371,100	0.46
25	Neo Khoon Seng	350,700	0.44
26	Stephen Kuek Hock Eng	256,604	0.32
27	Chan Mun Hon	204,200	0.26
28	Ngo Hea Sing	203,500	0.25
29	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	200,000	0.25
30	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Kok Tze	152,900	0.19
Total		**74,582,900**	**93.23**

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of IMASPRO CORPORATION BERHAD will be held at Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 22 November 2017 at 10.00 a.m. to transact the following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2017 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**

2. To approve the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2017. **(Resolution 1)**

3. To approve the payment of Directors' Fees of RM108,000 in respect of the financial year ended 30 June 2017 and Directors' Benefits of RM5,000 from 31 January 2017 to 30 June 2017. **(Resolution 2)**

4. To approve the payment of Directors' Fees and Benefits up to RM212,250 from 1 July 2017 until the next Annual General Meeting of the Company. **(Resolution 3)**

5. To re-elect the following Directors who retire pursuant to Article 75 of the Company's Constitution:-

   (i) Tong Chin Hen **(Resolution 4)**
   (ii) Chan Weng Fui **(Resolution 5)**

6. To re-appoint Messrs HLB Ler Lum as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions of the Company:-

7. **Ordinary Resolution I** **(Resolution 7)**
   Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby empowered to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted from Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."

8. **Ordinary Resolution II** **(Resolution 8)**
   Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Mandate")

   "THAT subject to the provisions of the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to allocate the maximum amount of funds not exceeding the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) for the purpose of purchasing such amount of ordinary shares in the Company ("the Shares") on the stock market of Bursa Securities at any time as may be determined by the Directors of the Company provided that the aggregate number of the Shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the Shares in the following manner:-

(i) to cancel the Shares so purchased; or
(ii) to retain the Shares so purchased as treasury shares for distribution as dividends to shareholders and/or resell the treasury shares on the stock market of Bursa Securities in accordance with the relevant rules of Bursa Securities; or
(iii) combination of (i) and (ii) above;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force;

AND THAT the Directors be and are hereby empowered to carry out the above and such authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this resolution is passed, at which time it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deem fit, expedient and necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Mandate contemplated and/or authorised by this resolution."

9. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirteenth Annual General Meeting of the Company, a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2017 will be paid to the shareholders on 16 January 2018. The entitlement date for the said dividend shall be 3 January 2018.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

A Depositor shall qualify for entitlement to the Dividend only in respect of:

a. Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 3 January 2018 in respect of ordinary transfers;

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
WONG PEIR CHYUN (MAICSA 7018710)
Secretaries

Kuala Lumpur

Date: 24 October 2017

NOTES:

1. Appointment of Proxy

(a) A member entitled to attend and vote at the meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company.

(b) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(c) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing. Where the appointer is a corporation, the instrument appointing a proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

(h) Only the members whose names appear on the Record of Depositors as at 14 November 2017 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

2. Audited Financial Statements for the financial year ended 30 June 2017

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1) of the Companies Act 2016. Hence, this Agenda is not put forward for voting.

3. Resolutions 2 and 3 – Directors' Fees and Benefits

The Directors' fees proposed for the period from 1 July 2017 up to the date of the next Annual General Meeting ("AGM") and the Directors' Benefits (including meeting allowances) proposed for the period from 31 January 2017 up to the date of the next AGM are calculated based on the current Board size and number of scheduled Board and Committee meetings for 2017 up to the next AGM. This resolution is to facilitate payment of Directors' benefits on a current financial year basis. In the event the proposed amount is insufficient, e.g. due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

4. Resolution 5 – Re-election of Director – Chan Weng Fui

The Board had carried out assessment on the contribution and performance as well as the independence of Mr Chan Weng Fui ("Mr Chan"), the Independent Director standing for re-election and satisfied that Mr Chan met the criteria of independence as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. Explanatory Notes on Special Business

(i) Resolution No. 7 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution No. 7 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to allot shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purpose as the Directors consider would be in the interest of the Company.

The authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The General Mandate is to provide flexibility to the Company to allot new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this General Mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

As at the date of this notice, the Company did not allot any shares pursuant to the mandate granted to the Directors at the Twelfth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that require fund raising activity.

(ii) Resolution No. 8 – Proposed Renewal of Share Buy-Back Mandate

The proposed Resolution No. 8, if passed will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 24 October 2017 for further information.

STATEMENT ACCOMPANYING NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Authority for Directors to Allot Shares Pursuant To Sections 75 and 76 of the Companies Act 2016

Kindly refer to item 5(i) of the Explanatory Notes on Special Business on page 109.

IMASPRO CORPORATION BERHAD
(657527-H)
(Incorporated in Malaysia)

PROXY FORM

CDS account no.	No. of shares held

I/We ______________________________ NRIC/Passport/Company No. ______________________

of ______________________________ being a member/members of IMASPRO CORPORATION BERHAD, hereby

appoint ______________________________ NRIC/Passport No. ______________________

of ______________________________ or failing him, ______________________________

NRIC/Passport No. ______________________ of ______________________________ or failing him,

the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at **Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan** on **Wednesday, 22 November 2017** at **10.00 a.m.** and at any adjournment thereof for/against* the resolution(s) to be proposed thereat.

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
	Ordinary Business			
1.	Receive the Audited Financial Statements for the financial year ended 30 June 2017 together with the Reports of the Directors and Auditors thereon.			
2.	Approval on the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2017.	1		
3.	Approval on the payment of Directors' Fees of RM108,000 in respect of the financial year ended 30 June 2017 and Directors' Benefits of RM5,000 from 31 January 2017 to 30 June 2017.	2		
4.	Approval on the payment of Directors' Fees and Benefits up to RM212,250 from 1 July 2017 until the next Annual General Meeting of the Company.	3		
5(i).	Re-election of Tong Chin Hen as Director of the Company pursuant to Article 75 of the Company's Constitution.	4		
5(ii).	Re-election of Chan Weng Fui as Director of the Company pursuant to Article 75 of the Company's Constitution.	5		
6.	Re-appointment of Messrs HLB Ler Lum as Auditors and authorise the Directors to fix their remuneration.	6		
	Special Business			
7.	Authority to the Directors to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	7		
8.	Proposed Renewal of Share Buy-Back Mandate.	8		

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this ______________ day of ______________ 2017

____
Signature / Common Seal of Shareholder(s)

* Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit).

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

NOTES:

(a) A member entitled to attend and vote at the meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company.
(b) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
(c) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing. Where the appointer is a corporation, the instrument appointing a proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
(e) Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
(f) Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
(g) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
(h) Only the members whose names appear on the Record of Depositors as at 14 November 2017 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

IMASPRO CORPORATION BERHAD (COMPANY NO. 657527-H)
(Incorporated in Malaysia)

