poised for
ACCELERATED
global GROWTH

ANNUAL REPORT
2011

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

INI IKLAN RACUN MAKHLUK PEROSAK

TEMEBATE

Penyelesaian kepada Kawalan Pembiakan Nyamuk !

A solution for mosquito breeding control !

BACA LABEL SEBELUM GUNA **JIRP. P/0311/126**

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FINANCIAL STATEMENTS

CHAIRMAN'S STATEMENT

To Our Valued Shareholders

On behalf of the Board of Directors of Imaspro Corporation Berhad, I am very pleased to report the review of the last twelve months of ICB for the year ended 30 June 2011.

FINANCIAL PERFORMANCE

Despite challenging economic conditions in the financial year to 30 June 2011, our group revenue rose 12.8% to RM86.4 million while net income was RM8.1 million or 10.12 sen earnings per share. This compares to the revenue of RM76.6 million, net income of RM8.3 million and earnings per share of 10.35 sen for the year 2010.

PROPOSED DIVIDENDS

The Board of Directors has recommended the payment of a single tier dividend of 3.5 sen per share for approval at the forthcoming Annual General Meeting.

OPERATIONS REVIEW

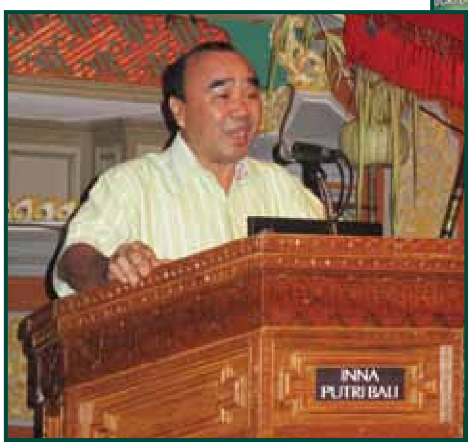
Imaspro Corporation Berhad's activities comprise the manufacturing, marketing and distribution of pesticides and related agrochemicals for the local and overseas sector.

We achieved satisfactory result for financial year June 2011 considering that this challenging period was set against a backdrop of global uncertainties where fragile and uneven economic growths in our local and overseas markets were eclipsed by civil unrests in the Middle East and North Africa, the euro currency turmoil in the periphery countries of the eurozone and the deepening debt crisis in the US.

We got off to an encouraging start in the first half of the financial year June 2011 which benefited noticeably from the improvement of the local economy. Business with major overseas customers also experienced positive effects from their improved market conditions. A movement back to more normalised raw material pricing as well as strict cost management throughout the Group also had a noticeably

'A Nite in Bali' held in conjunction with Pest Summit 2010, Bali, a bi-annual international convention and exhibition for the pest management industry, organised by Indonesian Pest Control Association (IPCA).

Members of the organising team from IMP Biotech Sdn. Bhd. and Pest Control Association of Malaysia, with MD C. H Tong (fifth from left), and Mr. Ang Tan Loong (fourth from left), President of Pest Control Association of Malaysia.



MD C.H. Tong delivering his welcome speech.

CHAIRMAN'S STATEMENT (continued)

positive effect. However, with the continuous upward volatility of crude oil prices, raw material prices began to creep upward again during the second half of our financial year putting further pressure on margins and adversely impacting our gross profit margins. Although we experienced somewhat lower profitability in the second half, our overall performance has been satisfactory as a consequence of focus on collection, inventory management and leaner supply chain management across the Group.

Capital expenditures which amounted to slightly over RM1.6 million were restricted to spending for factory extension, replacement of storage and mixing tanks and improvement to staff amenities.

We persisted in our endeavour to grow globally. In Vietnam, we launched our first public health product for termites control to meet the needs of increased urbanization in the country and the post-launch sales there have been encouraging. In Malaysia, we successfully launched glyphosate granules during the year. Being in granules form, the packaging in carton boxes leaves a lower carbon footprint as compared to the use of conventional HDPE plastic drum.

Locally, we also launched a public health product for mosquito larvae control. This product which breaks the cycle of mosquito larvae from developing into adult mosquitoes can help control the spread of Dengue and Chikungunya viruses by suppression of their vector population.

In the context of a growing global population with more mouths to feed and increased urbanization, it is inevitable that the amount of global food production must grow in tandem. Since our products are primarily used to control the damage caused by agriculture pests and thus help to increase agriculture yield, we are confident that our products should see continuity in demand going forward.

In the past, the Group's growth has largely been organic. To accelerate our growth, we entered into negotiations to acquire a company whose products are at the cutting edge of plant growth technologies. Although the negotiations fell through in the final stages, we would nevertheless continue to explore avenues for growth by acquisition. But we would never be rushed into it. Investment will only be made when investment returns can significantly enhance the value of the Group's business to our shareholders.

According to the Ministry of International Trade and Industry ("MITI") Report 2010, Malaysia's total export value is expected to reach RM700 billion this year from RM639.4 billion last year and in terms of Foreign Direct Investment ("FDI"), the figure would surpass or at least at par with last year's figure of RM29 billion. Domestic demand should continue to keep the economy rolling supported by the stepping up of a private investment growth under the Economic Transformation Program ("ETP"). On the external front, a projected slower global environment and the ongoing economic crisis in Europe pose a down side risk for the Malaysian economy.

The weights of unresolved financial and economic problems in eurozone and rising risks of US economy slipping into a double dip recession have plunged the world into another round of financial turmoil and uncertainty.

We therefore expect financial year June 2012 to be another very tough year. Given our exposure to the uncertain global environment, especially when about 50% of our sales are derived from overseas markets, we have doubly geared up to face the challenges ahead. And I remain confident that with continuous support of our customers and stakeholders, and the hard work of our employees and guidance from my board members, we will deliver a set of profitable performance to our shareholders.

Well-deserved break for work well done

Personnel from techno-commercial team enjoying their company trip in Bandung, Indonesia.

Personnel from corporate head office enjoying their company trip in Bangkok, Thailand.

CHAIRMAN'S STATEMENT (continued)

CORPORATE GOVERNANCE

The Directors are committed to maintaining high standards of Corporate Governance. The statement provided on pages 10 to 16 sets out how the Board has applied the principles of good corporate governance in its management of the business in the period ended 30 June 2011.

CORPORATE SOCIAL RESPONSIBILITY

As we focus on personnel safety, we are also making improvements in total process safety. We have an in-house committee to oversee and review the Health, Safety and Environment ("HSE") issues every 6 months to ensure the programs and practices remain relevant.

From an environmental perspective, we undertake a comprehensive review on our manufacturing processes to reduce energy and water usage, gas emissions and wastages. From a social perspective, we continue to make contributions to social and religious bodies irrespective of race, religion or culture. In addition, we have finalised a mosquito fogging program for schools in the Klang Valley as part our efforts to raise awareness among our school children on the importance of caring for the environment.

Launching of termiticide for urban pest control in Vietnam

Our invited guests and members of the organising committee for termiticide product launch in a group photograph with MD C. H Tong (sixth from right) in Phuong Nam Hotel, Ho Chi Minh City.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the management and staff for their dedication, commitment and hard work throughout the year. I am especially appreciative to our associates for their efforts and commitments to the success of our customers in a market environment that remains highly competitive. I would also like to extend my many thanks to the Board, who through their effort and guidance have enabled the Group to achieve a satisfactory year.

MOHD SHAFEK BIN ISA
CHAIRMAN

Continuing our strong support for local vegetable growers

Dickson Gan (first row, first from right), who oversees Imaspro's sales & marketing in South Johor, was one of the guests of honour at the opening of a dinner event organised by Federation of Vegetable Growers Association of Malaysia.

Brian Tee (left), a manager in our Sales & Marketing department, briefing Mr. Tan So Tiok (in floral batik), Chairman of Federation of Vegetable Growers Association of Malaysia, on our range of products for vegetable pest and disease management at a trade exhibition held in Kulai, Johor, in conjunction with the Association's 22nd anniversary. Johor is the largest vegetable farming state in Peninsular Malaysia.

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

MOHD SHAFEK BIN ISA
(Non-Executive Chairman)

TONG CHIN HEN
(Managing Director)

DR. LEONG WAN LEONG
(Independent Non-Executive Director)

TAI KEAT CHAI
(Independent Non-Executive Director)

TONG AH WAH @ TONG CHUN HWI
(Executive Director, resigned on
22 July 2011)

SECRETARIES

WONG WAI FOONG (MAICSA 7001358)

WONG PEIR CHYUN (MAICSA 7018710)

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel No.: + (603) 2264 8888
Fax No.: + (603) 2282 2733

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 Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel No.: + (603) 2264 3883
Fax No.: + (603) 2282 1886

AUDITORS

HLB Ler Lum
Chartered Accountants

AUDIT COMMITTEE

TAI KEAT CHAI (Chairman)

DR. LEONG WAN LEONG (Member)

MOHD SHAFEK BIN ISA (Member)

REMUNERATION COMMITTEE

DR. LEONG WAN LEONG (Chairman)

TAI KEAT CHAI (Member)

MOHD SHAFEK BIN ISA (Member)

NOMINATION COMMITTEE

DR. LEONG WAN LEONG (Chairman)

TAI KEAT CHAI (Member)

MOHD SHAFEK BIN ISA (Member)

GROUP PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

AmInvestment Bank 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	**MOHD SHAFEK BIN ISA**
Age	54
Nationality	Malaysian
Qualification	• Diploma in Statistics from UiTM • Postgraduate Diploma from the Securities Institute of Australia
Position on Board	Non-Executive Chairman
Date of Appointment	15 November 2005
Working Experience	He began his career as an Investment Analyst with Malaysian National Reinsurance Berhad, Kuala Lumpur and left as an Investment Manager in 1986. Thereafter, he joined KAB Group as the Corporate Planning Manager. In 1991, he returned to the investment and securities industry when he joined BBMB Securities Sdn. Bhd. as Manager of Institutional Sales. He left BBMB Securities in 1992 to join UMBC Securities Sdn. Bhd. as Manager, Dealing before assuming the position of Senior Manager, Dealing in MGI Securities Berhad in 1995. He left MGI Securities in 1998 and was based in London as Fund Manager of TRIM Capital Management Ltd. In 2000, he returned to Malaysia and was employed as Head of Islamic Products Unit, a start-up division to participate in the evolving opportunities in Islamic banking, in Melor Permata Capital Management Sdn. Bhd. He left the company in the same year to pursue his personal interest in the investment and securities industry.
Other directorships of public companies	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 ten (10) years other than traffic offences	Nil
Committee	• Member of the Audit Committee • Member of the Remuneration Committee • Member of the Nomination Committee

