poised for ACCELERATED global GROWTH

ANNUAL REPORT
2019

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

Pembasmian Nyamuk Aedes Bermula Dari Rumah Kita

消滅黑斑蚊, 從我們的居家開始

Tiada AEDES
TIADA DENGGI

☆ *Hanya gunakan 1 biji kapsul* **TEMEBATE®C** *ke dalam bekas takungan air sebelum jejentik menjadi nyamuk dewasa yang menggigit.*

在幼蟲變成叮咬的成年蚊子之前, 只需將一粒 **TEMEBATE®C** 膠囊放入積水中的容器即可。

Didaftarkan oleh :

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

BACA LABEL SEBELUM GUNA
JIRP. P/0319/090

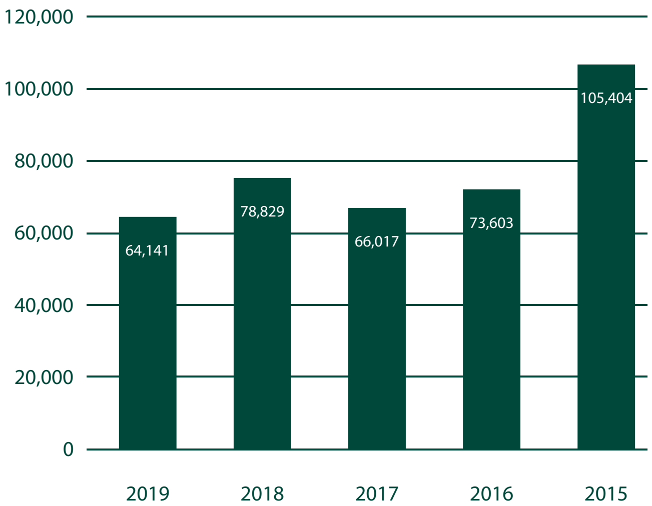
CONTENTS

FINANCIAL STATEMENTS

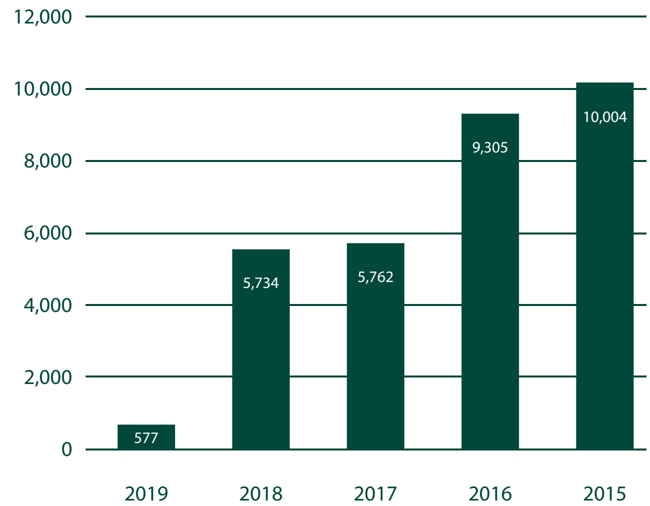
GROUP FINANCIAL HIGHLIGHTS

(for financial year ended 30 June)

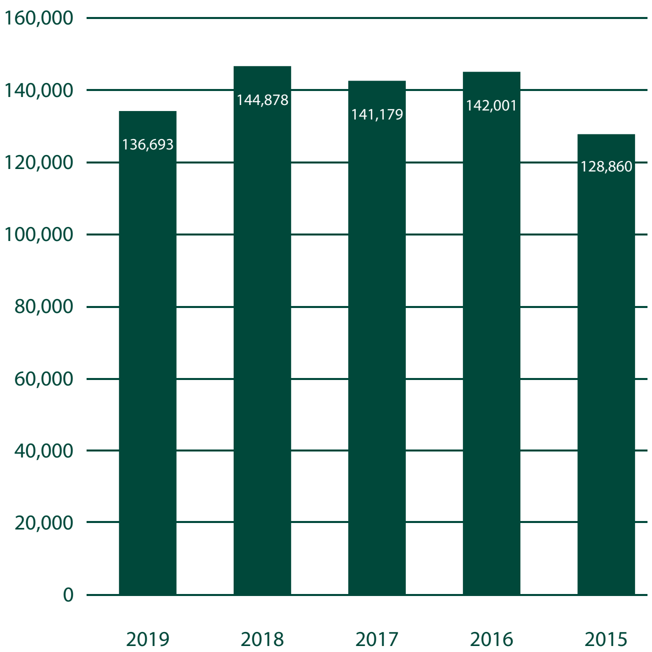
REVENUE (RM'000)



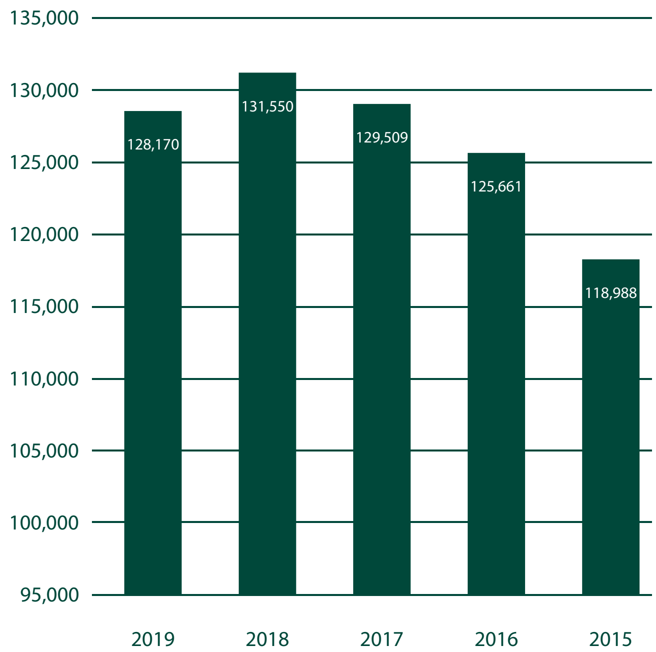
PROFIT AFTER TAXATION (RM'000)



TOTAL ASSETS (RM'000)

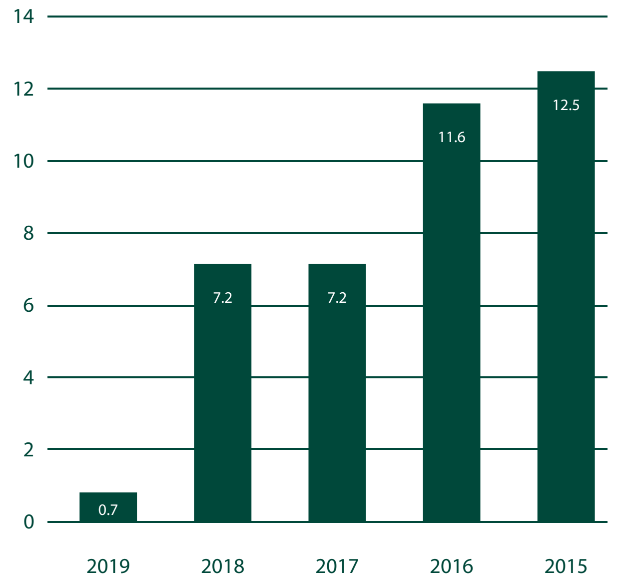


SHAREHOLDERS' EQUITY (RM'000)

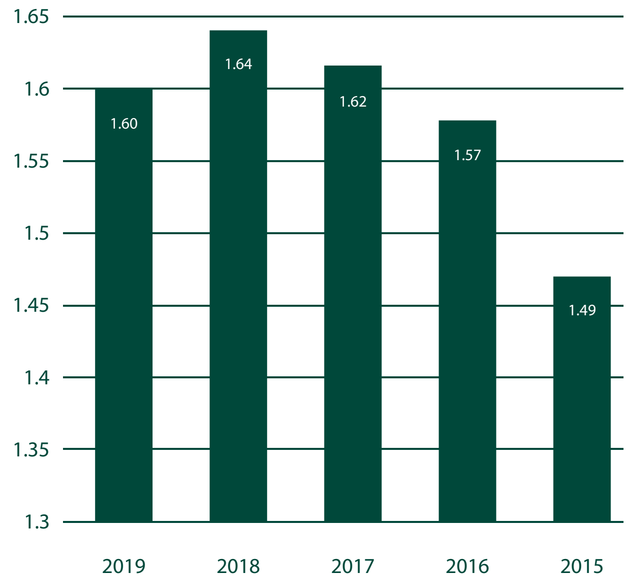


GROUP FINANCIAL HIGHLIGHTS
(for financial year ended 30 June)

EARNINGS PER SHARE (SEN)



NET ASSETS PER SHARE (RM)



		2019	2018	2017	2016	2015
Statements of Comprehensive Income						
Revenue	**RM'000**	64,141	78,829	66,017	73,603	105,404
Profit before taxation	**RM'000**	4,198	9,148	8,098	11,311	12,875
Profit after taxation	**RM'000**	577	5,734	5,762	9,305	10,004
Profit attributable to owners of the Company	**RM'000**	577	5,734	5,762	9,305	10,004
Gross dividend paid	**RM'000**	2,800	2,800	2,800	2,800	2,800
Statements of Financial Position						
Total assets	**RM'000**	136,693	144,878	141,179	142,001	128,860
Share capital	**RM'000**	42,857	42,857	42,857	40,000	40,000
Shareholders' equity	**RM'000**	128,170	131,550	129,509	125,661	118,988
Financial Ratios						
Return on equity	**%**	0.4	4.4	4.4	7.4	8.4
Earnings per share	**sen**	0.7	7.2	7.2	11.6	12.5
Gross dividend per share	**sen**	3.5	3.5	3.5	3.5	3.5
Net assets per share	**RM**	1.60	1.64	1.62	1.57	1.49

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders

On behalf of the Board of Directors of Imaspro Corporation Berhad ("ICB"), I am pleased and honoured to present the Annual Report and the Financial Statements for the financial year ended 30 June 2019.

ICB Group recorded a revenue of RM64.1 million for the financial year ended 30 June 2019, a decrease of 18.6% as compared with RM78.8 million in 2018. While we have successfully registered a significant growth of 28.2% in our sales to Russia, from RM7.9 million in 2018 to RM10.2 million in 2019, our agrochemical products for the domestic market has decreased by 23%. We foresee lower demands for our glyphosate related products in the coming year and given the continued pressures seen in crude palm oil prices, our response strategy includes increasing our efforts and focus in our planning for sales and marketing.

In terms of our sales to Indonesia, we continue to experience a drop in revenue by 67.9% as compared with last year, due largely to stiff competition and a general economic slowdown in Indonesia. However, we are carefully relooking into our strategy in response to this situation with a view to achieving better cost efficiencies and creating a competitive advantage through differentiation in the Indonesian market.

In keeping with our tradition of continuous upgrading of products quality, our in-house Research & Development ("R&D") has consistently chalked up prestigious achievements. In the fiscal year of 2019, our R&D team has continued with our product registration efforts on our previously mentioned product, which carries two types of biochemically-active compounds into a single premix product. While the data collection and registration process may take years, this innovative product has been progressively expanded into a few more countries during the year.

During the last financial year, we have also successfully expanded into Myanmar market for the first time in our export market segment under the crop protection category. We expect the figure to continue its growth in the coming financial year. In addition to enhancing product portfolio, we will continue to register, and launch new products into Myanmar in order to support our forecasted growth in the coming financial year.

We have successfully launched our bio-stimulant product for our overseas market last financial year and we aim to continue extending our footprint into other South East Asian ("SEA") countries in the coming years. As part of the focus in strengthening our position as a leading agrochemical company in the SEA region, we are exploring the possibility to expand our coverage into new markets and the outcome is expected to be seen in the coming financial year.

Following the change of regulations in relation to pesticide usage control by the Vietnamese government in the coming year, we foresee the fading out of some of our products in our Vietnamese market. However, we are actively promoting our pest control or public health products and we are seeing positive results. Meanwhile, we will continue our strategy by registering new range of products into Vietnam in view of the upcoming regulatory challenges.

In terms of our export market to the Middle East, our current business in Lebanon remained stable in the last financial year. We will continue our market penetration strategy and efforts for further expansion into the region.

As for the public sector segment, the prevalence of dengue continues to become a major public health issue in Malaysia. We have been actively collaborating with the Ministry of Health and the local councils in our efforts to educate the public while raising awareness in the community on this mosquito-borne viral disease. Our team has been involved in various campaigns and road shows organised with the local authorities.

Again, ICB has upheld its standards of excellence in occupational safety and health practices by conforming to all regulatory requirements and exercising quality management standards, thus creating and maintaining ICB's strong culture of safety and health. Our goal has always been to provide an injury and illness free environment for our employees in order to achieve maximum efficiency.

CHAIRMAN'S STATEMENT (continued)

PROPOSED DIVIDEND

The Board of Directors has recommended a first and final single tier dividend of 3.5 cents per share to the shareholders for approval at the forthcoming Annual General Meeting.

OUTLOOK AND PROSPECTS

Global economic growth is projected to soften in 2019/2020, with financial market pressures and ongoing trade tensions impacting prospects for emerging markets and developing countries. In spite of these continued headwinds, Malaysia's economic fundamentals remain strong. The domestic economy is set to see a steady expansion, buoyed by private sector demand and recovery from supply disruptions in commodity related sectors, along with new production facilities. Other positive indicators such as favourable labour market conditions, a resilient banking system and sound financial buffers will further support the Malaysian economy in 2019/2020, which bodes well for ICB as we seek to strengthen earnings potential and unlock value for both domestic and our export markets.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at ICB is shown in pages 21 to 34.

APPRECIATION AND ACKNOWLEDGEMENT

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

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

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
CHAIRMAN

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

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

TONG CHIN HEN
(Managing Director)

CHEN SUNG FANG
(Senior Independent Non-Executive Director)

CHAN WENG FUI
(Independent Non-Executive Director)

CHAN KIM HING
(Independent Non-Executive Director)

SECRETARIES

WONG WAI FOONG (MAICSA 7001358)

WONG PEIR CHYUN (MAICSA 7018710)

REGISTERED OFFICE

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

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

HEAD/MANAGEMENT OFFICE

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

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

REGISTRAR

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

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

AUDITORS

HLB Ler Lum PLT
(LLP0021174-LCA & AF 0276)
Chartered Accountants

AUDIT COMMITTEE

CHAN WENG FUI (Chairman)

CHEN SUNG FANG (Member)

CHAN KIM HING (Member)

REMUNERATION COMMITTEE

CHAN WENG FUI (Chairman)

CHEN SUNG FANG (Member)

DATUK CAPTAIN HAMZAH BIN MOHD NOOR (Member)

NOMINATION COMMITTEE

CHEN SUNG FANG (Chairman)

DATUK CAPTAIN HAMZAH BIN MOHD NOOR (Member)

CHAN KIM HING (Member)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

CHEN SUNG FANG
Email: sungfangchen@imaspro.com

GROUP PRINCIPAL BANKERS

Malayan Banking Berhad

AmFunds Management Berhad

OCBC Bank Berhad

SOLICITORS

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

STOCK EXCHANGE LISTING

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

PROFILE OF DIRECTORS

Name	**DATUK CAPTAIN HAMZAH BIN MOHD NOOR**
Age	69
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Chairman
Date of Appointment	11 April 2016

Qualification

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

Working Experience

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

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

PROFILE OF DIRECTORS (continued)

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

PROFILE OF DIRECTORS (continued)

Name	**TONG CHIN HEN**
Age	63
Nationality	Malaysian
Gender	Male
Position on Board	Managing Director
Date of Appointment	15 November 2005
Qualification	Member of the Institute of Directors, United Kingdom
Working Experience	His career started in 1975 when he joined Ancom Sdn. Bhd., which went public in 1990 and was the first agrochemical plant to be established in Malaysia. He left the company in end of 1992 while he was the Executive Commercial Manager. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of IRSB to be a leading pesticide player in Malaysia over the last 25 years. His ability to lead a Malaysian agrochemical company to break into and increase its overseas presence amidst growing trade protectionism reflects his market-savvy approach to business and the extent of his networking in the international agrochemical business. He has been a regular participant in the Annual British Crop Protection Conference & Exhibition in the United Kingdom, the largest annual gathering of players in the global agrochemical industry since the 1990s.
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	Nil

PROFILE OF DIRECTORS (continued)

Name	**CHEN SUNG FANG**
Age	46
Nationality	Malaysian
Gender	Male
Position on Board	Senior Independent Non-Executive Director
Date of Appointment	22 May 2013
Qualification	Bachelor of Laws (Honours) Degree in University of London, United Kingdom
Working Experience	Mr Chen is a member of the Malaysian Bar and he was admitted as an advocate and solicitor of the High Court of Malaya in 1999 and has been active in legal practice since then. He has been involved in corporate exercises involving Initial Public Offering, mergers and acquisitions, reverse takeover, rights issue and others for companies from different industries. He is also a registered trademarks agent since 2003 and he has been actively involved in the registration of trade marks for companies.
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	• Chairman of the Nomination Committee • Member of the Remuneration Committee • Member of the Audit Committee

PROFILE OF DIRECTORS (continued)