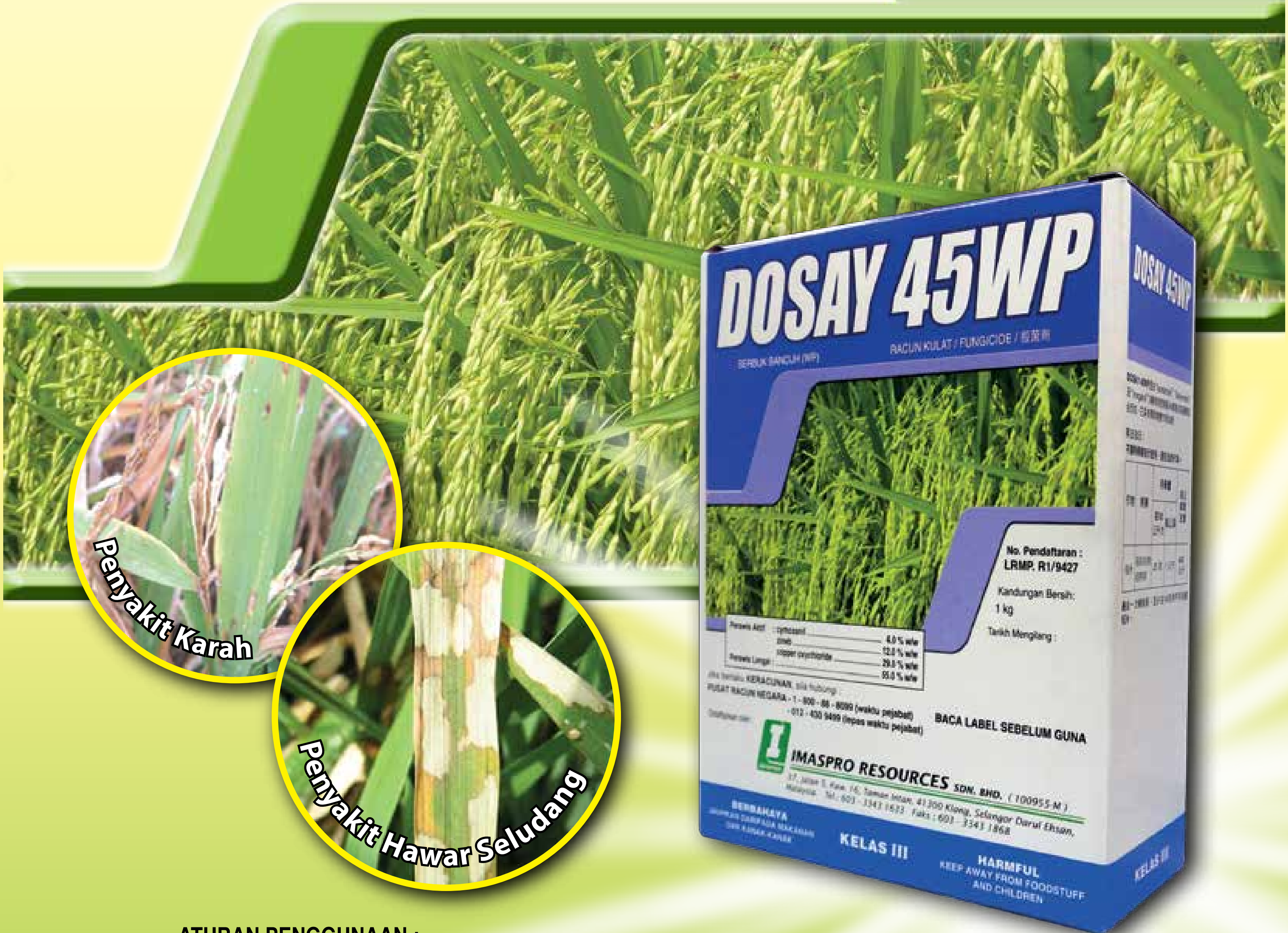
THE SHARE REGISTRAR
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. (11324-H)
UNIT 32-01, LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE
AVENUE 3, BANGSAR SOUTH
NO.8, JALAN KERINCHI
59200 KUALA LUMPUR

FIRST FOLD HERE

INI IKLAN RACUN MAKHLUK PEROSAK

DOSAY 45WP

RACUN KULAT / FUNGICIDE



ATURAN PENGGUNAAN :

TANAMAN	PENYAKIT	KADAR RACUN		ISI PADU SEMBURAN SEHEKTAR
		10 LITER AIR	SEHEKTAR	
Padi	Penyakit Hawar Seludang (*Rhizoctonia solani*) Penyakit Karah (*Pyricularia oryzae*)	25 g	1 kg	400 liter

Didaftarkan oleh :

IMASPRO RESOURCES SDN. BHD. (100955-M)
37, Jalan 5, Kaw. 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia.
Tel : 603 - 3343 1633 Faks : 603 - 3343 1868 E-Mail : imaspro@imaspro.com

BACA LABEL SEBELUM GUNA

JIRP. P/1216/600

IMASPRO CORPORATION BERHAD (657527-H)
37, Jalan 5, Kawasan 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia
Tel: +(603) 3343 1633 Fax: +(603) 3343 1868
E-mail: imaspro@imaspro.com Website: www.imaspro.com