PROFILE OF DIRECTORS (continued)

Name	**TONG CHIN HEN**
Age	55
Nationality	Malaysian
Qualification	• Member of the Institute of Directors, United Kingdom
Position on Board	Managing Director
Date of Appointment	15 November 2005
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 eighteen (18) 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	Nil
Family relationship with any director and/or major shareholders of the Company	The younger brother of Mr. Tong Ah Wah @ Tong Chun Hwi, an executive Director of the Company (resigned on 22 July 2011).
Conflict of interest with the Company	Nil
List of convictions for offences within the past ten (10) years other than traffic offences	Nil
Committee	Nil

PROFILE OF DIRECTORS (continued)

Name	**DR. LEONG WAN LEONG**
Age	61
Nationality	Malaysian
Qualification	• Bachelor of Science Degree in Chemical Engineering, National Cheng Kung University, Taiwan • Master of Science Degree in Process Analysis and Development, University of Aston Birmingham, United Kingdom • Ph.D, University of Malaya
Position on Board	Independent Non-Executive Director
Date of Appointment	15 November 2005
Working Experience	He joined the University of Malaya in 1977 where he lectured, tutored and conducted research. Between mid 1980s until 1996, he held various positions at the Palm Oil Research Institute of Malaysia ("PORIM"), currently known as Malaysia Palm Oil Board. He is a trained assessor for the implementation and auditing of ISO 9000 Quality System for the palm oil industry and also the main assessing officer for PORIM's Certificate of Competency Schemes for palm oil refineries and palm oil mills. In addition, he is also responsible for organising the Diploma and other certified training programs for palm oil mill engineers, production supervisors and laboratory conductors.
Other directorships of public companies	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 ten (10) years other than traffic offences	Nil
Committee	• Chairman of the Remuneration Committee • Chairman of the Nomination Committee • Member of the Audit Committee

PROFILE OF DIRECTORS (continued)

Name	**TAI KEAT CHAI**
Age	57
Nationality	Malaysian
Qualification	• Fellow of the Institute of Chartered Accountants in England & Wales • Member of the Malaysian Institute of Accountants
Position on Board	Independent Non-Executive Director
Date of Appointment	15 November 2005
Working Experience	He began his career with KPMG London as an Audit Senior in 1977 and a year later joined PricewaterhouseCoopers in Kuala Lumpur, as a Qualified Assistant. In 1981, he joined Alliance Merchant Bank Berhad as an Assistant Manager and subsequently promoted to Senior Manager (Corporate Finance). In 1988, he returned to PricewaterhouseCoopers Consulting Sdn. Bhd. as Manager for about a year before joining Berjaya Group Berhad as a General Manager (Investment). Subsequently, in 1990, he ventured into the stockbroking industry and has worked in SJ Securities Sdn. Bhd., A.A. Anthony Securities Sdn. Bhd. and ECM Libra Investment Bank Berhad as General Manager, Director and a dealer's representative respectively.
Other directorships of public companies	• Chuan Huat Resources Berhad • Disccomp Berhad • CUSCAPI Berhad • Opensys (M) Berhad • MIDF Amanah Investment Bank Berhad • Silk Holdings Berhad
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 ten (10) years other than traffic offences	Nil
Committee	• Chairman of the Audit Committee • Member of the Remuneration Committee • Member of the Nomination Committee

CORPORATE GOVERNANCE STATEMENTS

The Board of Directors of Imaspro Corporation Berhad ("the Board") is committed to ensuring that the highest standards of Corporate Governance are maintained within the Group as expressed in the Principles and Best Practices set out in the Malaysian Code on Corporate Governance ("the Code"). 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 managing 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 in the Group and the extent to which the Group has complied with the Best Practices recommended by the Code during the financial year ended 30 June 2011.

BOARD OF DIRECTORS

Board Composition and Balance

The Board currently has four (4) members, comprising one (1) Executive Director and three (3) Non-Executive Directors. Of the three (3) Non-Executive Directors, two (2) are independent and hence fulfill the prescribed requirements for one-third (1/3) of the membership of the Board to be independent members.

The Board is a well-balanced Board 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 by the Group.

The Executive Director who has good knowledge of the business is responsible for implementing the corporate strategies and policies as well as charged with the management of the day-to-day operations of the business.

The Independent Directors play a pivotal role in corporate accountability. None of the Non-Executive Directors participate in the day-to-day management of the Group. The presence of the Independent Non-Executive Directors is 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.

The division of responsibilities between the Chairman and Managing Director is clearly defined to ensure that there is a balance of power and authority. The Chairman's main responsibility is to ensure effective conduct of the Board and that all the Directors, Executive and Non-Executive have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages participation and deliberation by Board members to tap the wisdom of all the Board and promoting consensus building as much as possible. 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.

Board Responsibilities

The Board is primarily responsible for the Group's overall Corporate Governance, strategic plans, business performance, succession planning, risk management, as well as reviewing the adequacy and integrity of its internal control and management information systems.

The Board meets regularly to review the Group's corporate strategies, business operations and financial performance. Matters significant to the Group's business and finances including approval of the quarterly results and annual report, annual budget, major capital expenditure, major acquisition and disposal of assets are also discussed at these meetings.

CORPORATE GOVERNANCE STATEMENTS (continued)

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 will deliberate on and consider matters relating to the Group's financial performance, significant investments, corporate development, strategic issues and business plan. The Company Secretary is responsible for ensuring that Board's policies and procedures are complied with and all proceedings of the Board and Board Committees are recorded and draft minutes are circulated to the Directors for confirmation prior to being approved.

During the financial year, there were five (5) Board meetings. Details of the attendance of the Directors at the Board meetings held in the financial year ended 30 June 2011 are as follows:

Name of Director	No. of meetings attended
Mohd Shafek Bin Isa	5/5
Tong Chin Hen	5/5
Dr. Leong Wan Leong	5/5
Tai Keat Chai	5/5
Tong Ah Wah @ Tong Chun Hwi (resigned on 22 July 2011)	3/5

Directors' commitment, resources and time allocated to the Company are evident from the attendance record, where most Directors attended the Board meetings held during the financial year ended 30 June 2011. Hence, they comply with Paragraph 15.05 of the Listing Requirements for the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

All the Directors are provided with an agenda and a compilation of 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 issued with sufficient time to enable the Directors to obtain a comprehensive understanding of the issues to be deliberated upon to enable them to arrive at 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 the matters being tabled.

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 Group's Company Secretary. The Directors are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements and their impact and the implication on the Company and Directors in carrying out their fiduciary duties and responsibilities. In addition, the Board may also seek professional opinion and independent advice from external consultants in the course of fulfilling their responsibilities, if necessary, at the Company's expense.

Appointment and Re-election of Board Members

The Board appoints its members through a formal process that is consistent with the Company's Articles of Association. 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 committees of the Board.

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

The Articles of Association also require that all Directors including Managing Director, shall retire from office once at least 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.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over seventy (70) years of age are required to submit themselves for re-appointment annually. None of the Directors of the Company has attained the age of seventy (70) years for the financial year under review.

CORPORATE GOVERNANCE STATEMENTS (continued)

Directors' Training

Apart from attending the Mandatory Accreditation Programme ("MAP") conducted by the Bursatra Sdn. Bhd., an affiliate company of Bursa Securities, all Directors are encouraged to attend training programmes and seminars to further enhance their skills and keep abreast with the latest developments in the market place as well as the new statutory and regulatory requirements.

During the financial year under review, none of the Directors have attended any formal seminars/training programmes due to their tight business schedules except for Mohd Shafek Bin Isa (Non-Executive Chairman) who has attended the following seminars:

i) Bursa Malaysia's Powering Business Sustainability-a Guide for Directors.

ii) StarBiz-ICR Malaysia CR Exchange-a forum on CR in the Workplace: Issues & Best Practices.

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

Directors' Remuneration

The remuneration of the Executive Directors consists of basic salary and other emoluments. Other benefits customary to the Group are made available as appropriate. 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 Directors' fees are approved annually by the shareholders at the AGM.

Details of remuneration of Directors who served during the financial year ended 30 June 2011 are as follows:

Aggregate Remuneration by Category	Executive Directors RM	Non-Executive Directors RM
Salaries and bonuses	840,000	-
Fees	144,000	87,000
Pension costs – defined contribution plan	147,900	-
Benefits in-kind	23,950	-
Total	1,155,850	87,000

For the financial year ended 30 June 2011, 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	-	3
RM200,001 to RM300,000	1	-
RM1,000,001 to RM1,100,000	1	-

CORPORATE GOVERNANCE STATEMENTS (continued)

Board Committees

The Board delegates certain responsibilities to the respective Committees of the Board 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 highlighted to the Board for approval.

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

(a) Audit Committee

The composition, terms of reference, attendance for the meetings and summary of activities of the Audit Committee are set out in the Audit Committee Report on pages 17 to 23 of this Annual Report.

(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 Nomination Committee comprises three (3) members, all of whom are Non-Executive Directors. Of the three (3) Non-Executive Directors, two (2) are independent:

i) Dr. Leong Wan Leong (Independent Non-Executive Director) - Chairman
ii) Tai Keat Chai (Independent Non-Executive Director)
iii) Mohd Shafek Bin Isa (Non-Executive Chairman)

During the financial year ended 30 June 2011, the Committee met once and the meeting was attended by all its members.

The terms of reference of the Nomination Committee are as follows:

- 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;
- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors, on an annual basis;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director;
- to ensure that there is an orientation and education programme for newly appointed Directors with respect to the business and management of the Group;
- to consider and recommend training or skills upgrade for Directors in furtherance of their duties as appropriate;
- 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; and

CORPORATE GOVERNANCE STATEMENTS (continued)

- to ensure the composition of the Board is in accordance with the Memorandum and Articles of Association and the requirements for Best Practice of Corporate Governance.