Name	**CHAN WENG FUI**
Age	45
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	4 December 2014
Qualification	Bachelor of Science (Hons) degree in Accounting and Finance from Queen's University of Belfast, Northern Ireland, United Kingdom
Working Experience	He joined Price Waterhouse (now PwC) in 1997, where he started in the audit department. After three years working in the audit department of Price Waterhouse, he then joined Aseambankers Malaysia Berhad (the investment banking arm of Maybank) in 1999 and began his career in corporate finance. Subsequently in 2001, he joined Arab-Malaysian Merchant Bank (now AmInvestment Bank), specialising in corporate finance and investment banking. After nine years in the banking industry, he left Arab-Malaysian Merchant Bank to join YNH Property Bhd in 2007 and ventured into property development and construction. He is still currently with YNH Property Bhd as the Director/Head of Corporate Strategy.
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	• Chairman of the Audit Committee • Chairman of the Remuneration Committee

PROFILE OF DIRECTORS (continued)

Name	**CHAN KIM HING**
Age	52
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	26 May 2016
Qualification	• Bachelor of Science (Honours) degree in Computer Science and Accounting from Monash University, Melbourne, Victoria, Australia • Chartered Accountant (CA), member of the Malaysian Institute of Accountants (Member No:9099) • Fellow member of CPA Australia (FCPA) (Member No:1629170)
Working Experience	He started his career with Arthur Andersen & Co, Malaysia, in 1991, covering Audit, Taxation, Assurance, Business Advisory, Management Consulting and Computer Risk Management, specialising in financial and information-technology systems review audits, internal controls, standard operating policies and procedures, compliance reviews and special assignments related to business mergers and acquisitions, systems-integration, reorganisation and restructuring of business activities of companies operating in the financial and capital market industry. In 1994, he joined M&A Securities Sdn Bhd (M&A) to head its Finance & Treasury and Operational Departments, where he successfully reorganised, restructured and expanded its business activities, which include acquisition of another stockbroking company to facilitate expansion and diversification of group approved business activities, integration of operations and opening of branch offices. He was promoted to the Executive Director cum Head of Operations of M&A, overseeing the finance, treasury, corporate finance, inter-broking, online trading, settlement, margin financing, credit control, IT systems and business development. He was an elected Management Committee and Treasurer of the Association of Stockbroking Companies of Malaysia and its Securities Market Operations Committee, working in consultation with Bursa Malaysia Securities Berhad, Securities Commission Malaysia and Bank Negara Malaysia in addressing industry issues, implementation of rules, regulations and policies for the Malaysia's capital market industry. He left M&A in 2016 to pursue his private interest and to further develop his professional skills and experiences. He is currently involved in strategic corporate and business advisory, restructuring, reorganisation and enhancement of business operations, systems, taxations and financials, facilitating equity and debt capital market corporate exercises, shares placement and underwritings, funds raising and listing exercises on Bursa Malaysia Securities Berhad.

PROFILE OF DIRECTORS (continued)

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

PROFILE OF KEY SENIOR MANAGEMENT

DR. CHIA TIO HUAT
Techno Commercial Director

Dr. Chia, Malaysian, aged 59, male, joined Imaspro Resources Sdn. Bhd. ("IRSB"), a wholly owned subsidiary company of Imaspro Corporation Berhad ("ICB"), on 17 April 2019 as Techno Commercial Director. He graduated with a Bachelor's degree in Agricultural Science from Universiti Pertanian Malaysia and obtained his Doctor of Philosophy ("PhD") degree from the University of Reading, United Kingdom.

He started his career with a multinational agrochemical company in 1985. Dr. Chia has been involved in research and development, market business development, technical support, product portfolio management and marketing in Malaysia for both agriculture and public health industries. In 1996, he expanded his career to cover the Professional Product business (Vector Control & Pest Product Management) covering the APAC region, and subsequently became Head of Specialty Crops and Product Portfolio in ASEAN before he joins IRSB in April 2019.

YAP KIM YOK
Accounts and Administration Manager

Ms. Yap, Malaysian, aged 51, female, is the Accounts and Administration Manager of IRSB. She has been with ICB Group since 1 August 2003.

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

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

HOO CHIONG LEONG
Finance & Corporate Strategy Manager

Mr. Hoo, Malaysian, aged 43, male, is the Finance & Corporate Strategy Manager of IRSB. He has been with ICB Group since 15 March 2018.

He graduated from TARC with a Diploma in Commerce and holds a Bachelor's degree in Accountancy & Finance from Abertay University, United Kingdom.

Prior to joining IRSB, he worked with a courier services company and was also in the construction and retail distribution industries where he gained wide exposure in financial and management accounting.

NGO HEA SING
Production Manager

Mr. Ngo, Malaysian, aged 45, male, is the Production Manager of IRSB. He has been with ICB Group since 1 December 1999.

He received his Bachelor of Engineering (Honours) degree in Chemical Engineering in 1998 and a Master of Engineering degree in Engineering Management from Universiti Teknologi Malaysia in 1999.

Prior to joining IRSB, he worked in the gas technology, textile manufacturing and engineering project management industries.

PROFILE OF KEY SENIOR MANAGEMENT (continued)

TEE BEE HEOH
Product Development Manager

Ms. Tee, Malaysian, aged 45, female, is the Product Development Manager of IRSB. She has been with ICB Group since 16 January 2003.

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

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

LEE TAN YAN
Regulatory Affairs & Research and Development Manager

Ms. Lee, Malaysian, aged 49, female, is the Regulatory Affairs & Research and Development Manager of IRSB. She has been with ICB Group since 1 April 1996.

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

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

DR. ANG LING HUI
Regulatory Affairs & Development Manager

Dr. Ang, Malaysian, aged 33, male, is the Regulatory Affairs & Development Manager of IRSB. He has been with the Group since 7 November 2016.

He graduated in 2009 with a Bachelor's degree in Applied Science majoring in Biology and Management of Vector and Parasite and subsequently completed his PhD in Urban and Industrial Entomology in 2013 from Universiti Sains Malaysia. He joined a public health chemical company in Thailand after graduating from his PhD and worked on regulatory affairs and technical support. He was responsible for product registration in Southeast Asian countries and technical support of public health products.

He currently handles development projects of new crop protection products in IRSB and product registrations both locally and internationally.

Note:
1) None of the Key Senior Management has any directorship in public companies and listed issuers.

2) None of the Key Senior Management has any family relationship with any Directors and major shareholders of the Group and the Company.

3) None of the Key Senior Management has any conflict of interest with the Group and the Company.

4) None of the Key Senior Management has any conviction for offences within the past five (5) years other than traffic offences, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF IMASPRO CORPORATION BERHAD

Imaspro Corporation Berhad ("ICB") and its subsidiaries ("ICB Group") is one of the leading agrochemical manufacturers in ASEAN. ICB Group manufactures and markets a comprehensive range of quality and cost-effective agrochemicals, public health and environmental science products to cater for both the crop and non-crop protection requirements of its customers.

ICB Group's range of products comprises:
- Herbicides
- Insecticides
- Fungicides
- Specialty products

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

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

OBJECTIVES AND STRATEGIES

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

FINANCIAL REVIEW

ICB Group recorded a total revenue of RM64.1 million and profit before tax ("PBT") of RM4.2 million in financial year 2019 ("FY2019") as compared with a total revenue of RM78.8 million and PBT of RM9.1 million in financial year 2018 ("FY2018"). The decline in revenue by 18.6% from the previous financial year was mainly due to lower sales recorded for both domestic and overseas markets, with a significant drop of RM7.9 million in export sales to Indonesia. The poor performance in the Indonesian market was mainly attributed to significant price competitiveness among the market players and a general economic slowdown in Indonesia. Partially offsetting the lower performance, ICB Group has, however, successfully registered a significant growth of 28% in its export sales to Russia in 2019, amounting to RM10.2 million (2018: RM7.9 million).

The overall squeeze in gross profit margin by 33.8% was mainly brought about by higher costs of production and other related direct costs. This had led to the overall drop in PBT as mentioned above. A further loss of RM2.6 million has been recognised during the year as a result of discontinued operations in relation to the household insecticides segment, which resulted a final profit of RM0.57 million for the year.

SEGMENTAL REVIEW

The financial performance of the respective main business divisions of ICB Group is presented as follows:

Herbicides

The herbicides division recorded a revenue of RM30.6 million and a PBT of RM2.0 million for FY2019 (FY2018: RM40.6 million and RM4.7 million respectively). The drop in revenue for herbicides by approximately RM10.0 million or 24.6% is mainly due to lower demand from export markets and the effects from continued pressures in Crude Palm Oil ("CPO") prices. Lower export volumes to countries such as Indonesia, Taiwan and Singapore have contributed to a drop in revenue by 67.4%, partially offset by an increase in sales to Lebanon by 44.1% and Russia by 28.2%. Sales of herbicides in the domestic market have been affected with domestic revenue easing to RM16.5 million in FY2019 as compared with RM20.1 million in FY2018.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SEGMENTAL REVIEW (continued)

Insecticides

The insecticides division recorded a revenue of RM21.4 million and a PBT of RM1.4 million for FY2019 (FY2018: RM26.1 million and RM3.0 million respectively). The drop in revenue for insecticides by approximately RM4.7 million or 18.0% is mainly due to lower demand from export markets and the effects from competitive pricing among market players. The affected regions that contributed to the drop in sales include Indonesia and Japan, where sales to both countries only contributed to a combined revenue of RM7.8 million in FY2019 (FY2018: RM11.2 million). Aggressive pricing from competing market players is the major reason behind lower sales recorded from these two regions.

Fungicides

The fungicides division achieved a revenue of RM10.1 million and a PBT of RM0.7 million for FY2019 (FY2018: RM10.6 million and RM1.2 million respectively). The marginal drop in revenue for fungicides by approximately RM0.5 million or 4.7% is largely due to the introduction of new regulations in Vietnam, where some active ingredients have been restricted. In response to these regulations, our technical team is in the process of registering our substitute products to mitigate any potential loss of sales in fungicides. Sales of fungicides in the domestic market have been stable for this financial year.

CHALLENGES

The CPO price tragedy in last financial year has serious implications on the agrochemical industry and ICB group, being one of the major industry players, unfortunately could not escape from this incident. Furthermore, in today's hypercompetitive global environment, profit margins will continue to be squeezed as global players aggressively fight for market share. Both our domestic and export markets are exposed to aggressive price pressures that lead to margin compression. For instance, our exports to Indonesia have dropped by 67.9%, due largely to stiff competition and aggressive pricing pressures from local players, on top of a general economic slowdown in Indonesia.

In December 2018, France's National Assembly voted to end tax incentives for palm oil biodiesel by 2020, followed later that month by Norway's parliament's plan to ban biofuels with palm oil also by 2020. In 2017, the European Union ("EU") Parliament had banned the use of palm oil in all European biofuels by 2020, citing environmental concerns. Such moves have had a rippling effect on the CPO stock levels in Malaysia and have further reduced export potentials to these countries. The Malaysian Government has strongly criticised such moves, calling the EU's decision unfair and have increased efforts in engaging with officials and stakeholders of influential member states of the EU which are important palm oil trading partners in the EU. The Malaysian Government has been actively engaged in ongoing efforts to promote palm oil and palm-based products to key markets while removing their misconceptions about the palm oil business and their negative views about oil palm cultivation.

With the tightening up of rules and regulations from certain regions in an attempt to control the use of agro-chemicals, we are one of the manufacturer in the market, ICB Group is bound to be facing more stringent product registrations that could potentially lead to longer time needed to successfully launch new products into the market, whether domestically or in the overseas market. However, our increased efforts in Research & Development ("R&D"), despite the escalation of certain R&D costs, will be able to prevent new market entrants as we aim to improve efficiencies and productions based on agriculture outcomes. Our aim to reduce post-harvest losses is the route we have always embraced, which represents our main differentiating factor from other players that only focused on trade.

PROSPECTS

According to the World Population Prospects 2019 published by the United Nations, the world population is expected to climb up to 8.5 billion by 2030 and 9.7 billion by 2050 from an estimated 7.7 billion in 2019. This means we will require more food than what we are able to produce now and in the next 10 to 30 years. The justification for this industry is as the world population increases, crop lands are increasingly strained and unable to meet the growing demand for food without employing some method of crop enhancement. This situation becomes worse when usable agricultural lands continue to shrink year-by-year due to rapid and continuous developments. As higher plant population does not always translate to higher yields, there is definitely the potential with increasing the number of plants per acre. Therefore, increasing yield for growers with agro-chemical support will be one of the main solutions in preventing or reducing insects attack while increasing the volume and quality of yields.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROSPECTS (continued)

The recent Malaysian Government's initiative that provided the green light to export whole fruits for durians in frozen packs has opened up a window of opportunities for more farmers to be involved in this lucrative industry. Given that the quality of fruits for exports is of fundamental importance and a basic requirement under export standards, the use of insecticides for prevention is absolutely necessary and inevitable. ICB Group is well prepared for this and has ready products that can cater for the anticipated surge in market demand for whole durian fruits in the coming future.

Global economic growth is projected to soften in 2019, with financial market pressures and ongoing trade tensions impacting prospects for emerging markets and developing countries. In spite of these continued headwinds, Malaysia's economic fundamentals remain strong. The domestic economy is set to see a steady expansion, buoyed by private sector demand and recovery from supply disruptions in commodity related sectors, along with new production facilities. Other positive indicators such as favourable labour market conditions, a resilient banking system and sound financial buffers will further support the Malaysian economy in 2019, which bodes well for ICB Group as we seek to strengthen earnings potential and unlock value for both domestic and our export markets.

FINANCIAL COMPARISON FOR THE FINANCIAL YEARS ENDED 30 JUNE 2019 ("FY2019") AND 30 JUNE 2018 ("FY2018")

ICB Group's revenue for FY2019 was RM64.1 million, a decrease of RM14.7 million (approximately 18.6%) over the revenue of RM78.8 million for FY2018.

PBT was recorded at RM4.20 million for FY2019, representing a drop of 54.1% compared with RM9.15 million for FY2018. The main reasons for the reported results were largely due to margin compressions as a result of aggressive and competitive pressures in selling prices from market players, a general economic slowdown and the introduction of new regulatory measures in certain markets.

Profits attributed to the owners of the Company was RM0.58 million in FY2019 as compared with RM5.73 million for FY2018, a drop of RM5.15 million.

While the total assets of ICB Group as at 30 June 2019 have eased to RM136.69 million (FY2018: RM144.88 million), the fundamentals of ICB Group remain strong. Total liabilities were reduced from RM13.3 million in FY2018 to RM8.52 million in FY2019. Share capital remains consistent with previous year at RM42.86 million.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

STATEMENT OF CASH FLOWS

Operating Activities

Net cash generated from operating activities in FY2019 was RM12.5 million as compared with net cash used in operating activities of RM2.3 million in FY2018, an improvement of RM14.8 million. This is mainly due to the improvement in collections from both domestic and overseas customers, partially contributed by higher trade payables in FY2019.

Investing Activities

There were no major investing activities for FY2019.

Financing Activities

There were no drawdowns of any new loans for FY2019. Net cash was used for the repayment of an existing term loan and the payment of dividend.

IDENTIFICATION OF RISKS

As an export-oriented manufacturing entity, ICB Group's financial performance is exposed to the risks of fluctuation in foreign currency exchange rates and volatility in CPO prices. Major movements in key foreign currency exchange rates, such as US Dollar, and the related CPO prices will create a short-term impact on ICB Group's financial performance due to time lag effect of the cost pass-through mechanism. ICB Group is thus constantly monitoring these risk factors and endeavors to achieve an effective and efficient cost pass-through mechanism to minimise the impact on its financial performance caused by macro factors.

ICB Group is aware of such risks and has processes in place for assessment, mitigation, monitoring and reporting on these risks identified. While the unfavourable CPO prices have seriously implicated the industry as a whole, this could continue into the coming financial year and we anticipate our herbicides segment to remain slow. According to a report from Bank Negara Malaysia, it is projected that the higher palm oil outputs amid the recovery in palm oil yields and the continued expansion in matured oil palm areas will contribute to growth in the agriculture sector in 2019.

CAPITAL MANAGEMENT

ICB Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of ICB Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. ICB Group manages its capital structure and makes adjustments, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, ICB Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes in relation to ICB Group's approach to capital management during the financial year ended 30 June 2019.

ECONOMIC AND INDUSTRY OUTLOOK

Malaysia's second quarter 2019 gross domestic product ("GDP") growth continues to highlight the country's resilience amid the challenging global environment. According to Bank Negara Malaysia ("BNM"), Malaysia's economy has recorded a strong growth of 4.9% for the second quarter of 2019 ("2Q 2019"), supported by higher household spending and private investment.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

ECONOMIC AND INDUSTRY OUTLOOK (continued)

Growth in the manufacturing sector for 2Q 2019 registered a marginal improvement at 4.3% (1Q 2019: 4.2%) amid better performance in the domestic-oriented industries but contracted year-on-year if compared with 4.9% in 2Q 2018. In the agriculture sector, growth moderated to 4.2% (1Q 2019: 5.6%) but showed a year-on-year improvement as compared with 2.5% in 2Q 2018.

Major economic sectors, notably the services and manufacturing sectors, will remain as the key drivers of growth for the Malaysian economy. According to BNM, growth in the Malaysian economy is expected to stay between 4.3% and 4.8% in 2019, mainly supported by the recovery from commodity-related shocks experienced last year. While the recovery from supply shocks is expected to continue into the second half of the year, the slower global growth amid ongoing trade tensions would continue to weigh on growth. In this environment, economic growth is projected to remain supported largely by private sector activity. Household spending will continue to be driven by stable labour market conditions, while investment activity will be supported by capacity expansion in key sectors such as manufacturing and services. Nonetheless, BNM is of the view that this outlook is subject to downside risks from lingering uncertainties in the global and domestic environment, worsening trade tensions and extended weakness in commodity-related sectors.