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 whereupon 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 comprises three (3) members, all of whom are Non-Executive Directors. Of the three (3) Non-Executive Directors, two (2) are independent:

i) Dr. Leong Wan Leong (Independent Non-Executive Director) - Chairman
ii) Tai Keat Chai (Independent Non-Executive Director)
iii) Mohd Shafek Bin Isa (Non-Executive Chairman)

Meetings of the Remuneration Committee are held as and when required, and at least once a year. During the financial year ended 30 June 2011, the Committee met twice and the meetings were attended by all its members.

The terms of reference of the Remuneration Committee are as follows:

- to establish and review the terms and conditions of employment and remuneration of Executive Directors 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 shareholder value and is consistent with the Group's culture and strategy;

- to review annually the performance of the Executive Directors 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 Directors 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.

INVESTORS RELATIONS AND SHAREHOLDERS 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 the Bursa Securities.

CORPORATE GOVERNANCE STATEMENTS (continued)

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 sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association. A presentation is given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during the AGM. 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 Articles to attend and vote on their behalf. The Board and Senior Management are present to provide clarification on the shareholders' queries. The external auditors will also present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.

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.

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 and regulatory standards 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 26 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 Internal Control, which provides an overview of the state of the internal control within the Group, is set out on pages 24 to 25 of this Annual Report.

CORPORATE GOVERNANCE STATEMENTS (continued)

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 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 the Management at least twice a year.

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 17 to 23 of this Annual Report.

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 2011.

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

AUDIT COMMITTEE REPORT

The Board of Directors of Imaspro Corporation Berhad ("ICB") is pleased to present the Audit Committee Report for the financial year ended 30 June 2011.

MEMBERSHIP AND MEETINGS

The Audit Committee presently comprises three (3) members of the Board, of which two (2) are Independent Non-Executive Directors and one (1) is the Non-Executive Chairman. During the financial year under review, the Audit Committee held four (4) meetings.

In addition to the above meetings, the Audit Committee also met with the external auditors in separate private sessions twice during the financial year without the presence of management.

The members of the Committee and the attendance at the meetings during the financial year ended 30 June 2011 are stated below:

Name of Director	Designation	No. of Meetings Attended
Tai Keat Chai	Chairman, Independent Non-Executive Director	4/4
Dr. Leong Wan Leong	Independent Non-Executive Director	4/4
Mohd Shafek Bin Isa	Non-Executive Chairman	4/4

TERMS OF REFERENCE

1. COMPOSITION OF THE COMMITTEE

1.1 The members of the Audit Committee shall be appointed by the Board of Directors and shall consist of not less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors in accordance with the definition in the Listing Requirements for the Main Market of Bursa Securities.

1.2 Where the members for any reason are reduced to less than three (3), that Board shall within one (1) month of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

1.3 At least one (1) member of the Committee must meet the criteria set by the Listing Requirements for the Main Market of Bursa Securities, i.e.:

1.3.1 must be a member of the Malaysian Institute of Accountants; or

1.3.2 if he/she is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience, and:

i. he/she must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or

ii. he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

iii. fulfils such other requirements as prescribed or approved by the Exchange.

AUDIT COMMITTEE REPORT (continued)

1. COMPOSITION OF THE COMMITTEE (continued)

1.4 The Board shall elect a Chairman from the Committee who shall be an Independent Director as set out in the Listing Requirements for the Main Market of Bursa Securities.

1.5 All members shall hold office only for as long as they serve as Directors of ICB.

1.6 No alternate Directors shall be appointed to the Audit Committee.

2. CHAIRMAN OF THE COMMITTEE

2.1 The following are the main duties and responsibilities of the Chairman of the Committee:

2.1.1 to steer the Committee to achieve its objectives;

2.1.2 to provide leadership to the Committee and ensure proper flow of information to the Committee, review adequacy and timing of documentation;

2.1.3 to provide a reasonable time for discussion at the Committee meetings. Organise and present the agenda for Committee meetings based on input from members and ensure that all relevant issues are on the agenda. In addition, the Chairman should encourage a healthy level of skepticism and independence;

2.1.4 to ensure that consensus is reached on every Committee resolution and where considered necessary, call for a vote and the decision will be made by simple majority. Dissenting opinions should be captured;

2.1.5 to manage the process and working of the Committee and ensure that the Committee discharges its responsibilities;

2.1.6 to ensure that all members participate in the discussion to enable effective decisions to be made; and

2.1.7 the Chairman of the Audit Committee shall be available to answer questions about the Committee' work at the Annual General Meeting of the Company.

3. COMMITTEE MEMBERS

3.1 Each Committee Member is expected to:

3.1.1 provide independent opinions to the fact-finding, analysis and decision making process of the Committee, based on their experience and knowledge;

3.1.2 consider viewpoints of the other committee members; and make decisions and recommendations for the best interest of the Group;

3.1.3 keep abreast of the latest corporate governance guidelines in relation to the Committee and the Board as a whole; and

3.1.4 continuously seek out best practices in terms of the processes utilised by the Committee, following which these should be discussed with the rest of the Committee for possible adoption.

AUDIT COMMITTEE REPORT (continued)

4. OBJECTIVE OF THE COMMITTEE

The objectives of the Committee are:

4.1 to ensure transparency, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders;

4.2 to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;

4.3 to improve the Group's business efficiency, the quality of the accounting and audit function and strengthening public confidence in the Group's reported financial results;

4.4 to maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external and internal auditors;

4.5 to ensure the independence of the external and internal audit functions; and

4.6 to create a climate of discipline and control which will reduce the opportunity for fraud.

5. AUTHORITY OF THE COMMITTEE

The Committee is authorised by the Board in accordance with the procedures to be determined by the Board and at the cost of the Company to:

5.1 investigate any activity within its Terms of Reference; or as directed by the Board of Directors;

5.2 determine and obtain the resources required to perform its duties, including approving the budget for the external and internal audit functions;

5.3 have full and unrestricted access to any information pertaining to the Company or the Group;

5.4 have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

5.5 direct the internal audit function in the group;

5.6 approve the appointment of the Head of Internal Audit;

5.7 engage independent advisers and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;

5.8 to review the adequacy of the structure and Terms of Reference of the Board Committees, including the Audit Committee; and

5.9 to be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

6. FUNCTIONS OF THE COMMITTEE

The functions and responsibilities are as follows:

6.1 Corporate Financial Reporting

6.1.1 To review and recommend acceptance or otherwise of accounting policies, principles and practices.

AUDIT COMMITTEE REPORT (continued)

6. FUNCTIONS OF THE COMMITTEE (continued)

6.1 Corporate Financial Reporting (continued)

6.1.2 To review the quarterly results and annual financial statements of the Company and Group before submission to the Board. The review should focus primarily on:

i. any changes in existing or implementation of new accounting policies;

ii. major judgement areas, significant and unusual events;

iii. significant adjustments resulting from audit;

iv. the going concern assumptions;

v. compliance with accounting standards; and

vi. compliance with the Listing Requirements for the Main Market of Bursa Securities and other legal and statutory requirements.

6.1.3 To review with management and the external auditors the results of the audit, including any difficulties encountered.

6.2 Enterprise-wide Risk Management

6.2.1 To review the adequacy of and to provide independent assurance to the Board of the effectiveness of risk management functions in the Group.

6.2.2 To ensure that the principles and requirements of managing risk are consistently adopted throughout the Group.

6.2.3 To deliberate on the key risk issues highlighted by Group Risk Management Committee in their reports to Audit Committee.

6.3 Internal Control

6.3.1 To assess the quality and effectiveness of the systems of internal control and the efficiency of the Group's operations.

6.3.2 To review the findings on internal control in the Group by internal and external auditors.

6.3.3 To review and approve the Statement on Internal Control for the Annual Report as required under the Listing Requirements for the Main Market of Bursa Securities.

6.4 Internal Audit

6.4.1 To approve the Corporate Audit Charters of internal audit functions in the Group.

6.4.2 To ensure that the internal audit functions have appropriate standing in the Group and have the necessary authority and resources to carry out their work. This includes a review of the organisational structure, resources, budgets and qualifications of the internal audit personnel.

6.4.3 To review internal audit reports and management's response and action taken in respect of these. Where actions are not taken within an adequate timeframe by management, the Audit Committee will report the matter to the Board.

6.4.4 To review the adequacy of internal audit plans and the scope of audits, functions, competency and resources of the internal audit functions and that they are carried out without any hindrance.

AUDIT COMMITTEE REPORT (continued)

6. FUNCTIONS OF THE COMMITTEE (continued)

6.4 Internal Audit (continued)

6.4.5 To be informed of resignations and transfers of senior internal audit staff and provide resigning/transferred staff an opportunity in express their views.

6.4.6 To direct any special investigation to be carried out by internal audit.

6.4.7 The Company must establish an internal audit function which is independent of the activities it audits.

6.4.8 The Company must ensure its internal audit function reports directly to the Audit Committee.

6.5 External Audit

6.5.1 To nominate the external auditors together with such other functions as may be agreed to by the Board and recommend for approval of the Board the external audit fee, and consider any questions of resignation or termination.

6.5.2 To review external audit reports and management's response and actions taken in respect of these. Where actions are not taken within an adequate timeframe by management, the Audit Committee will report the matter to the Board.

6.5.3 To review external audit plans and scope of work.

6.6 Corporate Governance

6.6.1 To review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action) of any instances of non-compliance.

6.6.2 To review the findings of any examinations by regulatory authorities.

6.6.3 To review any related party transaction and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that raises questions of integrity.

6.6.4 To review and approve the Statement of Corporate Governance for the Annual Reports as required under Listing Requirements for the Main Market of Bursa Securities.

6.6.5 To review the investor relations programme and shareholder communications policy for the Company.

6.6.6 To examine instances and matters that may have compromised the principles of Corporate Governance and report back to the Board.

6.6.7 To develop and regularly review ICB's Code of Corporate Governance and Business Ethics.

6.6.8 Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of Listing Requirements for the Main Market of Bursa Securities, the Audit Committee must promptly report such matters to Bursa Malaysia.

7. COMMITTEE MEETINGS

7.1 The Committee shall convene meetings as and when required, and at least four (4) times during the financial year.

7.2 The number of Committee meetings held a year and the details of attendance of each individual member in respect of meetings held should be disclosed in the Annual Report.

AUDIT COMMITTEE REPORT (continued)

7. COMMITTEE MEETINGS (continued)

7.3 The Chairman of the Committee, or the Secretary on the requisition of any members, the Head of Internal Audit or the external auditors, shall at any time summon a meeting of the Committee by giving reasonable notice. It shall not be necessary to give notice of a Committee meeting to any member for the time being absent from Malaysia.

7.4 No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum for each meeting shall be two (2) members present in person.

7.5 The Chairman of the Committee shall chair the Committee meetings and in his absence, the members present shall elect one amongst themselves to be the Chairman of the meeting.

7.6 In appropriate circumstances, the Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting.

7.7 The Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit shall normally attend meetings but may be asked to leave a meeting as and when deemed necessary by the Committee.

Non–member Directors shall not attend unless specifically invited to by the Committee.

7.8 All recommendations of the Committee shall be submitted to the Board for approval.

7.9 A Committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which give rise to an actual or perceived conflict of interest situation for the member. Where this causes insufficient Directors to make up a quorum, the Committee has the right to make up a quorum, the Committee has the right to appoint another Director(s), which meets the membership criteria.

7.10 The Committee, through its Chairman, shall report to the Board after each meeting.

7.11 Subject to the provisions of this Terms of Reference and Memorandum and Articles of Association of ICB, the Committee shall establish its own procedures for meetings.

8. SECRETARY OF THE COMMITTEE

8.1 The Secretary of the Committee shall be the Company Secretary.

8.2 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Committee. The Agenda shall be sent to all members of the Committee and the Head of Internal Audit at least three (3) working days before each meeting together with the relevant papers.

8.3 The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to Committee members and to the other members of the Board of Directors.

8.4 The minutes of each meeting shall be entered into the minute book kept at the registered office of the Company under the custody of the Company Secretary. The minutes shall be available for inspection by the members of the Board, external auditors, internal auditors, and other persons deemed appropriate by the Company Secretary.

9. DISCLOSURE

9.1 The Committee shall assist the Board in making disclosures concerning the activities of the Committee and the activities of the internal audit function or activity, in the Report of the Audit Committee, to be issued in the Annual Report.

AUDIT COMMITTEE REPORT (continued)

9. DISCLOSURE (continued)

9.2 The Board requires all Directors to submit a Disclosure of Interest to avoid any conflict between their personal interests and the interests of the Company. In the event of a conflict, either perceived or actual, this Disclosure of Interest shall be submitted to the Chairman of the Committee with a copy to the Company Secretary.

10. REVISION OF THE TERMS OF REFERENCE

10.1 Any revision or amendment to the Terms of Reference, as proposed by the Committee or any third party, shall be presented to the Board for its approval.

10.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its Terms of Reference during the financial year.

The main activities undertaken by the Audit Committee included the following:

a) reviewed the interim financial reports relating to the quarterly reporting of the Group to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval for the release of the said quarterly reporting;

b) reviewed the audited financial statements before submitting them to the Board, ensuring that the financial statements were prepared in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 1965. Any significant issues resulting from the audit of the financial statements by the external auditors were deliberated;

c) evaluated the performance of the external auditors, reviewed the external auditors' scope of work, audit plan and their audit fees and recommending the appointment of external auditors at the Annual General Meeting;

d) reviewed with the external auditors the results of the audit, the audit report and the management letter (if any), including management's response;

e) reviewed the independence and objectivity of the external auditors and the services provided;

f) discussed the internal audit plan, programmes and resources requirement and skill levels of the internal auditors for the year and assessed the performance of the internal audit function;

g) reviewed the internal auditor's report, which highlighted the audit issues, recommendations and management's response. Discussed with management, actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports;

h) 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 for the purpose of preparing the Corporate Governance Statements and Statement on Internal Control pursuant to the Listing Requirements for the Main Market of Bursa Securities; and

i) reviewed and discussed Related Party Transaction ("RPT") and Recurrent Related Party Transactions ("RRPT") to ascertain if the transactions are conducted at arm's length and on normal commercial terms, and that the internal control procedures with regards to such transactions are sufficient.

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

STATEMENT ON INTERNAL CONTROL

Introduction

The Board of Directors is pleased to present the Statement on Internal Control which outlines the nature and scope of internal control of the Group for the financial year ended 30 June 2011.

Board Responsibility

The Board of Directors acknowledges its responsibility to maintain a sound system of internal control and risk management practices within the Group in accordance with the Malaysian Code on Corporate Governance. The Board's responsibility includes the establishment of appropriate control and framework as well as reviewing the adequacy and integrity of the system in managing the Group's business risks. A sound system of internal control is important to safeguard the shareholders' investment and the Group's assets. The system of internal control, due to its inherent limitations, is designed to manage and control risk rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement or loss or the occurrence of unforeseeable circumstances.

Risk Management

Risk management is an integral part of the Group business operations and it is subject to periodic review by the Board of Directors. The Group adopted a structured risk management framework with discussions involving different levels of management to identify and address risks faced by the Group. Based on the assessment of the internal control systems of the Group, the Board of Directors is of the view that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives in their daily activities throughout the financial year up to the date of approval of the Annual Report.

Key Elements of Internal Control

Key features of the process established within the Group which can contribute to a sound system of internal control 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 responsibility for identifying risks affecting their unit and the overall Group's business as a whole. They are also charged with instituting adequate procedures and internal controls to mitigate and monitor such risks on an on-going basis;

- operating policies and procedures that serve as general management guide for daily operation. These policies and procedures are reviewed on a regular 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;

- there has been active participation by the Executive Directors in the day-to-day running of business operations, and regular dialogue with Senior Management of the respective operating units. Management meetings attended by the Managing Director, Executive Director and respective Head of the operating units are held to identify, discuss and report on operational performance, business strategy, financial and key management issue of each operating units;

- adequate insurance provision 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; and

- training and development programmes 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.

STATEMENT ON INTERNAL CONTROL (continued)

The Board confirms that the Group's system of internal control was generally satisfactory throughout the financial year and up to the date of approval of the Annual Report. There were no major internal control weaknesses that require disclosure in the Annual Report and corrective actions have been taken on control exceptions identified. The Board continues to take measures to strengthen the control environment.

Internal Audit Function

In accordance with the Malaysian Code on Corporate Governance, the Board has established an internal audit function to review the adequacy and integrity of its system of internal control. The internal audit function of the Group is outsourced to an independent business consulting firm. The responsibilities of the internal auditors include conducting audits, submitting findings and the provision of independent report to the Audit Committee on the Group's systems of internal control.

Internal audit plans are reviewed and approved by the Audit Committee and the plans include independent appraisal on the compliance, adequacy and effectiveness of the Group's internal control system. The findings of the internal audit function, including its recommendations and management's responses, were reported to the Audit Committee.

In addition, the internal auditors followed up on the implementation of recommendations from previous cycles of internal audit and updated the Audit Committee on the status of management agreed action plan. For the financial year ended 30 June 2011, the total costs incurred for the outsourced internal audit function is RM19,000 inclusive of reimbursable expenses and service tax.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on 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.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act, 1965 ("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 of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of 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 Listing Requirements for the Main Market of Bursa Securities. 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 2011, the Directors have:

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

b) made judegement 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

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 7 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 after tax	8,097,474	2,959,278
Profit attributable to:		
Owners of the parent	8,097,474	2,959,278
Non controlling interests	-	-
	8,097,474	2,959,278

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 2010 was as follows:

In respect of the financial year ended 30 June 2010:

	RM
A first and final single tier dividend of 3.5 sen per share paid on 25 January 2011	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 2011 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 unappropriated profit in the financial year ending 30 June 2012.

DIRECTORS' REPORT (continued)

DIRECTORS

The names of the Directors of the Company in office since the date of last report and at the date of this report are:

Mohd Shafek Bin Isa
Tong Chin Hen
Dr. Leong Wan Leong
Tai Keat Chai
Tong Ah Wah @ Tong Chun Hwi (resigned on 22.7.2011)

In accordance with Article 75 of the Company's Articles of Association, Mohd Shafek Bin Isa shall retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

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 emoluments 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

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 of RM0.50 each in the Company			
	At 1.7.2010	Acquired	Disposed	At 30.6.2011
Shareholdings in the name of the Director:				
Mohd Shafek Bin Isa	150,000	-	-	150,000
Tong Chin Hen	150,000	-	-	150,000
Dr. Leong Wan Leong	50,000	-	-	50,000
Tai Keat Chai	50,000	-	-	50,000
Tong Ah Wah @ Tong Chun Hwi	2,671,498	-	2,571,498	100,000
Shareholdings in which the Director is deemed to have an interest:				
Mohd Shafek Bin Isa	19,118,704	-	-	19,118,704 *
Tong Chin Hen	33,947,064	-	-	33,947,064 **

Notes:
* Deemed interest by virtue of interest in Sunbina Dunia Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965
** Deemed interest by virtue of interest in Swiss Revenue Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965

DIRECTORS' REPORT (continued)

ISSUE OF SHARES

There were no changes in the issued and paid-up share capital of the Company during the financial year ended 30 June 2011.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, 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 doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; 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 had been written down to an amount which they 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 allowance for doubtful debts 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, except for as disclosed in the notes to the financial statements.

(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, HLB Ler Lum, have expressed their willingness to continue in office.