In terms of the international economic environment, the global economy grew at a more moderate pace in 2Q 2019. In the United States, GDP growth moderated in 2Q 2019. The latest data release was accompanied by a revision to the back series to indicate stronger growth from 2017 to 3Q 2018, but slower growth in 4Q 2018 and 1Q 2019. This suggests that growth peaked in the first half of 2018, and has slowed more than previously anticipated, due mainly to weaker investment activity. Meanwhile, growth in the Euro area moderated to its weakest level since 4Q 2013. Besides softer consumption demand, industrial production remained in contraction, weighed by sluggish global trade activity and supply constraints in the automotive sector. Growth in the United Kingdom moderated due mainly to a drawdown of inventories amid sustained private consumption.

In Asia, growth in PR China continued to moderate, as weaker private consumption was only partially offset by an improvement in policy driven investments. Growth in the rest of the Asian region also slowed, mainly affected by weaker external demand amid the ongoing trade dispute between the United States and PR China. Exports in all Asian economies contracted in 2Q 2019, indicating weaknesses in external demand and effects from the ongoing trade tensions between the United States and PR China. PR China's exports declined by 1.0% in the second quarter, as shipments to the United States, particularly for electrical parts and equipment, continued to contract. Similarly, across Asian economies, the contraction in exports was largely brought about by a slowdown in exports of electronic equipment and parts.

As a global player, ICB Group takes heed of these macroeconomic variables and is well positioned to face these challenges. ICB Group is cautiously optimistic that given ICB Group's strong and resilient business fundamentals, ICB Group will continue its growth, albeit at a slower pace, and remain profitable in the coming financial year.

DIVIDEND POLICY

The Company does not have a dividend policy. However, the Company has been consistently paying out dividends to the shareholders. Consistent with previous years, the Board is pleased to recommend a first and final single tier dividend of 3.5 sen per ordinary share for FY2019 (FY2018: 3.5 sen per ordinary share).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors ("the Board") of Imaspro Corporation Berhad ("ICB" or "the Company") and its subsidiaries ("ICB Group") firmly believes that commitment to good business ethics and corporate governance ("CG") is essential to maintain long term sustainability of ICB Group's business and performance. The Board embraces good corporate governance and supports the principles and the recommended practices provided in the Malaysian Code on Corporate Governance 2017 ("MCCG 2017").

With this, the Board is pleased to present this Corporate Governance Overview Statement ("CG Overview Statement") which outlines the manner and extent ICB Group has adopted and applied the principles and recommended practices as set out in the MCCG 2017 during the financial year ended 30 June 2019. The detailed application by ICB Group for each CG practice during the financial year ended 30 June 2019 is reported in the CG Report which is available on the Company's website at www.imaspro.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1) Board Responsibilities

The Board is always mindful of its responsibilities in leading and determining the strategic direction and overseeing the overall management of ICB Group. It provides an effective oversight of the conduct of ICB Group's businesses, ensuring appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy, integrity and effectiveness. The Board takes into consideration the interests of all stakeholders in their decision-making so as to ensure ICB Group's objectives of creating long-term shareholder value are met.

The Board is guided by its Charter. Pursuant to the MCCG 2017 and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has on 27 August 2018 reviewed its Charter, as well as approved and adopted the revised Charter which was amended to be in line with both MCCG 2017 and MMLR. The revised and updated Charter sets out the Board's strategic intent and outlines the roles and responsibilities of the Board and its Committees, individual Director and the Chairman as well as its meeting requirements. The Charter is subject to review as and when necessary and is available on the Company's website at www.imaspro.com.

In discharging the key fiduciary duties and leadership functions, the Board assumes the following principal responsibilities in line with the practices prescribed under the MCCG 2017:

a) Set the corporate values and promote good corporate governance culture within ICB Group which reinforces ethical, prudent and professional behaviour and ensure that the obligations to shareholders and other stakeholders are met;
b) Review, challenge and decide on Management's proposals for the Company and monitor the implementation by Management;
c) Set the strategic aims of ICB Group and ensure that the strategy and business plan of ICB Group supports long-term value creation and promote sustainability taking into consideration the economic, environmental and the social aspects;
d) Oversee the conduct of ICB Group's business and operations as well as ensure the businesses are being properly managed;
e) Ensure the adequacy and integrity of ICB Group's internal controls and management systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
f) Understand the principal business risks and recognise that business decisions involve the taking of appropriate risks;
g) Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
h) Ensure that all members of the Board and the Management team are of sufficient caliber including having in place of a process to provide for the orderly succession of the Board and the Management Team;
i) Ensure the Company has in place procedures to ensure effective communication with and appropriate disclosure to its shareholders and other stakeholders; and
j) Ensure the integrity of ICB Group's financial and non-financial reporting.

To assist the Board in discharging its oversight function, the Board has delegated specific responsibilities to the following Board Committees:

- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Audit Committee ("AC")

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

1) Board Responsibilities (continued)

The Board decided that the key senior management team would assume the risk management function and report directly to AC, which has an oversight role for risk management governance. The Board had also reviewed and updated the NC, RC and AC's Terms of Reference to reflect the requirements of the applicable practices and guidance of the CG Code.

Each Board Committee operates its functions within its respective terms of reference approved by the Board. The Chairman of the respective Board Committees reports to the Board on matters deliberated and recommendations of the Board Committees.

2) Separation of functions between the Chairman and the Managing Director

The position of the Chairman and the Managing Director are held by different individuals with a clear division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Chairman's role is currently held by Datuk Captain Hamzah Bin Mohd Noor, whilst Mr. Tong Chin Hen is the Managing Director of the Company.

The Chairman is primarily responsible for ensuring the effective functioning of the Board and leading the Board in its collective oversight of Management by focusing on strategy, governance and compliance. The Chairman also ensures all Executive and Non-Executive Directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages active participation and deliberation by Board members in the Board meetings, to tap the wisdom of all Board members and promotes consensus building.

The Managing Director is appointed by the Board and is responsible for the day-to-day management of ICB Group's operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board. The Managing Director is supported by the Key Senior Management team and other committees which are tasked to oversee key operating areas. The Managing Director develops and implements the strategic goals of ICB Group as well as assesses any potential business opportunities.

The Key Senior Management team, led by the Managing Director, is accountable for the conduct and performance of the business within the agreed business strategies. The Managing Director is involved in the leadership role, overseeing the day-to-day operations and management within his assigned responsibilities. The Managing Director represents ICB Group at the highest level and a decision maker on matters within his scope of authority.

3) Senior Independent Non-Executive Director

Mr. Chen Sung Fang, who chairs the NC, is designated as the Senior Independent Non-Executive Director of the Company. The details of the roles and responsibilities of the Senior Independent Non-Executive Director are disclosed in the Board Charter and CG Report.

4) Board Meetings

The Board meets regularly on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require the Board's consideration. Off-site Board meeting to discuss specific topics will be arranged, when necessary, to facilitate more time for discussion and view sharing.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

4) Board Meetings (continued)

A full year corporate calendar which sets out the dates for meetings of the Board, Board Committees and Annual General Meeting ("AGM") as well as the closed period to restrict dealings in the Company's securities by the Directors, is prepared and circulated to the Directors before the start of each calendar year to allow the Directors to plan ahead to attend such meetings. During the meetings, the Board deliberate and consider matters relating to ICB Group's financial performance, significant investments, corporate developments, strategic issues and business plan. The Company Secretaries are responsible for ensuring all proceedings of the Board and Board Committees are recorded and draft minutes are circulated to the Directors for confirmation prior to being approved.

During the financial year ended 30 June 2019, the Board had four (4) Board meetings and the attendance of each Director at the meetings is as follows:

Name of Director	No. of meetings attended
Datuk Captain Hamzah Bin Mohd Noor	4/4
Tong Chin Hen	4/4
Chen Sung Fang	4/4
Chan Weng Fui	3/4
Chan Kim Hing	4/4

Directors' commitment, resources and time allocated to the Company are evident from the attendance record.

At Board meetings, the Board reviews management reports on the business and financial performance of ICB Group and discusses major operational and financial issues. The Chairman of the Board chairs the Board meetings while the Managing Director leads the presentation and provides explanations on the management reports. Senior Management staff may be invited to attend the Board meetings to explain and clarify on the matters being tabled.

Directors are encouraged to participate in the meeting and share their views. They are also encouraged to pose queries (if any) to Management prior to each Board Meeting. Any Director who has a direct or deemed interest in the subject matter shall abstain from deliberation and voting on the respective resolution. Decisions of the Board are made by consensus. Where appropriate, decisions may be made by way of Directors' Written Resolutions for matters which are administrative in nature.

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

5) Access to Information

All Directors have unrestricted direct access to and interaction with the Key Senior Management team, in which they may have informal meetings with the Key Senior Management team to brief them on matters or major developments concerning ICB Group's operations. The Directors also have unrestricted access to the advice and services of the Company Secretaries. Directors may interact directly with, or request further explanation, information or updates on statutory and regulatory requirements from the Company Secretaries.

In addition to administrative matters, the Company Secretaries also advise the Board on corporate governance matters, corporate disclosures and ensure adherence to the relevant statutory and regulatory requirements. The Company Secretaries, who are qualified Chartered Secretaries and members of The Malaysian Institute of Chartered Secretaries and Administrators, manage all Board and Board Committee meetings as well as the processes pertaining to the Company's Annual General Meeting ("AGM"), attend and record minutes of all Board and Board Committees meetings as well as AGM. The Company Secretaries had and will continuously undertake professional development. The details of the role and responsibilities of the Company Secretaries are disclosed in the CG Report.

Subject to the approval of the Board, the Directors, whether as a full Board Member or Board Committees or in their individual capacity, may seek and obtain independent professional advice at ICB Group's expense in the course of discharging their duties. Appropriate procedures are in place to facilitate the Directors' access to such advice.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

5) Access to Information (continued)

The Board recognises the importance of providing timely, relevant and up-to-date information in ensuring an effective decision-making process by the Board. In this regard, the Board is provided with not only quantitative information but also those of qualitative nature which is pertinent to enable the Board to discharge its duties effectively.

Prior to the scheduled Board and/or Board Committee meetings, the Directors are provided with a structured agenda together with management reports and Board papers at least five (5) business days prior to the meeting. In order for meetings to be more effective, the meeting agenda is organised by taking into consideration the complexity of the proposals or matters to be deliberated. An indication will also be provided to guide the Board and Board Committees as to whether the matters are for approval, discussion or for notation purpose with time allocation determined for each agenda item in order for the meetings to be conducted efficiently.

Where necessary, members of the Key Senior Management team will be invited to attend the Board and/or Board Committee meetings to report and update on areas of business within their responsibility to provide Board members insights of the business and clarify any issues raised by the Directors in relation to ICB Group operations. Directors are encouraged to share their views and insights in the course of deliberation and partake in discussions.

All discussed issues, decisions and conclusions including dissenting views made and whether any Director abstained from voting or deliberating on a particular matter at the Board and/or Board Committee meetings as well as required actions to be taken by responsible parties are minuted by the Company Secretaries. The minutes will be signed by the Chairman of the Board or Board Committees as a correct record of the proceedings of the meeting based on the confirmation from all the Board members or Board Committee members. Decisions made and policies approved by the Board will be communicated to the relevant Key Senior Management team members for action after the meeting.

6) Directors' Training

The Board recognises the importance of continuing training and education for its Directors to ensure that they are equipped with the necessary skills and knowledge to assist them in discharging their duties as Directors.

All Directors have completed the Mandatory Accreditation Programme as required under the MMLR. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR.

For the financial year ended 30 June 2019, the Directors have attended the following conferences, seminars and training programmes:

Director	Conferences, Seminars and Training Programmes	Date(s)
Datuk Captain Hamzah Bin Mohd Noor	• 11st Joint Ikmal/SNI STS Transfer-Best Practice Forum, by Association of Malaysia's Maritime Professionals & Singapore Nautical Institute.	12 November 2018
Tong Chin Hen	• CAC 2019-20th China International Agrochemical and Crop Protection Exhibition.	5-7 March 2019
Chen Sung Fang	• Current Issues on RPGT, Stamp Duty & Special Voluntary Disclosure Program, by Selangor Bar Committee.	27 June 2019
Chan Kim Hing	• Basic Storytelling and Mapping Technique, and Analysis of Feature Films, by Institute Darul Ridzuan, Perak. • Talk on Public Awareness-Tourism Development, by Perak Tourism/ Perak Tour Guide Associations.	1-2 July 2018 24 November 2018
Chan Weng Fui	• Macao International Environment Co-operation Forum & Exhibition "Thinking Green, Going Clean, Living Cool", Macao, China.	28-30 March 2019

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

6) Directors' Training (continued)

The Board has also been regularly updated and advised by the Company Secretaries along with other independent professionals on regulatory changes and matters on governance, to enable the Directors to discharge their responsibilities effectively. The Directors are mindful of the need to continuously enhance their skills and knowledge in order to assist them in discharging their duties as Directors. The Board will, on a continuous basis, evaluate and determine the training needs of the Directors.

7) Code of Ethics and Conduct

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

The CEC is to be observed by all Directors and employees of ICB Group, and the core areas of conducts are disclosed in the CG Report.

The Board has reviewed the CEC on 27 August 2018, as part of its review of the Board Charter as mentioned above, to ensure it continues to remain relevant and appropriate. The CEC is also published on the Company's website at www.imaspro.com.

8) Board Composition

The Board currently has five (5) members, comprising one (1) Executive Director (the Managing Director), one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors. Hence, the Company fulfilled the prescribed requirement for one-third (1/3) of the membership of the Board to be independent members pursuant to Paragraph 15.02 of the MMLR.

9) Board Diversity

The Board acknowledges the importance of boardroom diversity in terms of age, gender and ethnicity as well as recognises the benefits of such diversity. The Board also recognises that having Board members with a range of different backgrounds, skills, experience and diversity is essential to ensure diverse range of viewpoints, to facilitate optimal and effective decision making and governance. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience to strengthen the Board, should remain a priority.

The Company has adopted a Gender Diversity Policy and is made available at the Company's website at www.imaspro.com.

The Board is well-balanced with an effective mix of Executive Director and Independent Non-Executive Directors, which is in line with MCCG 2017 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 ICB Group and to bring informed and independent judgement to many aspects of ICB Group's strategies and performances so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained within ICB Group.

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

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

The Board, through the NC, would assess the independence of the Independent Directors annually based on the criteria set out in the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

9) Board Diversity (continued)

Considering the recommendation of MCCG 2017 on the tenure of an Independent Director not exceeding a cumulative term of nine (9) years, none of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years.

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

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

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

10) Board Effectiveness Assessment

The Board, through the NC, conducts an annual assessment on the Board's effectiveness based on the composition, conduct, responsibilities of the Board and the Board Committees in accordance with the Board Charter and the Board Committees' Terms of Reference.

The assessment of the Board is based on four (4) main areas relating to the Board structure, Board operations, Board and Chairman's roles and responsibilities as well as the Board Committees' roles and responsibilities. For individual Director self/peer evaluation, the assessment criteria includes abilities and competencies, caliber and personality, technical knowledge, objectivity and the level of participation of Board and Board Committees' meeting, including individual contributions to the Board processes, business strategies and performance of ICB Group.

For the financial year ended 30 June 2019, the Board through the NC conducted an internally facilitated Board assessment. The assessment, which was conducted via questionnaires, covered a broad spectrum of governance attributes that encompassed eight main elements, namely performance, strategy, governance, talent, integrity, compliance, reporting, and planning. The observations of the assessment indicated that the performance of the Board, the Board Committees and the individual Directors during the year had been satisfactory and effective in overall discharge of functions and duties. It was also noted that the relationship between the Board members was good with positive and constructive interactions, coupled with strong leadership shown by the Chairman.

Based on the assessment, taking into consideration the nature and the scope of ICB Group's operations and business requirements, the Board is satisfied with the current size and composition of the Board and opined that it is appropriate and well balanced with diversity of skill set, knowledge and experience which would facilitate effective decision-making. The Board is also satisfied with the level of independence demonstrated by the Independent Directors throughout the year and their abilities to act in the best interest of the Company. The results of the individual Director's assessments had also supported the Board's decision to endorse the retiring Directors standing for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

11) Appointment and Re-election of Board Members

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

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

- identification of a candidate upon the recommendation by the existing Board Members, Key Senior Management team, shareholders and/or other consultants;
- the NC to consider, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Directors, the candidate's independence, in evaluating the suitability of the candidates;
- recommendation of candidates to be made by the NC to the Board, as well as recommendation for appointment as a member of the various Board Committees, where necessary; and
- decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

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

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

The NC assessed the performance of all the Directors particularly the Directors who are standing for re-election at the Fourteenth AGM. The NC found that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the MMLR of Bursa Securities.

12) Board Committees

The Board, in view of assisting the discharge of its stewardship role, has established Board Committees namely the AC, NC and RC, which comprise solely Independent Non-Executive Directors. These Board Committees were delegated with certain responsibilities as well as the authority to examine specific issues and operate within their respective terms of reference as approved by the Board and report to the Board with their proceedings, deliberations and recommendations. The ultimate responsibility for decision making, however, lies with the Board.