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

TONG CHIN HEN Director	**MOHD SHAFEK BIN ISA** Director

Kuala Lumpur

Date : 25 August 2011

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

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 Financial Reporting Standards and the Companies Act, 1965 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 2011 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the supplementary information set out on page 72 have been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures 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
Director

MOHD SHAFEK BIN ISA
Director

Kuala Lumpur

Date : 25 August 2011

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

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)

in the Federal Territory this)

day of 25 August 2011)

Before me

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of IMASPRO CORPORATION BERHAD, which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 71.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 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 2011 and of its financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company has been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 72 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 174 of the Companies Act, 1965 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

LUM TUCK CHEONG
1005/3/13(J/PH)
Chartered Accountant

Date : 25 August 2011

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011

		Group		Company	
			Restated		
		2011	2010	2011	2010
ASSETS	**Note**	**RM**	**RM**	**RM**	**RM**
Non – current assets					
Property, plant and equipment	4	20,093,113	20,263,033	-	-
Investment properties	5	149,860	152,451	-	-
Investment in subsidiary companies	7	-	-	31,467,619	31,467,619
		20,242,973	20,415,484	31,467,619	31,467,619
Current assets					
Inventories	8	17,433,089	16,168,655	-	-
Trade and other receivables	9	32,874,968	29,465,945	6,510,500	7,800,000
Cash and bank balances	10	30,267,124	32,562,047	8,470,825	7,041,663
Tax recoverable		898,882	338,006	257,037	232,621
		81,474,063	78,534,653	15,238,362	15,074,284
TOTAL ASSETS		101,717,036	98,950,137	46,705,981	46,541,903
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent:					
Share capital	11	40,000,000	40,000,000	40,000,000	40,000,000
Share premium		2,857,032	2,857,032	2,857,032	2,857,032
Foreign currency translation reserve	12	(960,700)	(453,229)	-	-
Unappropriated profits	13	54,069,801	48,772,327	3,822,949	3,663,671
Total equity		95,966,133	91,176,130	46,679,981	46,520,703
Non – current liability					
Deferred tax liabilities	14	985,254	1,006,000	-	-
Current liabilities					
Bills payable	15	-	158,588	-	-
Trade and other payables	16	4,745,649	6,297,850	26,000	21,200
Tax payable		20,000	311,569	-	-
		4,765,649	6,768,007	26,000	21,200
Total liabilities		5,750,903	7,774,007	26,000	21,200
TOTAL EQUITY AND LIABILITIES		101,717,036	98,950,137	46,705,981	46,541,903

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Continuing Operations					
Revenue	17	86,402,809	76,566,557	4,050,000	4,050,000
Cost of sales		(69,618,674)	(59,882,607)	-	-
Gross profit		16,784,135	16,683,950	4,050,000	4,050,000
Other operating income	18	1,493,049	1,429,021	143,101	76,504
Distribution cost		(67,846)	(52,521)	-	-
Administration expenses		(6,233,891)	(5,891,756)	(245,739)	(268,647)
Other operating expenses		(1,773,903)	(1,810,967)	-	-
Operating profit		10,201,544	10,357,727	3,947,362	3,857,857
Finance cost	19	(35,493)	(48,099)	-	-
Profit before tax	20	10,166,051	10,309,628	3,947,362	3,857,857
Income tax expense	23	(2,068,577)	(2,031,887)	(988,084)	(969,572)
Profit after tax		8,097,474	8,277,741	2,959,278	2,888,285
Other comprehensive income:					
Foreign currency translation		(507,471)	(436,860)	-	-
Total comprehensive income for the year		7,590,003	7,840,881	2,959,278	2,888,285
Profit attributable to:					
Owners of the parent		8,097,474	8,277,741	2,959,278	2,888,285
Non controlling interests		-	-	-	-
		8,097,474	8,277,741	2,959,278	2,888,285
Total comprehensive income attributable to:					
Owners of the parent		7,590,003	7,840,881	2,959,278	2,888,285
Non controlling interests		-	-	-	-
		7,590,003	7,840,881	2,959,278	2,888,285
Earnings per share attributable to owners of the parent:					
Basic (sen)	24	10.12	10.35		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

Group	Note	Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Unappropriated Profits RM	Total Equity RM
		<------------------- Attributable to owners of the parent			------------------->	
			Non - Distributable		Distributable	
At 1 July 2009		40,000,000	2,857,032	(16,369)	43,294,586	86,135,249
Total comprehensive income		-	-	(436,860)	8,277,741	7,840,881
Transaction with owners						
Dividends	25	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2010		40,000,000	2,857,032	(453,229)	48,772,327	91,176,130
At 1 July 2010		40,000,000	2,857,032	(453,229)	48,772,327	91,176,130
Total comprehensive income		-	-	(507,471)	8,097,474	7,590,003
Transaction with owners						
Dividends	25	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2011		40,000,000	2,857,032	(960,700)	54,069,801	95,966,133

Company	Note	Share Capital RM	Share Premium RM	Unappropriated Profits RM	Total Equity RM
		<------------------- Attributable to owners of the parent		------------------->	
		Non - Distributable		Distributable	
At 1 July 2009		40,000,000	2,857,032	3,575,386	46,432,418
Total comprehensive income		-	-	2,888,285	2,888,285
Transaction with owners					
Dividends	25	-	-	(2,800,000)	(2,800,000)
At 30 June 2010		40,000,000	2,857,032	3,663,671	46,520,703
At 1 July 2010		40,000,000	2,857,032	3,663,671	46,520,703
Total comprehensive income		-	-	2,959,278	2,959,278
Transaction with owners					
Dividends	25	-	-	(2,800,000)	(2,800,000)
At 30 June 2011		40,000,000	2,857,032	3,822,949	46,679,981

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	10,166,051	10,309,628	3,947,362	3,857,857
Adjustments for:				
Gain on disposal of property, plant and equipment	(12,851)	(15,981)	-	-
Interest expenses	35,493	48,099	-	-
Interest income	(662,990)	(478,119)	(143,101)	(76,504)
Loss on foreign exchange - unrealised	573,665	421,849	-	-
Impairment loss on trade receivables	551,930	415,920	-	-
Reversal of allowance for impairment of trade receivables	(418,760)	(593,927)	-	-
Depreciation for property, plant and equipment	1,758,706	1,623,172	-	-
Depreciation for investment properties	2,591	2,591	-	-
Property, plant and equipment written off	5,230	2,659	-	-
Dividend income	-	-	(4,050,000)	(4,050,000)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	11,999,065	11,735,891	(245,739)	(268,647)
Increase in inventories	(1,264,434)	(1,950,130)	-	-
(Increase)/decrease in receivables	(3,766,219)	5,795,226	(10,500)	3,750
(Decrease)/increase in payables	(1,894,890)	471,955	4,800	(3,483)
CASH GENERATED FROM/(DEPLETED IN) OPERATIONS	5,073,522	16,052,942	(251,439)	(268,380)
Interest paid	(35,493)	(48,099)	-	-
Interest received	662,990	478,119	143,101	76,504
Taxes paid	(2,941,768)	(1,433,924)	-	(20,000)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	2,759,251	15,049,038	(108,338)	(211,876)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,683,053)	(1,558,549)	-	-
Proceeds from disposal of property, plant and equipment	101,888	19,500	-	-
Repayment from subsidiary companies	-	-	1,300,000	3,154,750
Dividend received	-	-	3,037,500	3,037,500
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(1,581,165)	(1,539,049)	4,337,500	6,192,250

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Net (repayment)/proceeds of bills payable	(158,588)	90,350	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET CASH USED IN FINANCING ACTIVITIES	(2,958,588)	(2,709,650)	(2,800,000)	(2,800,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,780,502)	10,800,339	1,429,162	3,180,374
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(514,421)	(461,738)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32,562,047	22,223,446	7,041,663	3,861,289
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 10)	30,267,124	32,562,047	8,470,825	7,041,663

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 7 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 Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 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 25 August 2011.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements comply with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

During the financial year, the Group and the Company has adopted the following new and revised FRSs, Amendments to FRSs, IC Interpretations and Technical Releases ("TR"):

- FRS 1 (Revised) First-time Adoption of Financial Reporting Standards
- FRS 3 (Revised) Business Combinations
- FRS 4 Insurance Contracts
- FRS 7 Financial Instruments: Disclosures
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 127 (Revised) Consolidated and Separate Financial Statements
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 132 Financial Instruments: Classification of Rights Issues
- Amendments to FRS 138 Intangible Assets
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRSs (2009)
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners
- TR i-3 Presentation of Financial Statements of Islamic Financial Institutions

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

The adoptions of the above FRSs and Interpretations did not have any significant impact on the financial statements of the Group and of the Company, except for those discussed below:

FRS 7 Financial Instruments: Disclosures

FRS 7 is a new standard that requires disclosures of information relating to the significance of financial instruments on an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date and how the entity manages those risks.

The Group and the Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 June 2011.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company has elected to present this statement as one single statement. The revised FRS 101 was adopted retrospectively by the Group and the Company.

FRS 139 - Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company has adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions. The details of the changes in accounting policies arising from the adoption of FRS 139 are discussed below:

Impairment of trade receivables

Prior to 1 July 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate.

Amendments FRS 117 Leases

Prior to 1 July 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and were amortised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

The Amendments to FRS 117 Leases clarify leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of he residual value of the property in a lease with a term of several decades would be negligible and accounting for the economic position of the lessee. Hence, the adoption of the Amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance lease. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the statements of financial position as at 30 June 2011 arising from the above change in accounting policy:

	Group	
	2011	**2010**
	RM	**RM**
Increase/(decrease) in:		
Property, plant and equipment	3,100,429	3,141,224
Prepaid lease payments	(3,100,429)	(3,141,224)

The following comparatives have been restated:

Consolidated statement of financial position	**As Previously stated RM**	**Adjustments RM**	**As Restated RM**
30 June 2010			
Property, plant and equipment	17,162,604	3,100,429	20,263,033
Prepaid lease payments	3,100,429	(3,100,429)	-
1 July 2009			
Property, plant and equipment	17,192,610	3,141,224	20,333,834
Prepaid lease payments	3,141,224	(3,141,224)	-

The Group and the Company has not adopted the following revised FRSs, Amendments to FRSs, IC Interpretations and TR that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

(i) Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs (2010)	
TR i-4	Shariah Compliant Sale Contracts

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(ii) Effective for financial periods beginning on or after 1 July 2011

Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

(iii) Effective for financial periods beginning on or after 1 January 2012

FRS 124 (Revised)	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

The Directors anticipate that the abovementioned FRSs, Amendments, IC Interpretations and TR will be adopted when they become effective if applicable to the Group and the Company and that the adoption of these FRSs, Amendments, IC Interpretations and TR will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

(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:

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgements (continued)

(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 9.

(iii) Income taxes

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

The Directors are of the opinion that provision are not required in respect of the contingent liabilities as disclosed in Note 27 as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisition of subsidiary companies are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(b) Subsidiary Companies

Subsidiary companies are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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%

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment Properties

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

Freehold land has an unlimited useful life and therefore is not depreciated. Investment properties carried at cost are depreciated over the estimated economic useful life of 50 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is 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 property is recognised in profit or loss in the year of retirement or disposal.

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

(e) 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")}.

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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Assets (continued)

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

(i) 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.

(g) 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.

<u>Trade and other receivables and other financial assets carried at amortised cost</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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.

(j) 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.

(k) 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, within the scope of FRS 139, 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)

(l) 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.

(m) 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

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(n) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Foreign Currencies (continued)

(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.

(o) 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.

(p) 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.

(q) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income Taxes (continued)

(i) Current tax (continued)

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.

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.

(r) 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.

(s) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Contingencies (continued)

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

(t) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

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	Total RM
30 June 2011									
Cost									
At 1 July 2010									
As previously stated	2,762,726	-	7,641,652	648,326	460,657	483,665	2,267,329	10,539,822	24,804,177
Effects of adopting Amendments to FRS 117 (Note 6)	-	3,269,162	-	-	-	-	-	-	3,269,162
As restated	2,762,726	3,269,162	7,641,652	648,326	460,657	483,665	2,267,329	10,539,822	28,073,339
Additions	-	-	364,408	109,194	52,649	108,173	124,468	924,161	1,683,053
Disposals	-	-	-	(1,800)	-	-	(260,349)	-	(262,149)
Written off	-	-	-	(3,999)	-	-	(5,650)	-	(9,649)
At 30 June 2011	2,762,726	3,269,162	8,006,060	751,721	513,306	591,838	2,125,798	11,463,983	29,484,594
Accumulated depreciation									
At 1 July 2010									
As previously stated	-	-	486,832	475,136	388,914	355,264	1,047,296	4,888,131	7,641,573
Effects of adopting Amendments to FRS 117 (Note 6)	-	168,733	-	-	-	-	-	-	168,733
As restated	-	168,733	486,832	475,136	388,914	355,264	1,047,296	4,888,131	7,810,306
Depreciation charge for the year	-	40,795	111,756	80,145	27,258	98,515	346,918	1,053,319	1,758,706
Disposals	-	-	-	(1,170)	-	-	(171,942)	-	(173,112)
Written off	-	-	-	(3,998)	-	-	(421)	-	(4,419)
At 30 June 2011	-	209,528	598,588	550,113	416,172	453,779	1,221,851	5,941,450	9,391,481
Net carrying amount									
At 30 June 2011	2,762,726	3,059,634	7,407,472	201,608	97,134	138,059	903,947	5,522,533	20,093,113

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

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	Total RM
30 June 2010									
Cost									
At 1 July 2009									
As previously stated	2,762,726	-	7,497,342	589,445	451,097	483,665	1,747,054	9,780,836	23,312,165
Effects of adopting Amendments to FRS 117 (Note 6)	-	3,269,162	-	-	-	-	-	-	3,269,162
As restated	2,762,726	3,269,162	7,497,342	589,445	451,097	483,665	1,747,054	9,780,836	26,581,327
Additions	-	-	144,310	65,418	9,560	-	520,275	818,986	1,558,549
Disposals	-	-	-	(3,738)	-	-	-	(60,000)	(63,738)
Written off	-	-	-	(2,799)	-	-	-	-	(2,799)
At 30 June 2010	2,762,726	3,269,162	7,641,652	648,326	460,657	483,665	2,267,329	10,539,822	28,073,339
Accumulated depreciation									
At 1 July 2009									
As previously stated	-	-	379,613	387,314	367,277	273,767	737,794	3,973,790	6,119,555
Effects of adopting Amendments to FRS 117 (Note 6)	-	127,938	-	-	-	-	-	-	127,938
As restated	-	127,938	379,613	387,314	367,277	273,767	737,794	3,973,790	6,247,493
Depreciation charge for the year	-	40,795	107,219	90,582	21,637	81,497	309,502	971,940	1,623,172
Disposals	-	-	-	(2,620)	-	-	-	(57,599)	(60,219)
Written off	-	-	-	(140)	-	-	-	-	(140)
At 30 June 2010	-	168,733	486,832	475,136	388,914	355,264	1,047,296	4,888,131	7,810,306
Net carrying amount									
At 30 June 2010	2,762,726	3,100,429	7,154,820	173,190	71,743	128,401	1,220,033	5,651,691	20,263,033

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES

	Group 2011 RM	Group 2010 RM
Cost		
At 1 July/30 June	183,541	183,541
Accumulated depreciation		
At 1 July	31,090	28,499
Depreciation charge for the year	2,591	2,591
At 30 June	33,681	31,090
Net carrying amount		
At 30 June	149,860	152,451

In year 2011, the fair values on the above investment properties stated at cost approximated RM590,000 (2010: RM580,000). These fair values were obtained based on Directors' informal enquiries made with registered valuers.

Investment properties comprise freehold land and buildings. There were no direct operating expenses incurred for the investment properties during the financial year.

6. PREPAID LEASE PAYMENTS

	Group 2011 RM	Group 2010 RM
Cost		
At 1 July		
As previously stated	3,269,162	3,269,162
Effects of adopting Amendments to FRS 117 (Note 4)	(3,269,162)	(3,269,162)
As restated	-	-
Accumulated amortisation		
At 1 July		
As previously stated	168,733	127,938
Effects of adopting Amendments to FRS 117 (Note 4)	(168,733)	(127,938)
As restated	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2011 RM	Company 2010 RM
Unquoted shares – at cost	31,467,619	31,467,619

Details of the subsidiary companies are as follows:-

Name of Companies	Country of Incorporation	Effective Ownership Interest 2011 (%)	Effective Ownership Interest 2010 (%)	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
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

* Audited by firm other than HLB Ler Lum

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVENTORIES

	Group	
	2011	2010
	RM	RM
At cost:		
Raw materials	11,899,489	10,159,198
Finished goods	3,940,223	4,561,142
Packaging materials	920,334	834,715
Work-in-progress	673,043	613,600
	17,433,089	16,168,655

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade receivables				
- Third parties	32,648,187	26,967,481	-	-
Less :				
- Allowance for impairment	(1,251,249)	(1,118,079)	-	-
Trade receivables, net	31,396,938	25,849,402	-	-
Other receivables				
- Deposits	616,884	609,931	-	-
- Prepayments	832,541	965,907	10,500	-
- Sundry receivables	28,605	2,040,705	-	-
- Amount due from subsidiary companies	-	-	6,500,000	7,800,000
	1,478,030	3,616,543	6,510,500	7,800,000
Total trade and other receivables	32,874,968	29,465,945	6,510,500	7,800,000
Add : Cash and bank balances (Note 10)	30,267,124	32,562,047	8,470,825	7,041,663
Total loans and receivables	63,142,092	62,027,992	14,981,325	14,841,663

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 180 days (2010: 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.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. TRADE AND OTHER RECEIVABLES (continued)

Ageing analysis of trade receivables

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

	Group	
	2011	**2010**
	RM	**RM**
Neither past due nor impaired	26,684,289	21,583,600
1 to 30 days past due not impaired	1,237,670	1,972,537
31 to 60 days past due not impaired	2,802,719	1,614,747
61 to 90 days past due not impaired	556,380	67,753
More than 91 days past due not impaired	82,591	37,871
	4,679,360	3,692,908
Impaired	1,284,538	1,690,973
	5,963,898	5,383,881
	32,648,187	26,967,481

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 receivable 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	
	2011	**2010**
	RM	**RM**
Individual impaired:		
Trade receivables – nominal accounts	1,284,538	1,690,973
Less : Allowance for impairment	(1,251,249)	(1,118,079)
	33,289	572,894

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance accounts:

	Group	
	2011 RM	2010 RM
At 1 July	1,118,079	1,296,086
Charge for the year (Note 20)	551,930	415,920
Reversal of impairment losses (Note 18)	(418,760)	(593,927)
At 30 June	1,251,249	1,118,079

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 companies are unsecured, non-interest bearing and are repayable on demand.

10. CASH AND BANK BALANCES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash on hand and at banks	4,110,681	1,736,383	23,748	4,491
Deposits with licensed banks	2,128,783	4,449,473	-	-
	6,239,464	6,185,856	23,748	4,491
Short term cash investments	24,027,660	26,376,191	8,447,077	7,037,172
Cash and bank balances (Note 9)	30,267,124	32,562,047	8,470,825	7,041,663

(a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM13,397 (2010: RM12,721) is held under lien with a licensed bank as security for a bank guarantee issued in favour of Tenaga Nasional Berhad.

(b) The interest rates of deposits with licensed banks at the reporting date for the Group were from 0.25% to 2.50% (2010: 0.07% to 2.50%) per annum.

(c) The maturities of deposits with licensed banks as at the end of the financial year for the Group were ranging from 14 to 365 days (2010: 2 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 investment is exempted from tax.

(e) Short term cash investments are highly liquid which have an insignificant risk of changes in value which bore weighted average effective interest rates at the financial year end of 1.45% and 2.60% (2010: 2.12% and 1.71%) and 2.60% (2010: 1.81%) for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM0.50 Each		Amount	
	2011	2010	2011 RM	2010 RM
Authorised:				
At 1 July/30 June	200,000,000	200,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 July/30 June	80,000,000	80,000,000	40,000,000	40,000,000

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.

12. 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.

13. UNAPPROPRIATED PROFITS

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

The Company has made an irrevocable election to move to a single tier system to frank tax exempt dividend up to maximum amount of unappropriated profits.