The Board Committees for the financial year ended 30 June 2019 include:

(a) Audit Committee

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

The composition, attendance for meetings and work of activities of the AC are set out in the AC Report on pages 35 to 38 of this Annual Report. The AC's Terms of Reference ("TOR") is published on the Company's website at www.imaspro.com.

(b) Nomination Committee

The NC has been entrusted with the responsibility of proposing and recommending new nominees to the Board and assessing Directors on an on-going basis. The roles and responsibilities of the NC are set out in the NC's TOR, published on the Company's website at www.imaspro.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

12) Board Committees (continued)

(b) Nomination Committee (continued)

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors. In compliance with the recommendation of MCCG 2017, the Chairman of the NC is also the Senior Independent Non-Executive Director as identified by the Board, to whom any concern from the shareholders may be conveyed.

The composition of the NC is as follows:

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

The NC meets as and when required. For the financial year ended 30 June 2019, the NC met once and the meeting was attended by all of its members.

The NC has carried out the following activities during the meeting held on 27 August 2018:

- reviewed and assessed the mix of skills, expertise, experience, composition and size of the Board;
- reviewed and assessed the performance of each individual Directors, the independence of the Independent Directors and the effectiveness of the Board and the Board Committees;
- reviewed the terms of reference of NC in line with the MMRL of Bursa Securities and
- discussed and recommended to the Board the Directors who are retiring and be eligible for re-election at the Fourteenth AGM.

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

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

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

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

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

All recommendations of the NC are subject to the endorsement of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

12) Board Committees (continued)

(c) Remuneration Committee

The RC 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 team, 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 roles and responsibilities of the RC are set out in the RC's TOR, published on the Company's website at www.imaspro.com.

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

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

The composition of the RC is as follows:

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

The RC meeting is held as and when required, but at least once a year. For the financial year ended 30 June 2019, the RC met once and the meeting was attended by all of its members. All recommendations of the RC are subject to the endorsement of the Board.

13) Directors' Remuneration

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

The Company will seek the shareholders' approval at the forthcoming Fifteenth AGM for Directors' fees and benefits payable to the Directors for the period from this Fifteenth AGM until the next AGM of the Company in 2020. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

The shareholders of the Company had, at the Fourteenth AGM held on 22 November 2018, approved the payment of Directors' fees and benefits up to RM162,000.00 to the Directors for the period from the Fourteenth AGM until the forthcoming Fifteenth AGM. For the financial year ended 30 June 2019, a total of RM148,000.00 was paid to the Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

13) Directors' Remuneration (continued)

Details of the Directors' remuneration of the Company (including the Managing Director) who served during the financial year ended 30 June 2019 are as follows:

Name of Director	Fees & Chairman's Allowance* RM	Meeting Allowance* RM	Salaries^ & Fees RM	Bonuses^ RM	Benefits-in-kind^ RM	Other emoluments^ RM	Total RM
Managing Director							
Tong Chin Hen	24,000	2,000	1,380,000	210,000	23,950	249,900	1,889,850
Non-Executive Directors							
Datuk Captain Hamzah Bin Mohd Noor	30,000	2,000	-	-	-	-	32,000
Chen Sung Fang	30,000	2,000	-	-	-	-	32,000
Chan Weng Fui	30,000	2,000	-	-	-	-	32,000
Chan Kim Hing	24,000	2,000	-	-	-	-	26,000
Total	138,000	10,000	1,380,000	210,000	23,950	249,900	2,011,850

** : received and receivable from the Company.*
^ : received and receivable on group basis. None of the amount was received from the Company.

Notes: Benefits-in-kind include motor vehicle. Other emoluments include statutory contributions to the Employees' Provident Fund.

The Company has eight (8) Key Senior Management, including the Managing Director who is an Executive Director. The top five (5) Key Senior Management (excluding the Managing Director) whose remuneration falls within the respective bands of RM50,000 is disclosed below:

Remuneration Bands	Number of Key Senior Management
RM100,001 – RM150,000	2
RM150,001 – RM200,000	1
RM200,001 – RM250,000	2
RM250,001 – RM300,000	0

The Board is of the view that disclosure on name basis of the Key Senior Management's remuneration components including salaries, bonuses, benefits-in-kind and other emoluments, in the bands of RM50,000 in accordance with the recommendation of Practice 7.2 of the MCCG 2017 is not in the best interest of the Company due to privacy reasons.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1) Audit Committee

The AC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors. Mr. Chan Weng Fui, the Chairman of the AC, is not the Chairman of the Board so as not to impair the objective of the Board's view of the AC's findings and recommendation. The members of the AC are financially literate and have sufficient understanding of ICB Group's businesses. Details of the composition of the AC are set out in the AC Report on pages 35 to 38 in this Annual Report.

The AC assists the Board in discharging its statutory duties and responsibilities by ensuring:

- accurate and timely financial reporting and compliance with applicable financial reporting standards;
- adequate internal control in the systems and processes which enable ICB Group to operate effectively and efficiently;
- that an effective risk management framework is in place to manage risks impacting ICB Group;
- that internal audit functions effectively and audits are performed by external auditors objectively and independently; and
- ICB Group complies with applicable laws, rules and regulations and has an appropriate code of business conduct in place.

The Board through the NC assesses the composition and performance of the AC annually, through an annual Board Committee effectiveness assessment. The Board is satisfied that the AC members discharged their functions, duties and responsibilities in accordance with the AC's TOR. The Board had also reviewed and updated the AC's TOR on 27 August 2018 to reflect the requirements of the applicable practices of MCCG 2017.

Currently, the AC does not have a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. Nevertheless, the AC had incorporated such practice in its TOR that a former key audit partner is required to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. The Board noted on such practice and will adhere to the same when considering appointment of AC member in the future.

A summary of activities and the role of the AC in relation to both the internal and external auditors are described in the AC Report on pages 35 to 38 of this Annual Report.

2) Suitability and Independence of External Auditors

The Board through the AC has established a transparent and professional relationship with ICB Group's external auditors. The AC has explicit authority to communicate directly with the external auditors. The AC meets with the external auditors at least twice a year to discuss their audit plan and audit findings in relation to ICB Group's financial statements. Private session between the AC and the external auditors were also held without the presence of the Managing Director and Key Senior Management team to discuss the audit findings and any other observations they might have during the audit process.

The external auditors are invited to attend the AC meetings as and when required apart from the scheduled meetings when they present the audited financial statements of ICB Group to the AC. During such meetings, the external auditors highlight and discuss the nature, scope of the audit, internal controls and problems that might require the attention of the Board.

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

The external auditors, as part of the AC's assessment of their independence, will provide the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The external auditors are required to declare their independence annually to the AC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors, Messrs HLB Ler Lum PLT, had provided their declaration in their annual audit plan (for the financial year ended 30 June 2019) presented to the AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

2) Suitability and Independence of External Auditors (continued)

Being satisfied with the external auditors' performance, technical competence and independence, the AC recommended the appointment of HLB Ler Lum PLT as external auditors for the financial year 2019.

The AC reviews the audit and non-audit services provided by the external auditors. In reviewing such services, the AC ensures that the independence and objectivity of the external auditors are not compromised. The external auditors are engaged mainly to perform statutory audit on ICB Group's financial statements.

For the financial year ended 30 June 2019, the external auditors also undertook the following non-audit related review:

- Review of the Statement on Risk Management and Internal Control

3) Risk Management and Internal Control Framework

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 ICB Group is reviewed periodically by the AC.

The internal audit function is outsourced to an independent consulting company namely Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC"), a corporate member of the Institute of Internal Auditors Malaysia, to assist the AC in assuming the task of internal control review and risk assessment functions of ICB Group. Areas for improvement were highlighted and the implementation of recommendations was monitored. The outsourced internal auditors report directly to the AC.

The Board is of the view that the overall risk management and internal control systems in place for the financial year ended 30 June 2019 are operating adequately and effectively for the purpose of safeguarding ICB Group's assets as well as shareholders' investments and the interests of employees and other stakeholders. The key features of the risk management and internal control systems are set out in the Statement on Risk Management and Internal Control on pages 39 to 41 in this Annual Report.

4) Financial Reporting

In presenting the quarterly financial reports and the annual audited financial statements to the stakeholders, primarily to the shareholders, investors and regulatory authorities, the Board is committed to provide a clear, balanced and meaningful assessment of ICB Group's financial position and prospects. The Board, assisted by the AC, oversees the financial reporting of ICB Group. The AC reviews ICB Group's quarterly financial reports and annual audited financial statements, as well as the appropriateness of ICB Group's accounting policies and the changes to these policies, to ensure compliance with the accounting standards and regulatory requirements.

The Board is responsible for ensuring the financial statements of ICB Group are prepared in accordance with the requirements of the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR, to give a true and fair view of the financial position of ICB Group at the end of the financial year.

The Board is satisfied that in preparing the financial statements for the financial year ended 30 June 2019, ICB Group has adopted and applied consistently the appropriate accounting policies and presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. ICB Group had also implemented the relevant internal controls to ensure the financial statements are free from material misstatement. The Board also considered that all applicable approved accounting standards in Malaysia were being adopted and the financial statements were prepared on a going concern basis.

The Chairman's Statement and the Management Discussion and Analysis in this Annual Report provide additional analysis and insights on the state of ICB Group's business. A Statement of Directors' Responsibilities in respect of the audited financial statements is presented on page 42 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ICB Group recognises the importance of being accountable to its shareholders and stakeholders and it remains committed to maintain an active and proactive communication approach with its shareholders and stakeholders to facilitate mutual understanding of each other's objectives and expectations. ICB Group firmly believes that timely, accurate and effective communication with its shareholders and stakeholders is the key to enable them to make informed decisions with respect to ICB Group's business, its policies on governance, the environment and corporate responsibility.

1) Communication with Stakeholders

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, ICB 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 ICB Group's business activities are press releases, public announcements on quarterly basis, annual report and disclosures to Bursa Securities.

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

ICB Group recognises the importance of being transparent and accountable to its shareholders and as such, a Communication Policy was adopted to enable the Board and Management to communicate effectively with investors, financial community and the public generally. The Communication Policy is made available for reference in the Company's website at www.imaspro.com.

2) Leveraging Information Technology for Effective Dissemination of Information

Shareholders are also encouraged to access ICB Group's corporate website at www.imaspro.com as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

3) Conduct of General Meetings

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The Notice of meeting and the Annual Report are required to be sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. A presentation will be given by the Chairman to explain ICB Group's strategy, performance and major developments to shareholders during the AGM. The Notice of the Fourteenth AGM of the Company is circulated 28 days prior to the date of the meeting, to provide shareholders ample time to read through the Annual Report.

Shareholders are encouraged to participate in the Questions and Answers session on the proposed resolutions or about ICB Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Constitution to attend and vote on their behalf. The Board and Key Senior Management are present to provide clarification on shareholders' queries. The external auditors, Messrs HLB Ler Lum PLT, will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

3) Conduct of General Meetings (continued)

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

The Group would consider introducing electronic voting (e-voting) facilities and make available such facilities in the future meetings if the number of attendees at general meeting increases. This is to ensure that the mandatory poll voting process at all general meetings to be carried out efficiently. In addition, the Company is amending its Constitution to allow the Company to leverage on technology to enhance the communication with the shareholders of the Company and the conduct of the general meetings in future.

4) Corporate Disclosure Policy

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

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

The Corporate Disclosure Policy is made available for reference in the Company's website at www.imaspro.com.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors of Imaspro Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2019.

MEMBERSHIP AND MEETINGS

The Audit Committee ("AC") comprises three members of the Board of Directors ("the Board"), all of whom are Independent Non-Executive Directors. Mr Chan Kim Hing, a member of the AC, is a member of the Malaysian Institute of Accountants and a Fellow of CPA Australia. Accordingly, the Company complies with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board assesses the composition and performance of the AC and its members through an annual Board Committee effectiveness assessment. Based on the assessment conducted for the financial year ended 30 June 2019, the Board was of the view that the present composition in the AC was appropriate. The Board was also satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference.

During the financial year ended 30 June 2019, the AC had four meetings and the attendance of each member at the meetings is as follows:

Name of Director	Designation	No. of Meetings Attended
Chan Weng Fui	Chairman, Independent Non-Executive Director	3/4
Chen Sung Fang	Senior Independent Non-Executive Director	4/4
Chan Kim Hing	Independent Non-Executive Director	4/4

The Chairman, Managing Director, Finance & Corporate Strategy Manager and the outsourced internal auditors of the Group were invited to attend these meetings. Certain members of Management Team were also invited to attend these meetings to assist in clarifying matters raised at the meetings on a need basis.

The AC met with the Group's external auditors to discuss the external audit plan prior to the commencement of the audit and audit findings and any other observations they may have during the audit process. The AC also met with the external auditors in separate private sessions without the presence of the Managing Director and Management staff on 27 August 2018. The AC enquired about Management's cooperation with the external auditors, their sharing of information, the proficiency and adequacy of resources in financial reporting functions as well as the operational efficiencies of the Group.

The AC Chairman reports to the Board on matters deliberated at every AC meeting and recommendations made by the AC.

TERMS OF REFERENCE OF THE AC

The Terms of Reference of the AC outline the composition of the AC, Chairman of the AC, Committee Members, objectives of the Committee, authority of the Committee, functions of the Committee, procedures of Committee meetings, Secretary of the Committee, disclosures and revision. The Terms of Reference of the AC is accessible on the Company's website at www.imaspro.com.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

SUMMARY OF WORK OF THE AC

The AC carried out its duties in accordance to its Terms of Reference. The main activities carried out by the AC during the financial year ended 30 June 2019 were as follows:

1) Financial Reporting

a) Reviewed the quarterly financial results of the Group and the relevant announcements to Bursa Securities and recommended them for the Board's approval.

b) Reviewed the Audited Financial Statements of the Group and recommended them for the Board's approval.

In reviewing the financial results and statements, the AC focused particularly on changes in or implementation of major accounting policy or accounting standards and significant matters highlighted including financial reporting issues, key judgement and estimates made by Management on items that may affect the financial results and statements, significant unusual events or exceptional transactions as well as deliberated on Management's explanations and recommendations of the external auditors on these issues. The review was to ensure that the financial reporting and disclosures are in compliance with the MMLR, provisions of the Companies Act 2016, Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and any other relevant legal and regulatory requirements.

The following reviews have also been carried out to ensure that the Group and the Company's quarterly interim financial statements and related disclosures present a true and fair view of the Group's and the Company's financial position and performance and are in compliance with MFRS 134 – Interim Financial Reporting Standards in Malaysia and International Accounting Standards (IAS) 34 – Interim Financial Reporting as well as applicable disclosure provisions of the MMLR of Bursa Securities.

Date of Meetings	Review of Quarterly Interim Financial Statements
27 August 2018	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 June 2018
22 November 2018	First quarter results for the financial year ending 30 June 2019
29 January 2019	Second quarter results for the financial year ending 30 June 2019
17 May 2019	Third quarter results for the financial year ending 30 June 2019

2) External Audit

a) Reviewed with the external auditors their audit scope and audit plan and their proposed fees for the statutory audit.

b) Reviewed the external audit reports and areas of concern highlighted in the Management Letter, including Management's responses to findings raised by the external auditors.

c) Discussed with the external auditors the significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements applicable to the Group and the plans, processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.

d) Assessed the independence and objectivity of the external auditors in carrying out statutory audit for the Group and prior to the engagement of the external auditors for ad-hoc non-audit services.

The AC received confirmation from the external auditors, Messrs HLB Ler Lum PLT ("HLB") that they adhered to the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") in relation to communication of breaches of auditor independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

2) External Audit (continued)

The AC undertook an annual assessment of the performance of the external auditors for the financial year ended 30 June 2019, covering areas such as scope of work, caliber, quality control processes, audit team, audit communication, audit governance and independence as well as the audit fees of the external auditors. The AC was satisfied that HLB were unlikely to neither create any conflict of interest nor impair the independence, suitability and performance of HLB and thus, recommended to the Board to seek shareholders' approval for the re-appointment of HLB as external auditors for the financial year ended 30 June 2019 at its meeting held on 27 August 2018.

3) Internal Audit

a) The AC reviewed four (4) internal audit reports which covered the following areas:

i) Human Resources Management;
ii) Inventory Management;
iii) Safety and Health; and
iv) Follow-up status on previously reported audit findings (Human Resource, Inventory Management, Safety and Health and Management Information Systems).

The AC also reviewed the Register of Risk Report which covers the Risk Matrix and Change Log of the Company. The AC reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto. The internal auditors monitored the implementation of Management's action plan on outstanding issues through follow-up reports to ensure that all key risks and control weaknesses are being properly addressed.

b) The AC also reviewed and approved the Internal Audit Plan for financial year ended 30 June 2019 to ensure there is adequate scope and comprehensive coverage over the activities of the Group and all the risk areas are audited annually.

4) Recurrent Related Party Transactions and Related Party Transactions

a) Reviewed the Recurrent Related Party Transactions ("RRPT") and Related Party Transactions ("RPT") that arose and discussed possible conflict of interest situations that may arise within the Group to ensure that:

- transactions with related parties and/or interested persons were conducted at arm's length basis and on normal commercial terms and that the internal control procedures with regards to such transactions were sufficient, not prejudicial to the interests of the Group and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the MMLR of Bursa Securities); and

- the transactions are fair and reasonable and are not detrimental to the minority shareholders.

b) Reviewed the processes that the Group has in place for identifying, evaluating, approving, reporting and monitoring of RRPT. The AC was satisfied that the processes were adequate to ensure the transactions have been made at arm's length basis and not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner. However, the Group did not have any RRPT and RPT for the financial year under review.

5) Other Activities

a) Reviewed the corporate governance practices adopted by the Group based on the Malaysian Code on Corporate Governance issued by the Securities Commission in April 2017.

b) Reviewed the Corporate Governance Overview Statement, AC Report and the Statement on Risk Management and Internal Control and recommended to the Board to approve the same for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The AC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The internal audit function is an integral part of the assurance framework and its principal role is to undertake independent and systematic reviews on the Group's internal control system so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The AC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

The internal audit function, which is outsourced to an independent consulting company specialised in internal audit services, Sterling Business Alignment Consulting Sdn Bhd ("SBAC"), assists the AC in ensuring the adequacy and effectiveness of the Group's internal control systems. Each audit review is engaged by approximately two to three internal auditors depending on the areas of audit. From the review, opportunities for improvement to the system of internal control were identified and presented to the AC via internal audit reports, whilst Management formulated the relevant action plans to address the issues noted.

The AC is chaired by an Independent Non-Executive Director and its members comprise of Independent Non-Executive Directors. Internal audit reports were reviewed and adopted by the AC on quarterly basis. During the financial year, the outsourced internal auditors have reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

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

For the financial year ended 30 June 2019, the following activities were conducted:

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

2) Conducted internal audit review based on the approved Internal Audit Plan.

3) Followed up review on previously reported findings and agreed recommendations.

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

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

6) Presented Internal Audit reports to the AC for review.

The costs incurred by the Company in respect of the internal audit services for the financial year ended 30 June 2019 amounted to RM38,800.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Introduction

The Board of Directors ("the Board") of Imaspro Corporation Berhad ("the Company") is pleased to provide the following Statement on Risk Management and Internal Control of the Company and its subsidiaries ("the Group") for financial year ended 30 June 2019. This has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance 2017 ("MCCG 2017") and "Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers".

Board Responsibility for Risk Management and Internal Control

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

The Board regularly receives and reviews the reports on the effectiveness of the risk management and internal control and is of the view that it is adequate to safeguard shareholders' interest and the Group's assets. The role of Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate a suitable system of internal controls to manage these risks. The Board has obtained assurances from the Managing Director that the Group's system of risk management and internal control is operating adequately and effectively throughout the financial year under review and up to the date of issuance of this Statement.

Risk Management

As part of the risk management process, a Registry of Risk and a Risk Management Handbook are maintained by the Company. The Registry of Risk is maintained to identify principal business risks and updated for on-going changes in the risk profile which identify the risk factors, statement of risk, risk owner, impact, likelihood and proposed risk control actions. The Risk Management Handbook summarises the risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts.

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

The respective risk owners are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions and Management team.

The Board confirms that there is an on-going process of identifying risks, evaluating and managing the significant risks faced by the Group. This process is in place for the financial year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

Key Elements of Internal Control

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

Key Elements of Internal Control (continued)

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

- Operating policies and procedures that serve as a general management guide for daily operations. These policies and procedures are reviewed on a 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.

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

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

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

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

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

Internal Audit Function

The Group in its efforts to provide adequate and effective internal control system had appointed an independent consulting company to undertake its internal audit function. The independent consulting company acts as internal auditors and reports directly to the AC on a quarterly basis during the AC meetings. The AC is chaired by an Independent Non-Executive Director and its members comprise of Independent Non-Executive Directors. The AC is of the opinion that the internal audit function is effective and is able to function independently.

The internal auditors are free from any relationships or conflict of interest, which could impair their objectivity and independence of the internal audit function. The internal auditors do not have any direct operational responsibility or authority over any of the audited activities.

The internal auditors use the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. On a quarterly basis, the internal auditors report to the AC on areas for possible improvements and Management's responses to such recommendations. Follow-up audits were also carried out and the audit outcomes were reported to the AC to ensure identified audit findings are being addressed.

The internal auditors adopt risk-based internal audit approach in developing its audit plan which addresses the critical business processes, risk and internal control gaps, effectiveness and adequacy of the existing state of internal control of the major subsidiaries as well as recommends possible improvements to the internal control process. The internal audit plans are reviewed and approved by the AC, to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

During the financial year, the internal auditors reviewed the adequacy and the integrity of the Group's internal control system of the key functions including system for compliance with applicable laws, regulations, rules, directives and guidelines.

For the financial year ended 30 June 2019, three (3) internal audit reviews and one (1) follow-up status report were carried out and reported by the outsourced internal auditors:

Audit Period	Name of Entity Audited	Audited Areas
1st Quarter (July 2018-September 2018)	Imaspro Resources Sdn. Bhd.	• Human Resources Management
2nd Quarter (October 2018-December 2018)	Imaspro Resources Sdn. Bhd.	• Inventory Management
3rd Quarter (January 2019-March 2019)	Imaspro Resources Sdn. Bhd.	• Safety and Health
4th Quarter (April 2019-June 2019)	Imaspro Resources Sdn. Bhd.	Follow up Status Report on Previously Reported Audit Findings on Human Resource, Inventory Management, Safety and Health and Management Information Systems

Review of Statement by the External Auditors

The external auditors had reviewed this Statement on Risk Management and Internal Control in accordance with Paragraph 15.23 of the MMLR of Bursa Securities. Based on their review, the external auditors reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

Conclusion

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system currently in place is as far as practicable, adequate and effective to safeguard the Group's interests and assets. The Board remains committed towards maintaining a sound system of internal control and risk management to achieve a balance between the Group's business objectives and operational efficiency. For the coming year, the Board will continue to assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

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

In preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2019, the Directors have:

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

b) presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

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

d) assessed the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Malaysia governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SUSTAINABILITY STATEMENT

INTRODUCTION

Sustainability forms an integral part of the corporate strategy at Imaspro Corporation Berhad ("ICB") and its subsidiary companies ("ICB Group"). With growth comes the realisation of the significance and impact of our business to the environmental, economic and social matters. ICB aspires to achieve sustainability best practices in all its business activities by integrating sustainable practices into its daily businesses and aligning them to its core values. At ICB, we believe in the long-term future sustainability of our business and in creating value for our key stakeholders.

Governance Structure

The Board acknowledges the importance for ICB Group to adopt and continuously practise good corporate governance throughout ICB Group's operations to ensure accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of ICB Group. The Board has outlined the applications as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") with reference to the Corporate Governance Guide ("Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

Scope of Disclosure

The information provided in this Sustainability Statement covers the period from 1 July 2018 to 30 June 2019 and applies to the entire ICB Group as described in the Audited Financial Statements for the financial year ended 30 June 2019.

Materiality Assessment and Strategy

Materiality is a critical input into our corporate sustainability strategy because it ensures we provide our stakeholders with the sustainability information most relevant to them and our business as well as our ability to create value in the short, medium and the longer term. We have identified our material sustainability issues in accordance with the value chain and impact analysis relevant to our activities and categorised them into three (3) main themes, environmental impacts, economic enhancements and social contributions.

ENVIRONMENTAL IMPACTS

ICB recognises the importance of environmental protection for the sustainability of its businesses and is committed to:

a) encourage continuous improvement in environmental performance by incorporating suitable monitoring mechanisms and improvement targets on aspects which are material to its operations;
b) integrate the consideration of environmental concerns and impacts into its decision making and activities; and
c) promote environmental awareness among its employees.

As a responsible corporation, ICB has initiated various sustainable environmental conservation efforts. ICB is focused on the efficient use of resources and proper management of waste generated from manufacturing process. Investments made in automation and process engineering over the years have not only resulted in costs reduction but have also minimised wastages of resources and reduced the production of waste materials.

Waste and Effluent Management

ICB Group acknowledges its responsibility in ensuring that the disposal of wastes especially Scheduled Waste is done in a proper manner and in accordance with the relevant rules and regulations, such as the Environmental Quality Act, 1974. Trainings have been conducted for innovative waste management practices to be applied in our production process. Chemical and other hazardous wastes are conscientiously dealt with. Chemical wastes, contaminated washing water and packaging materials are sent to Kualiti Alam, Negeri Sembilan for proper disposal and all reporting procedures are in compliance with Malaysia's Department of Environment (DOE) e-reporting system, namely Electronic Scheduled Waste Information System ("eSWIS"). Non-contaminated used materials such as papers, paper cartons and cardboard boxes are re-used, where possible, or sent to recycling centres.

SUSTAINABILITY STATEMENT (continued)

ENVIRONMENTAL IMPACTS (continued)

Energy Consumption

ICB Group is continuously looking for ways to ensure its operations are energy efficient. By minimising energy consumption, ICB Group is able to improve operational costs and reduce its carbon footprint. To minimise energy usage, energy-saving LED lightings are used whenever possible throughout its operations while ICB Group's procurement department considers energy efficiency features when procuring for new equipment. The efficient usage of resources and shorter machine hours due to increased efficiency have contributed in reducing ICB Group's carbon footprint, as lower kilowatt per hour of electricity were consumed.

Water Consumption

Water is used primarily for manufacturing and drinking at our facilities and is obtained solely from municipal suppliers. We implement measures to minimise water consumption as part of our environmental management efforts. Rainwater harvesting is practised where rainwater is collected and stored in our manufacturing plant. The harvested water is subsequently used for sanitation purposes such as toilet flushing and cleaning. ICB Group is committed to reducing our operational water footprint, advocating an effective water consumption policy and encouraging our employees to be water stewards at work.

ECONOMIC ENHANCEMENTS

Supplier Management & Procurement Practices

ICB Group operates a procurement function which provides both guidance and direction that underpins an all-encompassing approach towards maximising value creation by reducing supply chain costs, improving transactional processes, maintaining long term relationship with suppliers, complying with laws and regulations and enhancing efficiency, while providing sustainable fit for purpose solutions. This approach is embodied throughout ICB Group's procurement function, which has a common vision to deliver excellence in procurement practices through operational effectiveness, cross-functional collaboration and savings transparency.

Community Engagement & Investments

ICB Group is aware of its role in society, especially in an international and multicultural setting. ICB Group's social engagement also includes sharing our knowledge and professional skills. We select initiatives that are closely related to our competences and business, in areas where we believe we can add most value through our expertise and ability to provide meaningful work placements and/or traineeships. From time to time, ICB Group has been providing industrial training and internship opportunities to students from local institutes of higher learning.

Employees of ICB Group are encouraged to volunteer for community projects. During the financial year, ICB Group organised various activities to reach out to the local communities. ICB Group has sponsored the Gempur Aedes programme at Taman Summit, Klang in October 2018, held a roadshow with Be Pharmacy at Subang Perdana in January 2019, participated in Gotong Royong Mega Perangi Aedes 1.0 at PPR Seri Alam Fasa 2, Cheras in March 2019 and Program Gotong Royong Perdana Basmi Denggi at Pangsapuri Ampang Mewah in April 2019.

On top of the above initiatives, ICB Group has also provided sponsorships and participated in the following:

- Give the Gift of an English Class to a Rural School – Sekolah SK Dato Onn Jaafar in November, 2018;
- Travelog Communication for Behavioural Impact ("COMBI") Pejabat Kesihatan Daerah Petaling Bersama COMBI tahun 2019 at Mentari Court Subang Jaya in March 2019;
- Program Generasi Bestari by Majlis Perbandaran Subang Jaya at Summit USJ Mall in April 2019; and
- Komuniti Bersama Exco Kesihatan Negeri Selangor (YB Dr. Siti Mariah Bt Mahmud) at Flat Seri Bahtera in January 2019.

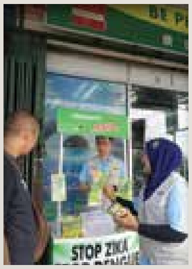
FIGHT MOSQUITO WITH IMASPRO

Our community outreach program

PROGRAM GEMPUR AEDES

Taman Summit, Klang

October 2018



ROAD SHOW - BE PHARMACY

Subang Perdana

January 2019

WE CARE WE SHARE

Aedes control starts at our home

GOTONG-ROYONG MEGA PERANGI AEDES 1.0

PPR Seri Alam, Fasa 2, Cheras

March 2019

PROGRAM GOTONG-ROYONG PERDANA BASMI DENGGI

Pangsapuri Ampang Mewah

April 2019

SUSTAINABILITY STATEMENT (continued)

ECONOMIC ENHANCEMENTS (continued)

Indirect Economic Enhancements

The growth of ICB Group has contributed to the employment of the local communities where some employees have been with ICB Group for close to over 23 years. ICB Group is always working towards instilling a culture of well-being, enabling them to grow and prosper within ICB Group. Employees are offered with competitive salaries and benefits coupled with a conducive working environment.

SOCIAL CONTRIBUTIONS

ICB Group is guided by the fundamental principles as stipulated in the Human Rights Commission of Malaysia (Suhakam and Suruhanjaya Hak Asasi Malaysia) and is committed to good workplace practices such as non-discrimination, fair employment conditions, health and safety, workplace security, privacy or data protection, no child or forced labour and human trafficking, no sexual harassment, grievance handling, community rights, etc. Besides, ICB Group also has separate policies on whistle blowing and gender diversity.

ICB Group expects all its employees at all levels to conduct themselves responsibly, honestly and with integrity in carrying out their duties and responsibilities, and to comply with ICB Group's policies, procedures and applicable laws and regulations. ICB Group also sets out the Code of Conduct and Ethics to maintain a uniform set of values and ethics within the Group.

Workplace Diversity & Inclusion

ICB Group believes that discrimination prevents people from living up to their full potential, creates inequality as well as less stable and prosperous societies. Talent is diverse by nature and ICB Group aims to build a diverse workforce that begins with offering equal opportunities and career perspectives to both men and women, regardless of race and nationality.

ICB Group is well represented by all races and age groups with men outnumbering women. We strive to increase the number of women in all positions especially management role over the longer term. We encourage our people to perform the best of their abilities by motivating, connecting and valuing their contributions.

To strengthen the spirit among people with different beliefs and culture, ICB Group continues to celebrate major festivals such as Chinese New Year and Hari Raya, among others, with all employees in conducive to engaging working environment for all employees.

During the financial year, ICB Group had hosted the following festive events for all employees:

- Hari Raya luncheon with all staff at ICB Head Quarters in June 2018
- Christmas gifts exchange and lunch with all staff at ICB Head Quarters in December 2018
- Annual dinner with all staff at Klang Executive Club in February 2019

As part of ICB Group's 25th Anniversary celebration, a special dinner has also been organised for ICB Group's loyal customers with lucky draws for participating customers at Genting International Convention Centre on 14 September 2018. In line with the shared values of ICB Group, management had taken this special opportunity to present Long Service Awards to deserving employees in recognition of their continuous efforts, loyalty and support to ICB Group.

Occupational Safety & Health

Keeping our people safe is ICB Group's first and primary responsibility as a responsible company. It is a core value for ICB Group, and an unequivocal expectation from our employees, their families and communities. We aim to establish a "Safety First" culture at ICB Group. Training, coaching, and recognition are critical components to continuously encouraging a culture of safety. Various activities focusing on safety and health were organised by ICB Group to promote a healthy and positive work environment for its employees.

1993 - 2018 25 years ANNIVERSARY
情牽25載

25th Anniversary Dinner Celebration

Genting Highlands I 14 September 2018

Opening ceremony speech by our MD, C.H. Tong.

The longest service award is awarded to our senior manager, Mr. Haji Hanapi who served in Imaspro since year 1994.

MD C.H. Tong presenting mock-up voucher to our grand prize lucky draw winner.

Our dealers from Sarawak and Selangor States in a group photograph with our sales personnel, Mr. Thye (standing second-left).

Our dealers from Sarawak and Johor States in a group photograph with our sales personnel, Mr. Dicson Gan (standing).

SUSTAINABILITY STATEMENT (continued)

SOCIAL CONTRIBUTIONS (continued)

Occupational Safety & Health (continued)

Programmes and initiatives implemented to achieve greater safety and health awareness amongst the employees include:

- Activities conducted under the Yearly Safety and Health Programme;
- Activities conducted in compliance with the Department of Occupational Safety & Health ("DOSH") Control of Industrial Major Accident Hazards Regulations 1996 – DOSH Officer inspection for factory yearly renewal on 5 March 2019;
- Training sessions conducted for Forklift operations and pre-caution on safety;
- Activities conducted for Health and Medical Surveillance;
- Training sessions conducted for Chemical Handling & Spillage Control;
- Conduct of Emergency Response Plan and Emergency / Fire Drill; and
- Training session in compliance with The Industry Code of Practice on Chemicals Classification and Hazard Communication.

Specific trainings included in ICB Group's Safety and Health Programme for the year include:

- Chemical Handling & Spillage Control for selected workers on 29 August 2018;
- Internal Fire Drill Exercise for all factory workers on 22 September 2018;
- In-house forklift training for 15 selected forklift drivers/operators on 19 January 2019; and
- Empowering Safety & Health Committee for 14 Safety Members & Emergency Response Team leaders on 31 January 2019.

As for health benefits for employees, ICB Group provides medical coverage and insurance benefits. ICB Group is also constantly reviewing its policies and management systems on Occupational Safety & Health and to ascertain they are effective, appropriate and could be continually used in the organisation. ICB Group is committed in making Occupational Safety & Health as a culture and behaviour in the daily work of all employees. ICB Group also provides training to the employees for cultivation of talent within the Group to sustain growth in future.