14. DEFERRED TAX LIABILITIES

	Group	
	2011 RM	2010 RM
At 1 July	1,006,000	1,239,337
Recognised in profit or loss (Note 23)	(20,746)	(233,337)
At 30 June	985,254	1,006,000

Presented after appropriate offsetting as follows:

	2011 RM	2010 RM
Deferred tax assets	(220,881)	(122,000)
Deferred tax liabilities	1,206,135	1,128,000
	985,254	1,006,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. DEFERRED TAX LIABILITIES (continued)

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 2010	(11,000)	(111,000)	(122,000)
Recognised in profit or loss	8,539	(107,420)	(98,881)
At 30 June 2011	(2,461)	(218,420)	(220,881)
At 1 July 2009	(4,233)	(28,619)	(32,852)
Recognised in profit or loss	(6,767)	(82,381)	(89,148)
At 30 June 2010	(11,000)	(111,000)	(122,000)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Investment properties RM	Others RM	Total RM
At 1 July 2010	771,838	350,162	6,000	1,128,000
Recognised in profit or loss	28,514	52,836	(3,215)	78,135
At 30 June 2011	800,352	402,998	2,785	1,206,135
At 1 July 2009	738,606	316,634	216,949	1,272,189
Recognised in profit or loss	33,232	33,528	(210,949)	(144,189)
At 30 June 2010	771,838	350,162	6,000	1,128,000

15. BILLS PAYABLE

	Group	
	2011 RM	2010 RM
Repayable:		
Within one year	-	158,588

Commission on bills payable drawndown was charged at 0.10% flat, subject to minimum charge of RM50 per bill and bills payable are repayable from 120 days to 180 days.

The bills payable are secured by the following:
(i) General Security Agreement Relating to Goods;
(ii) Letter of Pledge; and
(iii) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade payables				
- Third parties	3,649,379	5,037,827	-	-
Other payables				
- Deposits received	572,150	572,150	-	-
- Accruals	482,143	652,595	26,000	21,200
- Sundry payables	41,977	35,278	-	-
	1,096,270	1,260,023	26,000	21,200
Total trade and other payables	4,745,649	6,297,850	26,000	21,200
Add : Loan and borrowings (Note 15)	-	158,588	-	-
Total financial liabilities carried at amortised cost	4,745,649	6,456,438	26,000	21,200

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2010: 30 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 (2010: 30 to 60 days).

17. REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Sale of goods	86,402,809	76,566,557	-	-
Dividend income	-	-	4,050,000	4,050,000
	86,402,809	76,566,557	4,050,000	4,050,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. OTHER OPERATING INCOME

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Reversal of allowance for impairment of trade receivables (Note 9)	418,760	593,927	-	-
Interest income	662,990	478,119	143,101	76,504
Rental income	22,200	16,800	-	-
Gain on disposal of property, plant and equipment	12,851	15,981	-	-
Gain on foreign exchange				
- realised	325,648	-	-	-
Insurance claims	50,600	76,220	-	-
Net income from other source	-	247,974	-	-
	1,493,049	1,429,021	143,101	76,504

19. FINANCE COST

	Group 2011 RM	Group 2010 RM
Interest expenses on:		
Bills payable	35,493	48,099

20. PROFIT BEFORE TAX

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Employee benefits expense (Note 21)	3,929,477	3,658,373	24,000	48,000
Non-Executive Directors' remuneration (Note 22)	87,000	84,000	87,000	84,000
Auditors' remuneration				
- statutory audit	49,149	51,673	16,000	21,200
Impairment loss on trade receivables (Note 9)	551,930	415,920	-	-
Depreciation of property, plant and equipment (Note 4)	1,758,706	1,623,172	-	-
Depreciation of investment properties (Note 5)	2,591	2,591	-	-
Property, plant and equipment written off	5,230	2,659	-	-
Rental of premises	7,379	7,768	-	-
Loss on foreign exchange				
- realised	-	316,716	-	-
- unrealised	573,665	421,849	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. EMPLOYEE BENEFITS EXPENSE

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Wages, salaries, bonuses and allowances	3,468,179	3,232,141	24,000	48,000
Social security contribution	27,460	25,434	-	-
Contributions to defined contribution plan	433,838	400,798	-	-
	3,929,477	3,658,373	24,000	48,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,131,900 (2010: RM1,338,000) and RM24,000 (2010: RM48,000) respectively as further disclosed in Note 22.

22. DIRECTORS' REMUNERATION

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Executive:				
- Salaries and other emoluments	840,000	1,000,000	-	-
- Fees	144,000	168,000	24,000	48,000
- Contributions to defined contribution plan	147,900	170,000	-	-
	1,131,900	1,338,000	24,000	48,000
Non-Executive:				
- Fees	87,000	84,000	87,000	84,000
	1,218,900	1,422,000	111,000	132,000
Benefits in-kind	23,950	23,950	-	-
	1,242,850	1,445,950	111,000	132,000

23. INCOME TAX EXPENSE

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Income tax:				
Malaysian income tax	(1,902,008)	(2,373,917)	(980,000)	(970,000)
(Under)/overprovided in prior year	(187,315)	108,693	(8,084)	428
	(2,089,323)	(2,265,224)	(988,084)	(969,572)
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	(23,885)	226,788	-	-
Overprovided in prior year	44,631	6,549	-	-
	20,746	233,337	-	-
	(2,068,577)	(2,031,887)	(988,084)	(969,572)

Domestic current income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. 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	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Profit before tax	10,166,051	10,309,628	3,947,362	3,857,857
Taxation at Malaysian statutory tax rate of 25%	(2,541,512)	(2,577,407)	(986,840)	(964,464)
Expenses not deductible for tax purposes	(96,206)	(69,460)	(28,935)	(24,662)
Income not subject to tax	438,673	263,614	35,775	19,126
Expenditure qualified for double deduction	11,575	58,674	-	-
Utilisation of reinvestment allowances	138,624	122,278	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	(68,860)	(70,549)	-	-
Temporary differences in respect of property, plant and equipment not recognised	18,193	19,882	-	-
Effect of utilisation of previously unabsorbed capital allowances	173,620	105,839	-	-
(Under)/overprovision of tax expense in prior year	(187,315)	108,693	(8,084)	428
Overprovision of deferred tax in prior year	44,631	6,549	-	-
Tax expense for the year	(2,068,577)	(2,031,887)	(988,084)	(969,572)

24. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2011	**2010**
Profit after tax attributable to owners of the parent (RM)	8,097,474	8,277,741
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per share (sen)	10.12	10.35

(b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. DIVIDENDS

	Group and Company 2011 RM	2010 RM
For financial year ended 30 June 2010:		
- A first and final single tier dividend of 3.5 sen per share paid on 25 January 2011	2,800,000	-
For financial year ended 30 June 2009:		
- A first and final single tier dividend of 3.5 sen per share paid on 25 January 2010	-	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 2011 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 unappropriated profits in the financial year ending 30 June 2012.

26. 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,050,000	4,050,000
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.	61,728	136,936	-	-
Salaries and other related expenses paid/payable to persons related to certain Directors	125,647	78,400	-	-

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)

26. 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Short term employee benefits	2,079,755	1,903,517	111,000	132,000
Post-employment benefits:				
- Defined contribution plan	273,583	248,300	-	-
	2,353,338	2,151,817	111,000	132,000

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	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors' remuneration (Note 22)	1,218,900	1,422,000	111,000	132,000

27. 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Secured:				
Bank guarantee issued in favour of Tenaga Nasional Berhad	13,397	12,721	-	-
Unsecured:				
Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary company	-	-	29,600,000	29,600,000

At the end of the reporting period, it was no probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the fair value for the guarantee is NIL.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. SEGMENT INFORMATION

(a) Geographical Segments

The Group's business segments operate substantially from Malaysia. In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers as listed below:

	Group	
	2011 RM	2010 RM
Revenue (from external customers)		
Malaysia	44,848,824	41,195,327
Overseas countries	41,553,985	35,371,230
	86,402,809	76,566,557

There are no inter-segment revenues. 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 solely 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.

29. 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

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 includes fixed deposits with licensed bank 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. 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	On demand or within one year 2011 RM	Total 2011 RM
Financial liabilities:		
Trade and other payables	4,745,649	4,745,649
Total undiscounted financial liabilities	4,745,649	4,745,649
Company		
Financial liabilities:		
Trade and other payables	26,000	26,000
Total undiscounted financial liabilities	26,000	26,000

(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.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets except as disclosed in the notes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign Currency Risk

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, Australian Dollars, Singapore Dollar and Euro. 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.

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			
	United States Dollar RM	Australian Dollar RM	Euro RM	Total RM
At 30 June 2011				
Trade receivables	12,723,052	1,384,054	-	14,107,106
Trade payables	(1,387,485)	-	-	(1,387,485)
	11,335,567	1,384,054	-	12,719,621
At 30 June 2010				
Trade receivables	9,441,523	1,407,172	-	10,848,695
Trade payables	(2,177,049)	-	(143,205)	(2,320,254)
	7,264,474	1,407,172	(143,205)	8,528,441

(e) Fair Values

The carrying amounts of financial assets and liabilities such as cash and cash equivalent, receivables, payables and short term 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.

The nominal/notional amounts and net fair values of financial instruments not recognised by the Company as at the end of the financial year are:

		30 June 2011		30 June 2010	
	Note	Nominal/ Notional Amount RM	Net Fair Value RM	Nominal/ Notional Amount RM	Net Fair Value RM
Contingent liabilities	27	29,600,000	-	29,600,000	158,588 #

This represents the amount drawndown as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. 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 2010 and 30 June 2011.

SUPPLEMENTARY INFORMATION
30 JUNE 2011

BREAKDOWN OF UNAPPROPRIATED PROFITS INTO REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of unappropriated profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Total unappropriated profits of the Company and its subsidiary companies:				
- Realised	80,782,556	75,700,885	3,822,949	3,663,671
- Unrealised	(1,847,795)	(1,716,725)	-	-
	78,934,761	73,984,160	3,822,949	3,663,671
Less: Consolidated adjustments	(24,864,960)	(25,211,833)	-	-
Total unappropriated profits	54,069,801	48,772,327	3,822,949	3,663,671

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to the Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Listing Requirements for the Main Market of Bursa Securities for the financial year ended 30 June 2011:

Material Contracts Involving Directors and Substantial Shareholders

Save as otherwise disclosed in Note 26-Related Party Disclosure 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.

Sanction and/or Penalties

There were no sanctions and/or penalties imposed by any regulatory authorities on the Company and its subsidiaries, Directors or management during the financial year ended 30 June 2011.