Product and Services Responsibility

As a manufacturer and marketer of agro-chemical products, ICB Group plays an important part in the customers' supply chains. ICB Group strives to provide its customers with products and services with integrity, quality and care. The Group seeks to continuously enhance the reputation of and trust in its brands through its commitment to deliver products of the highest safety and quality standards. The Group takes the quality and safety of its products very seriously and will not compromise on compliance, safety and quality in any way.

Compliance

An effective governance structure and risk management system forms the backbone of ICB Group's business operations. Risk assessments are conducted on yearly basis to identify and mitigate significant risks that are affecting our business operations. Annually, we review the adequacy of insurance coverage of all our business operations to safeguard against potential threats. Employees of ICB Group are involved in identifying and mitigating sustainability risks across all areas of operations.

CONCLUSION

With the various initiatives conducted, ICB Group strives to work towards a sustainable balance between our commitments to our customers and also other stakeholders in the economic environment i.e. our environment through our carbon footprints; our economy through our continuous growth and creating a mutually beneficial relationship with suppliers as well as sustaining employment for our local communities and our assets by empowering our employees through various career development initiatives and promoting a conducive, healthy and safe working environment.

ANNUAL REPORT
2019

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM	Company RM
Profit for the year	577,460	2,865,484
Profit attributable to:		
Owners of the Company	577,460	2,865,484
Non-controlling interests	-	-
	577,460	2,865,484

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 2018 was as follows:

In respect of the financial year ended 30 June 2018

	RM
A first and final single tier dividend of 3.5 sen per share paid on 16 January 2019	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 2019 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2019.

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served on the Board of the Company during the financial year until the date of this Report are:-

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares in the Company			
	At 1.7.2018	Acquired	Disposed	At 30.6.2019
Shareholdings in the name of the Director:				
Tong Chin Hen	1,750,000	1,350,000	-	3,100,000
Chan Weng Fui	817,000	7,676,200	(6,417,100)	2,076,100
Shareholdings in which the Director is deemed to have an interest:				
Tong Chin Hen	33,947,064	-	-	33,947,064 *

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

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

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 24 to the Financial Statements.

DIRECTORS' REPORT (continued)

ISSUE OF SHARES

There were no changes in the issued share capital of the Company during the financial year ended 30 June 2019.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a Directors' and Officers' liability insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium effected for any director and officer of the Company as at the financial year ended was RM4,000. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

There were no indemnity given to or insurance affected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

DIRECTORS' REPORT (continued)

OTHER STATUTORY INFORMATION (Continued)

(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.

SUBSIDIARY/SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the Financial Statements.

AUDITORS' REMUNERATION

Details of the Auditors' remuneration are set out in Note 22 to the Financial Statements.

AUDITORS

The auditors, Messrs. HLB Ler Lum PLT (LLP0021174-LCA & AF 0276), have expressed their willingness to continue in office.

HLB Ler Lum PLT (LLP0021174-LCA & AF 0276) was registered on 9 August 2019 and with effect from the date, HLB Ler Lum (AF 0276), a conventional partnership was converted to a limited liability partnership.

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

TONG CHIN HEN
Director

CHAN WENG FUI
Director

Dated: 21 August 2019

Petaling Jaya

STATEMENT BY DIRECTORS

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

We, TONG CHIN HEN and CHAN WENG FUI, being the Directors of IMASPRO CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of its financial performance and cash flows for the financial year then ended.

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

TONG CHIN HEN
Director

CHAN WENG FUI
Director

Date: 21 August 2019

Petaling Jaya

STATUTORY DECLARATION

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

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

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in the Federal Territory this)
day of 21 August 2019)

Before me

Commissioner for Oaths

LAI DIN
KUALA LUMPUR
FEDERAL TERRITORY

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Imaspro Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2019 of the Group and of the Company, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 12 to 72.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. **Mosfly International Sdn. Bhd. including its investment in associate company being Mosfly Vietnam Industries Co., Ltd. ("Mosfly") recorded as Held for Sale and Discontinued Operations.**

   The risk

   We refer to Note 2(d)(iii) and 13 to the Financial Statements.

   In June 2019, the Board of Directors of Imaspro Corporation Berhad ("Imaspro") had decided to dispose of one of its wholly-owned subsidiary, Mosfly which was previously reported in the mosquito coils, disinfectants and household insecticide segment. Management concluded that Mosfly will be reported in accordance with MFRS 5 – Non-Current Asset Held-for-Sale and Discontinued Operations ("MFRS 5") in the financial year ended 2019 Consolidated Financial Statements.

   The application of MFRS 5 is significant to our audit as the assessment of the classification is complex, the transaction and its accounting is non-routine and involves significant management judgements. These include amongst others, the date of classification of the non-current assets as held for sale, the identification of the disposal group and the presentation of its results as discontinued operations.

   As a result of these conclusions, there are requirements around the valuation of the assets of the disposal group and presentation in the Consolidated Financial Statements and disclosure notes, the identification of income and expenses allocated to Mosfly, assumptions and estimates made with regard to allocations, and adjustments to be recorded.

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

Our response:

Our audit procedures included, among others, an evaluation of the client's conclusions on the classification of the disposal group as held-for-sale and the results of Mosfly as discontinued operations.

- Inspected the Directors' written resolution and reviewed the Management's plan to locate a buyer to evaluate and determine appropriate treatment of the transaction in accordance with the requirements of MFRS 5;
- Evaluated whether Mosfly classifies as one disposal group;
- Assessed valuation of assets of the disposal group as the lower of carrying amount and fair value less cost to sell; and
- Evaluated the presentation of the results of Mosfly as discontinued operations;

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Matters

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

HLB LER LUM PLT
LLP0021174-LCA & AF 0276
Chartered Accountants

DATO' LER CHENG CHYE
00871/03/2021 J
Chartered Accountant

Date: 21 August 2019

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	29,508,747	29,775,710	-	-
Investment properties	5	18,298,853	18,569,286	-	-
Investment in subsidiary companies	6	-	-	31,467,623	57,467,623
Investment in associate	7	-	11,450,025	-	-
Intangible assets	8	-	7,854,676	-	-
Deferred tax asset	9	78,132	175,000	-	-
		47,885,732	67,824,697	31,467,623	57,467,623
Current assets					
Inventories	10	15,026,070	18,294,114	-	-
Trade and other receivables	11	20,162,887	31,895,524	18,892,640	23,372,740
Tax recoverable		2,397,948	1,988,409	-	-
Cash and bank balances	12	30,873,992	24,875,046	6,921,864	2,408,640
		68,460,897	77,053,093	25,814,504	25,781,380
Assets of disposal group classified as held-for-sale	13	20,346,398	-	26,000,000	-
		88,807,295	77,053,093	51,814,504	25,781,380
TOTAL ASSETS		136,693,027	144,877,790	83,282,127	83,249,003
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:					
Share capital	14	42,857,032	42,857,032	42,857,032	42,857,032
Foreign currency translation reserve	15	1,879,544	1,679,140	-	-
Retained profits	16	83,361,659	87,013,973	40,385,640	40,320,156
Reserve of disposal group classified as as held-for-sale	13	71,524	-	-	-
Total equity		128,169,759	131,550,145	83,242,672	83,177,188
Non – current liabilities					
Deferred tax liabilities	9	1,054,878	1,176,878	-	-
Loan and borrowings	17	3,313,614	4,026,895	-	-
		4,368,492	5,203,773	-	-
Current liabilities					
Trade and other payables	18	3,415,112	7,342,755	39,455	71,815
Loan and borrowings	17	711,156	690,180	-	-
Tax payable		4,384	90,937	-	-
		4,130,652	8,123,872	39,455	71,815
Liabilities directly associated with disposal group classified as held-for-sale	13	24,124	-	-	-
		4,154,776	8,123,872	39,455	71,815
TOTAL LIABILITIES		8,523,268	13,327,645	39,455	71,815
TOTAL EQUITY AND LIABILITIES		136,693,027	144,877,790	83,282,127	83,249,003

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Continuing Operations					
Revenue	19	64,141,302	78,829,121	3,150,000	4,500,000
Cost of sales		(51,628,855)	(59,941,851)	-	-
Gross profit		12,512,447	18,887,270	3,150,000	4,500,000
Other operating income	20	1,256,616	1,634,498	121,050	104,497
Distribution cost		(712,489)	(923,166)	-	-
Administration expenses		(7,151,208)	(8,714,346)	(405,566)	(388,372)
Other operating expenses		(1,441,367)	(1,462,229)	-	-
Operating profit		4,463,999	9,422,027	2,865,484	4,216,125
Finance cost	21	(265,811)	(274,275)	-	-
Profit before tax	22	4,198,188	9,147,752	2,865,484	4,216,125
Income tax expense	25	(1,059,169)	(1,305,150)	-	-
Profit from continuing operations		3,139,019	7,842,602	2,865,484	4,216,125
Discontinued operations					
Loss from discontinued operations	13	(2,561,559)	(2,108,793)	-	-
Profit for the year		577,460	5,733,809	2,865,484	4,216,125
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Continuing operations					
- Foreign currency translation		263,332	(624,479)	-	-
Discontinued operations					
- Share of other comprehensive income/ (expenses) of associated company		8,596	(268,595)	-	-
Total comprehensive income for the year		849,388	4,840,735	2,865,484	4,216,125

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**RM**	**RM**	**RM**	**RM**
Profit attributable to:					
Owners of the Company		577,460	5,733,809	2,865,484	4,216,125
Non-controlling interests		-	-	-	-
		577,460	5,733,809	2,865,484	4,216,125
Total comprehensive income Profit attributable to:					
Owners of the Company		849,388	4,840,735	2,865,484	4,216,125
Non-controlling interests		-	-	-	-
		849,388	4,840,735	2,865,484	4,216,125
Profit attributable to equity holder of the Company relates to:					
Profit from continuing operations		3,402,351	7,218,123	-	-
Loss from discontinued operations		(2,552,963)	(2,377,388)	-	-
		849,388	4,840,735	-	-
Earnings per share attributable to owners of the Company:					
Basic (sen)	26				
From continuing operations		3.92	9.80		
From discontinued operations		(3.20)	(2.63)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		<-------------------- Attributable to owners of the Company				------------------->
		Non - Distributable		Distributable		
Group	**Note**	**Share Capital RM**	**Foreign Currency Translation Reserve RM**	**Retained Profits RM**	**Reserve of Disposal Group Classified As Held-For-Sale RM**	**Total Equity RM**
At 1 July 2017		42,857,032	2,572,214	84,080,164	-	129,509,410
Profit for the year		-	-	5,733,809	-	5,733,809
Other comprehensive loss for the year		-	(893,074)	-	-	(893,074)
Transaction with owners						
Dividends	27	-	-	(2,800,000)	-	(2,800,000)
At 30 June 2018		42,857,032	1,679,140	87,013,973	-	131,550,145
Impact arising from adoption of MFRS 9		-	-	(1,429,774)	-	(1,429,774)
At 1 July 2018		42,857,032	1,679,140	85,584,199	-	130,120,371
Profit for the year		-	-	577,460	-	577,460
Other comprehensive income for the year		-	271,928	-	-	271,928
Transaction with owners						
Dividends	27	-	-	(2,800,000)	-	(2,800,000)
Others						
Reserve attributable to disposal group classified as held-for-sale	13	-	(71,524)	-	71,524	-
At 30 June 2019		42,857,032	1,879,544	83,361,659	71,524	128,169,759

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

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		<------------------ Attributable to owners of the Company	------------------>	
			Distributable	
Company	**Note**	**Share Capital RM**	**Retained Profits RM**	**Total Equity RM**
At 1 July 2017		42,857,032	38,904,031	81,761,063
Profit for the year		-	4,216,125	4,216,125
Other comprehensive income for the year		-	-	-
Transaction with owners				
Dividends	27	-	(2,800,000)	(2,800,000)
At 30 June 2018		42,857,032	40,320,156	83,177,188
Profit for the year		-	2,865,484	2,865,484
Other comprehensive income for the year		-	-	-
Transaction with owners				
Dividends	27	-	(2,800,000)	(2,800,000)
At 30 June 2019		42,857,032	40,385,640	83,242,672

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	1,704,781	7,073,068	2,865,484	4,216,125
Adjustments for:				
Amortisation	1,002,031	1,323,857	-	-
Depreciation of property, plant and equipment	1,352,327	1,406,758	-	-
Depreciation of investment properties	270,433	257,578	-	-
Dividend income	-	-	(3,150,000)	(4,500,000)
Gain on disposal of property, plant and equipment	(133,854)	(20,088)	-	-
Impairment loss on trade receivables	-	6,458	-	-
Interest expenses	265,811	274,275	-	-
Interest income	(663,348)	(736,053)	(121,050)	(104,497)
Inventories written off	180,494	-	-	-
Loss/(Gain) on foreign exchange - unrealised	279,798	(830,300)	-	-
Property, plant and equipment written off	1	-	-	-
Reversal of allowance for impairment of trade receivables	(391,244)	(152,762)	-	-
Share of associate's results	1,859,205	1,180,128	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	5,726,435	9,782,919	(405,566)	(388,372)
Inventories	2,899,429	238,129	-	-
Receivables	9,170,210	(13,185,585)	(19,900)	(46,530)
Payables	(3,898,307)	3,098,270	(32,360)	5,628
CASH GENERATED FROM/ (ABSORBED BY) OPERATIONS	13,897,767	(66,267)	(457,826)	(429,274)
Dividend received	-	-	7,650,000	-
Interest paid	(265,811)	(274,275)	-	-
Interest received	663,348	736,053	121,050	104,497
Taxes paid	(1,940,992)	(2,701,550)	-	-
Taxes refunded	176,179	14,798	-	10,000
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	12,530,491	(2,291,241)	7,313,224	(314,777)
Purchase of property, plant and equipment	(1,177,709)	(795,839)	-	-
Proceeds from disposal of property, plant and equipment	198,500	28,159	-	-
Dividend received	-	378,000	-	-
NET CASH USED IN INVESTING ACTIVITIES	(979,209)	(389,680)	-	-

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

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(692,305)	(666,832)	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET CASH USED IN FINANCING ACTIVITIES	(3,492,305)	(3,466,832)	(2,800,000)	(2,800,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,058,977	(6,147,753)	4,513,224	(3,114,777)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	263,332	(618,717)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,875,046	31,641,516	2,408,640	5,523,417
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12 AND NOTE 13)	33,197,355	24,875,046	6,921,864	2,408,640

NOTES TO THE STATEMENTS OF CASH FLOWS

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
(a) Acquisition of property, plant and equipment				
Cash	1,177,709	795,839	-	-
Trade in	15,000	-	-	-
	1,192,709	795,839	-	-

Reconciliation of liabilities arising from financing activities:

	1 July 2018 RM	Principal and interest payment RM	Non-cash changes – interest expense RM	30 June 2019 RM
Bank borrowing	4,717,075	(920,565)	228,260	4,024,770

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

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 6 to the Financial Statements.

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

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

(i) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year, except in current financial year, the Group and the Company adopted all the new and revised standards which are effective for financial year beginning on or after 1 July 2018.

Effective for financial year beginning on or after 1 July 2018

MFRS 9	Financial instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Investment in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)
Amendments to MFRS 140	Investment Property - Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transaction and Advance Consideration

The principal changes in accounting policies and their effects are set out below:

MFRS 9 Financial instruments

On 1 July 2018, the Group adopted MFRS 9 Financial Instruments, which is effective for annual periods beginning on or after 1 July 2018.

The changes arising from the adoption of MFRS 9 have been applied retrospectively. The Group has elected to apply the exemption and has not restated comparative information in the year of initial application. The impact arising from MFRS 9 adoption was included in the opening retained earnings at the date of initial application, 1 July 2018. The comparative information was prepared in accordance with the requirements of MFRS 139.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(i) Changes in accounting policies (continued)

Classification and measurement

MFRS 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018.

The Group's and the Company's debt instruments have contractual cash flows that are solely payments of principal and interest. The Group and the Company has a mixed business model.

Impairment

MFRS 9 requires the Group and the Company to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group and the Company previously recorded impairment based on incurred loss model when there is objective evidence that a financial asset is impaired.

Upon adoption of MFRS 9, the Group recognised additional impairment on the Group's trade receivables and amount due from an associated company of RM1,172,401 and RM523,505 respectively.

The additional impairment recognised arising from adoption of MFRS 9 above resulted in a corresponding decrease in retained earnings of RM1,695,906 as at 1 July 2018.

Tax adjustments and other adjustments

The corresponding tax impact to the Group arising from the adoption of MFRS 9 resulted in a decrease in deferred tax liabilities and a corresponding increase in retained earnings of RM266,132 and RM266,132 respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(i) Changes in accounting policies (continued)

Effect of adoption of MRFS 9 is set out below:

The Group has applied MFRS 9 retrospectively on the initial application date of 1 July 2018 and elected not to restate comparatives.

	As previously reported RM	Adjustments for MFRS 9 RM	After Adjustments RM
Group			
Financial assets			
Trade receivables	28,433,821	(1,172,401)	27,261,420
Amount due from an associated company	1,161,886	(523,505)	638,381
Deferred tax liabilities	1,001,878	(266,132)	735,746

The reconciliation for loss allowances for the Group is as follows:-

	Receivables RM	Amount due from an associated company RM
Opening loss allowance as at 1 July 2018	482,848	-
Amount restated through opening retained earnings	1,172,401	523,505
Adjusted loss allowance	1,655,249	523,505

<u>MFRS 15 Revenue from Contracts with Customers</u>

MFRS 15 Revenue from Contracts with Customers replaces MFRS 118 Revenue and MFRS 111 Construction Contracts and related interpretations.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The standard also specified the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

In accordance with the transitional provision in MFRS 15, the Group has adopted the standard using the modified retrospective approach without any restatement to the comparative information. As the Group has been recognising revenue in a manner consistent with the principles of MFRS 15, no adjustment has been made to the amounts recognised in the financial statements, hence no modification to the existing accounting policy on revenue recognition as disclosed in Note 3(s) to the Financial Statements.

The Group has assessed that there is no significant impact on MFRS 15 on interest income and dividend income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(ii) Standards issued but not yet effective Standards issued but not yet effective

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

<u>Effective for financial year beginning on or after 1 July 2019</u>

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations (Annual Improvements to 2015 – 2017 Cycle)
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangements (Annual Improvements to 2015 – 2017 Cycle)
Amendments to MFRS 112	Income Taxes (Annual Improvements to 2015 – 2017 Cycle)
Amendments to MFRS 119	Employee Benefits - Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs (Annual Improvements to 2015 – 2017 Cycle)
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

<u>Effective for financial year beginning on or after 1 July 2020</u>

Amendments to MFRS 3	Business Combinations (Definitions of a Business)
Amendments to MFRS 101	Presentation of Financial Statements (Definition of Material)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)

<u>Effective for financial year beginning on or after 1 July 2021</u>

MFRS 17	Insurance Contracts

<u>Effective for financial year beginning on or after a date yet to be determined</u>

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

Except for MFRS 16, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of MFRS 16 are described below.

<u>MFRS 16 Leases</u>

MFRS 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. MFRS 16 is effective for annual periods beginning on or after 1 July 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt MFRS 16 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening retained earnings at the date of initial application, 1 July 2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(ii) Standards issued but not yet effective Standards issued but not yet effective (continued)

MFRS 16 Leases (continued)

On the adoption of MFRS 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if MFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 July 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statements of Financial Position immediately before 1 July 2019.

In addition, the Group plans to elect the following practical expedients:

(i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply MFRS 16 to all contracts that were previously identified as leases

(ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 July 2019

(iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts MFRS 16 in 2020.

The effect of adoption of MFRS 16 has no material impact to the Group.

(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 Group's and the Company's functional 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 Ringgit Malaysia ("RM"), which is also 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.

The Directors are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgements (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

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

(ii) Impairment of trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 11.

The carrying amount of the Group's trade receivables as at 30 June 2019 are RM19,067,776 (2018: RM28,433,821).

(iii) Discontinued operation

In June 2019, the Board of Directors had decided to dispose of one of its wholly-owned subsidiary, Mosfly International Sdn. Bhd. including its investment in associate company being Mosfly Vietnam Industries Co., Ltd. ("Mosfly"). Operations of Mosfly are classified as a disposal group held-for-sale. The Board considered the subsidiary to meet the criteria to be classified as held-for-sale at that date for the following reasons:

- Mosfly is available for immediate sale and can be sold to the buyer in the current condition
- The actions to complete the sale were initiated and expected to be completed within one year from date of initial classification
- A potential buyer has been identified and negotiations as at the reporting date are at an advance stage
- The major shareholders approved the plan to sell

For more details on the discontinued operation, refer to Note 13 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgements (continued)

(iv) Impairment test on goodwill, trademark and investment in subsidiary

- Goodwill

  Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the higher of value in use and fair value less cost to sell of the cash-generating units to which goodwill is allocated.

- Trademark and Investment in subsidiary

  The Company reviews its trademark and investment in subsidiary when such indicators exist. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount.

  When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of these cash flows.

  When fair value less cost to sell calculations are undertaken, management estimate the expected selling price of the asset or cash-generating unit less its estimated cost to sell. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 8 to the Financial Statement.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

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

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Consolidation (continued)

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

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

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

(b) Subsidiary Companies

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

(c) Property, Plant and Equipment and Depreciation

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(d) Investment Properties

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold lands carried at cost are depreciated over its lease periods ranging from 65 years to 99 years. Buildings are depreciated over its lease periods ranging from 47 years to 50 years.

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

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

(e) Investment in Associated Companies

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment in Associated Companies (continued)

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

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

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

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

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

(f) Intangible Assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible Assets (continued)

(ii) Trademark

Trademarks are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 8 to 10 years, which is the shorter of their estimated useful lives and periods of contractual rights. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(h).

(g) Non-Current Assets Held-For-Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Inventories

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

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

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

(j) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third party, in the trade receivables do not contain a significant financing component at initial recognition.

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost
Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)
Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit loss. The cumulative gain or loss previously recognised in other comprehensive income in reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss (FVPL)
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the assets 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 for debt instrument is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of Financial Assets

Initial recognition and measurement

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculation of ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward – looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) 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.

(m) Share Capital and Share Issuance Expenses

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

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

(n) Borrowing Costs

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions

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

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

(p) Contingencies

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

Contingent liabilities and assets are not recognised in the Statements of Financial Position of the Group.

(q) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(r) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of pesticides products

The Group manufactures and sells pesticides and plant micronutrients to the customers. Sales are recognised when control of the products have transferred to its customers, being when the products are delivered to the customers. There is no unfulfilled obligation that could affect the customer's acceptance of the products. The risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provision have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 120 days, which is consistent with market practice.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

(i) Interest income

Interest income is recognised on an accrual basis using the effective interest method, unless collectability is in doubt, in which case it is recognised on a receipt basis.

(ii) Rental income

Rental income from investment properties is recognised on a accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services have been rendered.

(iii) Dividend income

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

(iv) Royalty income

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

(t) Employee Benefits

(i) Short term employee 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee Benefits

(ii) Defined contribution plans

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

(u) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Income Taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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.

(w) Operating Segments

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

(x) Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Farm structure & equipment RM	Total RM
Cost										
At 1 July 2017	13,921,808	3,269,162	10,250,863	1,117,925	555,858	710,073	3,558,125	13,495,152	111,456	46,990,422
Additions	-	-	121,020	16,866	-	-	233,810	420,943	3,200	795,839
Disposals	-	-	-	-	-	-	(123,069)	(379,633)	-	(502,702)
At 30 June 2018/ 1 July 2018	13,921,808	3,269,162	10,371,883	1,134,791	555,858	710,073	3,668,866	13,536,462	114,656	47,283,559
Additions	-	-	117,902	44,387	-	-	839,150	182,000	9,270	1,192,709
Reclassified to disposal group (Note 13)	-	-	-	(9,699)	-	-	(48,500)	-	(848)	(59,047)
Disposals	-	-	-	-	-	-	(810,091)	(777,330)	-	(1,587,421)
Written off	-	-	-	(390)	-	-	-	-	-	(390)
At 30 June 2019	13,921,808	3,269,162	10,489,785	1,169,089	555,858	710,073	3,649,425	12,941,132	123,078	46,829,410
Accumulated depreciation										
At 1 July 2017	-	454,298	1,304,518	964,939	538,428	667,886	2,322,681	10,276,228	66,744	16,595,722
Depreciation charge for the year	-	40,795	155,230	58,643	7,034	16,639	404,811	701,053	22,553	1,406,758
Disposals	-	-	-	-	-	-	(123,067)	(371,564)	-	(494,631)
At 30 June 2018	-	495,093	1,459,748	1,023,582	545,462	684,525	2,604,425	10,605,717	89,297	17,507,849
At 1 July 2018	-	495,093	1,459,748	1,023,582	545,462	684,525	2,604,425	10,605,717	89,297	17,507,849
Depreciation charge for the year										
- Continuing operations	-	40,795	157,139	56,203	4,785	16,641	433,668	607,099	24,188	1,340,518
- Discontinuing operations (Note 13)	-	-	-	1,731	-	-	9,700	-	378	11,809
Reclassified to disposal group (Note 13)	-	-	-	(5,157)	-	-	(25,058)	-	(1,134)	(31,349)
Disposals	-	-	-	-	-	-	(730,669)	(777,106)	-	(1,507,775)
Written off	-	-	-	(389)	-	-	-	-	-	(389)
At 30 June 2019	-	535,888	1,616,887	1,075,970	550,247	701,166	2,292,066	10,435,710	112,729	17,320,663
Net carrying amount										
At 30 June 2019	13,921,808	2,733,274	8,872,898	93,119	5,611	8,907	1,357,359	2,505,422	10,349	29,508,747
At 30 June 2018	13,921,808	2,774,069	8,912,135	111,209	10,396	25,548	1,064,441	2,930,745	25,359	29,775,710

The Company revises the estimated useful life of the buildings from seventy nine years to fifty years and from eighty two years to fifty years respectively at financial year end. The revision in estimate will be applied on a prospective basis from 1 July 2019 onwards. There is no material impact to the revision on depreciation charge in future period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES

	Group 2019 RM	Group 2018 RM
Cost		
At 1 July	19,262,405	19,262,405
Addition	-	-
At 30 June	19,262,405	19,262,405
Accumulated depreciation		
At 1 July	693,119	435,541
Depreciation charge for the year	270,433	257,578
At 30 June	963,552	693,119
Net carrying amount		
At 30 June	18,298,853	18,569,286
Estimated fair value	20,591,600	21,405,000

Included in the above are:

	Group 2019 RM	Group 2018 RM
Net carrying amount		
Land	9,297,953	9,366,251
Buildings	9,000,900	9,203,035
	18,298,853	18,569,286

Investment properties comprise land and buildings. Rental income generated from the investment properties during the financial year amounted to RM35,454 (2018: RM168,600).

Direct operating expenses from investment properties that did not generate rental income of the Group during the year amounted to RM23,399 (2018: RM22,356).

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM7,734 (2018: RM26,577).

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

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

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

Included in investment properties is a shop office amounting to RM9,280,868 (2018: RM9,438,323) pledged to a licensed bank for a term loan facility granted to a subsidiary company (Note 17).

The Company revises the estimated useful life of the buildings from fifty years to thirty five years and forty eight years to thirty years respectively at financial year end. The revision in estimate will be applied on a prospective basis from 1 July 2019 onwards. There is no material impact to the revision on depreciation charge in future period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2019 RM	Company 2018 RM
Unquoted shares – at cost	31,467,623	57,467,623

Details of the subsidiary companies are as follows:

Name of Companies	Country of Incorporation	Effective Ownership Interest 2019 (%)	Effective Ownership Interest 2018 (%)	Principal Activities
Direct subsidiary companies of the Company				
Imaspro Resources Sdn. Bhd. ("IRSB")	Malaysia	100	100	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
Ideal Command Sdn. Bhd.	Malaysia	100	100	Investment holding
Plant Science Centre Sdn. Bhd.	Malaysia	100	100	Providing research, development and training with regards of pesticides and agrochemicals
Millennium Station Sdn. Bhd.	Malaysia	100	100	Investment holding
Mosfly International Sdn. Bhd. Δ	Malaysia	100	100	Manufacturing and trading of mosquito coils, disinfectants and household insecticides
Direct subsidiary companies of IRSB				
Imaspro Biotech Sdn. Bhd.	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

Δ Disposal of group and classified as held-for-sale (Refer to Note 13 to the Financial Statements for further details)

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

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

There were no changes during the year (2018: Nil) in the Group's ownership interest in its significant subsidiary companies.

7. INVESTMENT IN ASSOCIATED COMPANY

(a) Investment in associated company

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Unquoted shares, at deem cost	13,418,967	13,418,967	-	-
Share of post-acquisition reserves	(3,819,551)	(1,968,942)	-	-
Reclassified to disposal group (Note 13)	(9,599,416)	-	-	-
	-	11,450,025	-	-

(b) The associated company of the Group is as follows :

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2019 (%)	Effective Equity Interest 2018 (%)
Held through Mosfly International Sdn. Bhd.				
Mosfly Vietnam Industries Co. Ltd.*^Δ	Vietnam	Producing insect, bacteria exterminating products; producing cosmetics, cleaning, and polishing substances, room sprayer, body deodorizer	50.00	50.00

* Company not audited by HLB Ler Lum
^ Company with financial year ended 31 December
Δ Disposal of group and classified as held-for-sale (Refer to Note 13 to the Financial Statements for further details)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN ASSOCIATED COMPANY (continued)

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

	2018 RM
Effective equity interest	*50%*
Summarised financial information	
As at 30 June	
Non-current assets	13,132,817
Current assets	5,733,333
Non-current liabilities	(149,342)
Current liabilities	(5,130,608)
Net assets	13,586,200
Year ended 30 June	
Revenue	21,024,513
Profit for the financial year	(2,360,255)
Other comprehensive income	(537,189)
Total comprehensive income	(2,897,444)
Reconciliation of net assets to carrying amount	
As at 30 June	
Group's share of net assets	6,993,478
Goodwill	4,456,547
Carrying amount in the Statement of Financial Position	11,450,025
Group's share of results	
Year ended 30 June	
Group's share of loss for the year	(1,180,128)
Group's share of other comprehensive loss	(268,595)
Group's share of total comprehensive loss	(1,448,723)
Other information	
Dividend income from associate	241,166

Goodwill amounting to RM4,456,547 was included in the carrying amount of investment in associated company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INTANGIBLE ASSETS

	Group	
	2019 RM	2018 RM
Goodwill [Note 8 (i)]	-	1,125,301
Trademarks [Note 8 (ii)]	-	6,729,375
	-	7,854,676

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

(i) Goodwill

	Group	
Cost	2019 RM	2018 RM
At beginning of the year	1,125,301	1,125,301
Reclassified to disposal group (Note 13)	(1,125,301)	-
At end of the year	-	1,125,301

Impairment tests for goodwill

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

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

The CGU's business segment identified is in relation to chemical/household insecticides products business.

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

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

	2018 %
Gross margin [1]	16.75
Growth rate [2]	15.06
Pre-tax discount rate [3]	8.84
Terminal value [4]	7 times

[1] Budgeted average gross margin
[2] Average growth rate used to extrapolate cash flows beyond the budget period
[3] Pre-tax discount rate applied to the cash flow projections
[4] Terminal value based on terminal EBITDA multiples

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INTANGIBLE ASSETS (continued)

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

(b) Sensitivity to change in key assumption

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

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

	2018 **%**
Gross margin	6.81
Growth rate	6.03
Discount rate	21.12
Terminal Value	3 times

(ii) Trademarks

	Group	
	2019 **RM**	**2018** **RM**
At cost		
At beginning of the year	9,410,000	9,410,000
Reclassified to disposal group (Note 13)	(9,410,000)	-
At end of the year	-	9,410,000
Accumulated amortisation		
At beginning of the year	2,680,625	1,356,768
Charge for the year (Note 22) - Discontinuing operations	1,002,031	1,323,857
Reclassified to disposal group (Note 13)	(3,682,656)	-
At end of the year	-	2,680,625
Net carrying amount	-	6,729,375

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2019 RM	Group 2018 RM
At 1 July	(1,001,878)	(1,016,878)
Impact of MFRS 9	266,132	-
Recognised in profit or loss (Note 25)	(56,000)	15,000
Reclassified to disposal group (Note 13)	(185,000)	-
At 30 June	(976,746)	(1,001,878)

Presented after appropriate offsetting as follows:

	Group 2019 RM	Group 2018 RM
Deferred tax assets	78,132	175,000
Deferred tax liabilities	(1,054,878)	(1,176,878)
	(976,746)	(1,001,878)

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	Receivables RM	Property, plant and equipment RM	Others RM	Total RM
At 1 July 2018	-	(4,172)	179,172	175,000
Impact of MFRS 9	83,132	-	-	83,132
Recognised in profit or loss	(36,132)	(1,868)	43,000	5,000
Reclassified to disposal group (Note 13)	-	-	(185,000)	(185,000)
At 30 June 2019	47,000	(6,040)	37,172	78,132
At 1 July 2017	-	(4,172)	184,172	180,000
Recognised in profit or loss	-	-	(5,000)	(5,000)
At 30 June 2018	-	(4,172)	179,172	175,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Deferred tax liabilities of the Group	Receivables RM	Property, plant and equipment RM	Investment properties RM	Total RM
At 1 July 2018	-	(555,194)	(621,684)	(1,176,878)
Impact of MFRS 9	183,000	-	-	183,000
Recognised in profit or loss	9,000	20,786	(90,786)	(61,000)
At 30 June 2019	192,000	(534,408)	(712,470)	(1,054,878)
At 1 July 2017	-	(607,980)	(588,898)	(1,196,878)
Recognised in profit or loss	-	52,786	(32,786)	20,000
At 30 June 2018	-	(555,194)	(621,684)	(1,176,878)

10. INVENTORIES

	Group	
	2019 RM	2018 RM
At cost:		
Raw materials	9,859,808	12,444,264
Finished goods	3,728,220	4,391,560
Packaging materials	785,912	909,033
Work-in-progress	652,130	549,257
	15,026,070	18,294,114

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM34,174,261 (2018: RM46,996,923).