Share Buy-Back

The Company did not make any share buy-back during the financial year ended 30 June 2011.

Non-Audit Fees

There were no non-audit fees paid to external auditors during the financial year ended 30 June 2011.

Options or Convertible Securities Exercised

No options or convertible securities were issued during the financial year ended 30 June 2011.

Variation in Results for the Financial Year

There was no deviation of 10% or more between the audited results for the financial year and the unaudited financial results previously announced.

Depository Receipt Programme ("DRP")

The Company did not sponsor any DRP during the financial year ended 30 June 2011.

Profit Estimate, Forecast or Projection

The Company has not provided a profit forecast for the financial year ended 30 June 2011.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year ended 30 June 2011.

Revaluation of Properties

The Group does not have a revaluation policy on landed properties.

Utilisation of Proceeds

The Company did not raise any funds from any corporate proposals during the financial year ended 30 June 2011.

PROPERTIES OF THE GROUP

The details of landed properties of ICB 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	27	150	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	27	150	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	27	620	21 May 2004
H.S. (M) No. 175, 176, 177, 178, 179, 180, 181 and 182, Mukim of RIM District of Jasin State of Melaka Same as above	Freehold land with agricultural research centre comprising a single storey office block and laboratory/ Research and development centre of ICB Group	Land area: 43 acres Built-up area: 168,653	Freehold	9	1,947	8 November 2004

PROPERTIES OF THE GROUP (continued)

The details of landed properties of ICB 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 leaving an unexpired term of 75 years	23	3,554	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 leaving an unexpired term of 75 years	29	5,545	17 January 2007

PROPERTIES OF THE GROUP (continued)

The details of landed properties of ICB 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	13	833	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	13	581	17 November 2006

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2011

Authorised Share Capital	: RM100,000,000
Issued and Paid Up Capital	: RM40,000,000
Class of Shares	: Ordinary shares of RM0.50 each
Voting Right	: One vote for every ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2011

Size of Holdings	**No. of Holders**	**%**	**No. of Shares**	**%**
Less than 100	4	0.66	150	0.00
100 – 1,000	296	48.93	93,200	0.12
1,001 – 10,000	207	34.21	1,003,550	1.25
10,001 – 100,000	68	11.24	2,553,800	3.19
100,001 to less than 5% of issued shares	26	4.30	14,492,632	18.12
5% and above of issued shares	4	0.66	61,856,668	77.32
Grand total	**605**	**100.00**	**80,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2011

	Direct		**Deemed**	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**
Swiss Revenue Sdn Bhd	33,947,064	42.43	-	-
Sunbina Dunia Sdn Bhd	19,118,704	23.90	-	-
Lembaga Tabung Haji	4,570,900	5.71	-	-
Mohd Shafek Bin Isa	150,000	0.19	19,118,704 *	23.90
Tong Chin Hen	150,000	0.19	33,947,064#	42.43

\# Deemed interest through Swiss Revenue Sdn Bhd
* Deemed interest through Sunbina Dunia Sdn Bhd

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2011

	Direct		**Deemed**	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**
Mohd Shafek Bin Isa	150,000	0.19	19,118,704 *	23.90
Tong Chin Hen	150,000	0.19	33,947,064#	42.43
Dr. Leong Wan Leong	50,000	0.06	-	-
Tai Keat Chai	50,000	0.06	-	-

\# Deemed interest through Swiss Revenue Sdn Bhd
* Deemed interest through Sunbina Dunia Sdn Bhd

SHAREHOLDERS' INFORMATION (continued)

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 30 SEPTEMBER 2011

No.	Name of Shareholders	No. of shares held	%
1.	Swiss Revenue Sdn Bhd	33,947,064	42.43
2.	Sunbina Dunia Sdn Bhd	19,118,704	23.90
3.	Lembaga Tabung Haji	4,570,900	5.71
4.	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for Raffles Nominees (P) Ltd (CIBC SG FR CLNT)	4,220,000	5.27
5.	Tong Sew Teng	2,571,498	3.21
6.	Chin Wei Ching	2,373,692	2.97
7.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for UBS AG	1,600,000	2.00
8.	M & A Nominee (Asing) Sdn Bhd - Lewey Marketing Aktiengesellschaft	1,032,400	1.29
9.	Agrimart Sdn Bhd	940,000	1.18
10.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Prudential Dana Al-Ilham	847,800	1.06
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Yee Hui	688,100	0.86
12.	Ku Kooi Khang	630,838	0.79
13.	Teh Kiat Hock	599,800	0.75
14.	Neo Khoon Seng	350,700	0.44
15.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for BSN Dana Al-Jadid	303,800	0.38
16.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Prudential Dana Dinamik	256,700	0.32
17.	Stephen Kuek Hock Eng	256,604	0.32
18.	Cimsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Khoo Nee Meng	218,000	0.27
19.	Lim Wai Yee	214,000	0.27
20.	Sabah Development Bank Berhad - As Beneficial Owner	207,000	0.26
20.	Neo Hea Sing	206,500	0.26
21.	Mohd Shafek Bin Isa	150,000	0.19
23.	Tong Chin Hen	150,000	0.19
24.	Affin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chong Seng	144,800	0.18
25.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Sar	143,500	0.18
26.	Lee Tan Yan	138,000	0.17
27.	Lee Kim Heage	134,000	0.17
28.	Yap Kim Yok	119,000	0.15
29.	Tee Bee Heoh	113,900	0.14
30.	Tan Chai Tin	102,000	0.13
	Total	**76,349,300**	**95.44**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh 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, 16 November 2011 at 10.00 a.m. to transact the following business:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2011 and the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note (i))

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 2011. **Resolution 1**

3. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2011. **Resolution 2**

4. To re-elect Encik Mohd Shafek Bin Isa who retires pursuant to Article 75 of the Company's Articles of Association. **Resolution 3**

5. To re-appoint Messrs HLB Ler Lum as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 4**

As Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

6. **Ordinary Resolution I**
Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 **Resolution 5**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **Ordinary Resolution II**
Proposed Authorisation to Purchase up to ten percent (10%) of the Issued and Paid-Up Ordinary Share Capital of the Company Pursuant to Section 67A of the Companies Act, 1965 **Resolution 6**

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of shares purchased does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company. As at 30 June 2011, the audited retained profits and share premium account of the Company were RM3,822,949 and RM2,857,032 respectively; and

NOTICE OF ANNUAL GENERAL MEETING (continued)

(iii) the Directors of the Company may decide either to retain the shares purchases as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

AND THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereat, expiry at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution (unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting) but shall not prejudice the completion of purchase(s) by the Company or any person before that aforesaid expire date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities;

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any party of the purchased shares or to resell the shares or distribute the shares as dividends) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of Bursa Securities for the Main Market and all other relevant governmental and/or regulatory authorities."

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Seventh 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 2011 will be paid to the shareholders on 18 January 2012. The entitlement date for the said dividend shall be 5 January 2012. A Depositor shall qualify for entitlement to the Dividend only in respect of:

a. Shares transferred into the Depositors' Securities Account before 5.00 p.m. on 5 January 2012 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: 25 October 2011

NOTICE OF ANNUAL GENERAL MEETING (continued)

NOTES:

1. Notes on Appointment of Proxy

(a) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
(b) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
(c) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. 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, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
(e) To be valid, the duly completed instrument appointing a proxy, must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn. Bhd. (118401-V), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting. 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).

2. Explanatory Notes

(i) Item 1 of Agenda

This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

Special Business

(ii) Resolution No. 5 - Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

Resolution No. 5 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will empower the Directors of the Company pursuant to Section 132D of the Companies Act, 1965, to issue new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to this General Mandate does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The renewal of the General Mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose for 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 and/or acquisitions and/or for issuance of shares as settlement of purchase consideration.

As at the date of this Notice, the Company did not issue any shares pursuant to the General Mandate granted to the Directors at the Company's 6th Annual General Meeting.

(iii) Resolution No. 6 - Proposed Authorisation to Purchase up to ten percent (10%) of the Issued and Paid-Up Ordinary Share Capital on the Company Pursuant to Section 67A of the Companies Act, 1965

The proposed resolution 6, if passed will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the total issued and paid-up capital of the Company by utilising the funds allocated which shall not exceed the retained profits and/or share premium of the Company. Please refer to the Circular to Shareholders dated 25 October 2011 for further information.

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

FORM OF PROXY

CDS account no.	No. of shares held

I/We ______________________________ I.C/Passport/Company No. ______________

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

hereby appoint ______________________________ of

______________________________ or failing him, ______________________________

______________________ of ______________________________ or failing him,

the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Seventh 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, 16 November 2011 at 10:00 a.m.** and at any adjournment thereof.

AGENDA 1

Receipt of the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2011.

My/our proxy is to vote as indicated below:

AGENDA 2-7

NO		RESOLUTION	FOR	AGAINST
	Ordinary Business			
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 2011	Resolution 1		
3.	Approval on the payment of Directors' fees in respect of the financial year ended 30 June 2011.	Resolution 2		
4.	Re-election of Encik Mohd Shafek Bin Isa as Director of the Company pursuant to Article 75 of the Company's Articles of Association.	Resolution 3		
5.	Re-appointment of Messrs HLB Ler Lum.	Resolution 4		
	Special Business			
6.	Authority to the Director to Issue Shares persuant to Section 132D of the Companies Act, 1965.	Resolution 5		
7.	Proposed Authority for Share Buy-Back	Resolution 6		

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.

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

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

Dated this ____________ day of ____________ 2011

____
Signature / Common Seal of Shareholder(s)

NOTES:

(i) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
(ii) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
(iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. 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.
(iv) Where a member of the Company is an authorised nominee as defined under the Security Industries (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
(v) To be valid, the instrument appointing a proxy, duly completed must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn. Bhd. (118401-V), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting provided that 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).

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

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

TRICOR INVESTOR SERVICES SDN. BHD.
LEVEL 17, THE GARDENS NORTH TOWER
MID VALLEY CITY, LINGKARAN SYED PUTRA
59200 KUALA LUMPUR

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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

READ THE LABEL BEFORE USE

JIRP. P/0811/405

IMASPRO CORPORATION BERHAD (657527-H)
37, Jalan 5, Kawasan 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia
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