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade receivables				
- Third parties	20,292,761	28,646,682	-	-
- Associated company	-	269,987	-	-
Less : Allowance for impairment	(1,224,985)	(482,848)	-	-
Trade receivables, net	19,067,776	28,433,821	-	-
Other receivables				
- Deposits	130,834	144,256	-	-
- Prepayments	521,124	568,205	-	-
- Dividend receivables	-	-	-	4,500,000
- Amount due from subsidiary companies	-	-	18,892,640	18,872,740
- Amount due from associated company	-	1,161,886	-	-
- Sundry receivables	327,758	463,261	-	-
- Advance paid to suppliers	115,395	1,124,095	-	-
	1,095,111	3,461,703	18,892,640	23,372,740
Total trade and other receivables (Note 33)	20,162,887	31,895,524	18,892,640	23,372,740

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and generally have credit terms of 30 to 180 days (2018: 30 to 180 days). They are recognised at their original invoice amounts which represent their fair value on initial recognition. Other credit terms are assessed and approved on a case to case basis.

Ageing analysis of trade receivables

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

	Group 2018 RM
Neither past due nor impaired	26,975,756
1 to 30 days past due not impaired	499,566
31 to 60 days past due not impaired	558,788
61 to 90 days past due not impaired	164,429
More than 91 days past due not impaired	124,720
	1,347,503
Impaired	593,410
	1,940,913
	28,916,669

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

Receivables that are impaired

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

	Group 2018 RM
Collectively impaired:	
Trade receivables – nominal accounts	593,410
Less : Allowance for impairment	(482,848)
	110,562

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance accounts:

	Group 2018 RM
At 1 July	724,556
Charge for the year (Note 22)	6,458
Reversal of impairment losses (Note 22)	(152,762)
Bad debt written off	(95,404)
At 30 June	482,848

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.

Expected credit losses

The movement in allowance for expected credit losses of receivables computes based on lifetime ECL are as follows:-

	Group	
	Trade receivables 2019 RM	Amount due from associated company 2019 RM
At 1 July	482,848	-
Impact of MFRS 9	1,172,401	523,505
Reversal of impairment loss – net (Note 22)	(418,589)	42,721
Reclassified to disposal group (Note 13)	(11,675)	(566,226)
At 30 June	1,224,985	-

(b) Related party balances

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CASH AND BANK BALANCES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash on hand and at banks	13,856,217	5,189,737	3,180,717	31,980
Short term cash investments	17,017,775	19,685,309	3,741,147	2,376,660
Cash and bank balances (Note 33)	30,873,992	24,875,046	6,921,864	2,408,640

(a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2018: RM2,000) is held under a Director's name on behalf of the Company and pledged to the bank for bank guarantee facility.

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

(c) Short term cash investments are highly liquid which have an insignificant risk of changes in value which bore effective interest rates at the financial year end ranged from 1.14% to 5.22% (2018: 1.97% to 3.25%) and 3.13% (2018: 2.99%) for the Group and the Company respectively.

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

In June 2019, the Board of Directors of Imaspro Corporation Berhad ("Imaspro") had decided to dispose of one of its wholly-owned subsidiary, Mosfly Malaysia including its investment in associate company being Mosfly Vietnam Industries Co., Ltd. ("Mosfly") which was previously reported in the mosquito coils, disinfectants and household insecticide segment. The decision is consistent with the Group's strategy to focus on its pesticides and agrochemicals business and to divest its mosquito coils, disinfectants and household insecticide business, which has been underperforming for the last few years.

As at 30 June 2019, the assets and liabilities related to Mosfly have been presented in the Statements of Financial Position as "Assets of disposal group classified as held-for-sale" and "Liabilities directly associated with disposal group classified as held-for-sale", and its results are presented separately on the Statements of Profit or Loss and Other Comprehensive Income as "Loss from discontinued operations".

(a) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	Group 2019 RM
Revenue	1,431,205
Expenses	(2,065,407)
Share of associated losses	(1,859,205)
Loss before tax from discontinued operations	(2,493,407)
Income tax expense (Note 25)	(68,152)
Loss after tax from discontinued operations	(2,561,559)
Pre-tax loss recognised on the re-measurement of disposal group to fair value less costs to sell	-
Profit for the year from discontinued operations	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (continued)

(b) The impact of the discontinued operations on the cash flows of the Group for the financial year ended 30 June 2019 was as follows:

	Group 2019 RM
Operating cash outflows	(2,499,567)
Investing cash outflows	-
Financing cash outflows	-
Total cash outflows	(2,499,567)

(c) Details of the assets of disposal group classified as held-for-sale were as follows:

	Group 2019 RM
Property, plant and equipment (Note 4)	27,698
Investment in associate (Note 7)	9,599,416
Intangible assets (Note 8)	6,852,645
Deferred tax assets (Note 9)	185,000
Inventories	188,121
Trade and other receivables	977,966
Cash and cash equivalents	2,323,363
Tax recoverable	192,189
	20,346,398

(d) Details of the liabilities of disposal group classified as held-for-sale were as follows:

	Group 2019 RM
Trade and other payables	24,124

(e) Cumulative income recognised in other comprehensive income relating to disposal group classified as held-for-sale were as follows:

	Group 2019 RM
Currency translation differences	8,424

(f) Details of the reserve of disposal group classified as held-for-sale were as follows:

	Group 2019 RM
Foreign currency translation reserve	71,524

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (continued)

(g) Details of assets in non-current asset classified as held-for-sale were as follows:

	Company 2019 RM
Investment in subsidiary	26,000,000

14. SHARE CAPITAL

	Number of Ordinary Shares		Amount	
	2019	2018	2019 RM	2018 RM
Issued and fully paid				
Ordinary shares with no par value	80,000,000	80,000,000	42,857,032	42,857,032

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.

15. 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.

16. RETAINED PROFITS

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

17. LOAN AND BORROWINGS

	Group	
	2019 RM	2018 RM
Term loan - secured	3,313,614	4,026,895
- Non-current	711,156	690,180
- Current	4,024,770	4,717,075

The weighted average effective interest rate at the reporting date for the term loan of the Group is 5.12% (2018: 5.07%).

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. TRADE AND OTHER PAYABLES

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Trade payables				
- Third parties	2,323,727	5,834,794	-	-
Other payables				
- Deposits received	155,500	113,000	-	-
- Accruals	891,877	1,296,573	33,600	68,600
- Sundry payables	44,008	98,388	5,855	3,215
	1,091,385	1,507,961	39,455	71,815
Total trade and other payables (Note 33)	3,415,112	7,342,755	39,455	71,815

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 5 to 90 days (2018: 5 to 90 days).

(b) Other payables

Other payables are non-interest bearing. Other payables are normally settled on average terms of 30 to 60 days (2018: 30 to 60 days).

19. REVENUE

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Revenue from contracts with customer				
- Sale of pesticides products	64,121,448	78,670,820	-	-
Revenue from other sources				
- Dividend income	-	-	3,150,000	4,500,000
- Rental income	19,854	158,301	-	-
	64,141,302	78,829,121	3,150,000	4,500,000

The sale of pesticides products are recognised at a point of time and denominated in one segment (Note 30 of the Financial Statements).

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. OTHER OPERATING INCOME

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Gain on disposal of property, plant and equipment	133,854	20,088	-	-
Gain on foreign exchange				
- realised	324,878	-	-	-
- unrealised	-	830,300	-	-
Interest income from financial assets measured at amortised cost				
- Short term cash investments	663,348	735,989	121,050	104,497
Rental income	69,600	15,600	-	-
Sundry income	64,936	32,521	-	-
	1,256,616	1,634,498	121,050	104,497

21. FINANCE COST

	Group	
	2019 RM	2018 RM
Interest expenses on:		
Commitment fees	37,551	38,425
Term loan	228,260	235,850
	265,811	274,275

22. PROFIT BEFORE TAX

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Employee benefits expense (Note 23)	6,878,506	6,810,325	24,000	24,000
Non-Executive Directors' remuneration (Note 24)	114,000	114,000	114,000	114,000
Auditors' remuneration				
- statutory audit	103,227	104,355	33,000	31,000
- under-provision in prior year	(500)	-	-	-
- others	2,000	9,000	2,000	9,000
Amortisation expense (Note 8)	1,002,031	1,323,857	-	-
Impairment loss on trade receivables (Note 11)	-	6,458	-	-
Depreciation of property, plant and equipment (Note 4)	1,352,327	1,406,758	-	-
Depreciation of investment properties (Note 5)	270,433	257,578	-	-
Inventories written off	180,494	-	-	-
Property, plant and equipment written off	1	-	-	-
Rental of premises	8,017	9,022	-	-
(Gain)/Loss on foreign exchange				
- realised	(324,879)	-	-	-
- unrealised	279,798	-	-	-
Reversal of allowance of impairment of trade receivables (Note 11)	(391,244)	(152,762)	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Wages, salaries, bonuses and allowances	6,078,825	6,056,664	24,000	24,000
Social security contribution	53,880	46,842	-	-
Contributions to defined contribution plan	744,701	706,819	-	-
Other benefits	1,100	-	-	-
	6,878,506	6,810,325	24,000	24,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,656,400 (2018: RM1,986,750) and RM24,000 (2018: RM24,000) respectively as further disclosed in Note 24.

24. DIRECTORS' REMUNERATION

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Executive:				
- Salaries and other emoluments	1,262,500	1,592,850	-	-
- Fees	144,000	144,000	24,000	24,000
- Contributions to defined contribution plan	249,900	249,900	-	-
	1,656,400	1,986,750	24,000	24,000
Non-Executive:				
- Fees	114,000	114,000	114,000	114,000
	1,770,400	2,100,750	138,000	138,000
Benefits in-kind	23,950	20,407	-	-
	1,794,350	2,121,157	138,000	138,000

25. INCOME TAX EXPENSE

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Income tax:				
Malaysian income tax				
- Continuing operations	1,130,874	1,224,000	-	-
- Discontinued operations	92,000	135,000	-	-
(Over)/Under provision in prior year				
- Continuing operations	(137,705)	101,150	-	-
- Discontinued operations	(13,848)	(105,891)	-	-
	1,071,321	1,354,259	-	-
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	(78,000)	(15,000)	-	-
Under provision in prior year	134,000	-	-	-
	56,000	(15,000)	-	-
TOTAL	1,127,321	1,339,259	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. INCOME TAX EXPENSE (continued)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Income tax expenses is attributable to:				
- Continuing operations	1,059,169	1,305,150	-	-
- Discontinued operations (Note 13)	68,152	34,109	-	-
	1,127,321	1,339,259	-	-

A reconciliation of income tax expense applicable to profit/(loss) 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	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax				
- Continuing operations	4,198,188	9,147,752	2,865,484	4,216,125
- Discontinued operations	(2,493,407)	(2,074,684)	-	-
	1,704,781	7,073,068	2,865,484	4,216,125
Taxation at Malaysian statutory tax rate of 24%	409,147	1,697,536	687,716	1,011,870
Expenses not deductible for tax purposes	1,137,562	937,971	97,336	68,130
Income not subject to tax	(365,622)	(1,244,521)	(785,052)	(1,080,000)
Expenditure qualified for double deduction	(6,651)	(18,417)	-	-
Over provision of tax expense in prior year	(151,553)	(4,741)	-	-
Utilisation of reinvestment allowances	(22,314)	(35,242)	-	-
Tax effect of unrecognised deferred tax asset	(7,248)	6,673	-	-
Under provision of deferred tax in prior year	134,000	-	-	-
Tax expense for the year	1,127,321	1,339,259	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. EARNINGS PER SHARE

(a) Basic

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

	Continuing operations		Discontinued operations		Total	
	2019	2018	2019	2018	2019	2018
Profit after tax attributable to owners of the Company (RM)	3,139,019	7,842,602	(2,561,559)	(2,108,793)	577,460	5,733,809
Weighted average number of ordinary shares in issue	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Basic earnings per share (sen)	3.92	9.80	(3.20)	(2.63)	0.72	7.17

(b) Diluted

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

27. DIVIDENDS

	Group	
	2019 RM	2018 RM
For financial year ended 30 June 2018:		
- A first and final single tier dividend of 3.5 sen per share paid on 16 January 2018	-	2,800,000
For financial year ended 30 June 2019:		
- A first and final single tier dividend of 3.5 sen per share paid on 16 January 2019	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 2019 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. 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	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	3,150,000	4,500,000
Royalty income receivable from associated company - Mosfly Vietnam Industries Co., Ltd.	477,906	571,243	-	-
Sales to associated company - Mosfly Vietnam Industries Co., Ltd.	333,026	1,703,533	-	-
Purchases from associated company - Mosfly Vietnam Industries Co., Ltd	-	173,783	-	-
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.	-	156,336	-	-

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.

(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	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Short term employee benefits	2,854,854	2,862,795	138,000	138,000
Post-employment benefits - Defined contribution plan	380,851	388,087	-	-
	3,235,705	3,250,882	138,000	138,000

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel (continued)

Included in the total key management personnel are:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors' remuneration (Note 24)	1,770,400	2,100,750	138,000	138,000

29. 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	
	2019 RM	2018 RM	2019 RM	2018 RM
Unsecured:				
Corporate guarantee given to a licensed bank for credit facilities granted to subsidiary companies	-	-	6,475,000	6,475,000

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

30. OPERATING SEGMENTS

(a) Geographical Segments

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

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

Although the geographical segment of Vietnam and Indonesia does not meet the quantitative thresholds required by MFRS 8 for reportable segments, management has concluded that those segments should be reported, as they are closely monitored by the management as important segments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. OPERATING SEGMENTS (continued)

(a) Geographical Segments (continued)

Group	Malaysia RM	Vietnam RM	Indonesia RM	Japan RM	Russia RM	Others RM	Elimination RM	Total RM
At 30 June 2019								
Segment revenue:								
Sales to external customers								
- sales	34,245,230	688,776	3,743,880	6,731,136	10,155,037	8,557,389	-	64,121,448
- rental income	19,854	-	-	-	-	-	-	19,854
Inter-segment sales	1,019,678	-	-	-	-	-	(1,019,678)	-
	35,284,762	688,776	3,743,880	6,731,136	10,155,037	8,557,389	(1,019,678)	64,141,302
Profit before tax								4,198,188
Income tax expense								(1,059,169)
Profit for the year								3,139,019
At 30 June 2018								
Segment revenue:								
Sales to external customers								
- sales	44,814,118	592,332	11,652,919	7,896,685	7,919,600	5,795,166	-	78,670,820
- rental income	158,301	-	-	-	-	-	-	158,301
Inter-segment sales	919,322	-	-	-	-	-	(919,322)	-
	45,891,741	592,332	11,652,919	7,896,685	7,919,600	5,795,166	(919,322)	78,829,121
Profit before tax								9,147,752
Income tax expense								(1,305,150)
Profit for the year								7,842,602

The revenues of approximately RM13,402,000 (2018: RM11,653,000) are derived from two (2018: one) major external customer in Japan and Malaysia (2018: Indonesia).

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

(b) Business Segments

No business segment information has been presented as the Group is mostly involved in the manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals and trading of pesticides and other agrochemicals which are substantially within a single business segment. The new business segment involved, manufacturing and trading of mosquito coils, disinfectants and household insecticides via the new subsidiary acquired in last financial year is not substantial for disclosure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Interest Rate Risk

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

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

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

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

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

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM40,248 (2018: RM47,171) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loan and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity Risk

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

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

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Group							
2019							
Financial liabilities:							
Trade and other payables (Note 18)	3,415,112	-	3,415,112	3,415,112	-	-	-
Loan and borrowings (Note 17)	4,024,770	5.12	5,101,306	896,944	474,188	1,326,257	2,403,917
	7,439,882		8,516,418	4,312,056	474,188	1,326,257	2,403,917
2018							
Financial liabilities:							
Trade and other payables (Note 18)	7,342,755	-	7,342,755	7,342,755	-	-	-
Loan and borrowings (Note 17)	4,717,075	5.07	6,014,301	912,995	896,944	1,374,411	2,829,951
	12,059,830		13,357,056	8,255,750	896,944	1,374,411	2,829,951
Company							
2019							
Financial liabilities:							
Other payables (Note 18)	39,455	-	39,455	39,455	-	-	-
2018							
Financial liabilities:							
Other payables (Note 18)	71,815	-	71,815	71,815	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises 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 considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's and the Company's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group and the Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment. The loss allowance provision as at 30 June 2019 is determined as follows, the expected credit losses below also incorporate forward looking information.

Group	**Current RM**	**1 to 30 days past due RM**	**31 to 60 days past due RM**	**61 to 90 days past due RM**	**More than 90 days past due RM**	**Total RM**
30 June 2019						
Gross carrying amount	16,938,879	269,880	316,856	39,709	2,727,437	20,292,761
Loss allowance provision	77,563	35,079	85,090	21,327	1,005,926	1,224,985

Information regarding loss allowance movement of trade receivables are disclosed in Note 11 to the Financial Statements.

(ii) Other financial assets

Cash and cash equivalents and other receivables are subject to immaterial credit loss.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by eight (8) (2018: 8) customers which constituted approximately 46% (2018: 67%) of its trade receivables as at the end of the reporting period.

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

	2019 RM	**2018 RM**
By country:		
Malaysia	10,799,541	15,737,849
Japan	1,835,274	2,072,720
Vietnam	383,080	313,001
Indonesia	287,692	485,982
Russia	3,923,218	7,848,663
Others	3,063,956	2,458,454
	20,292,761	28,916,669

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign Currency Risk

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

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

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

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

	Net Financial Assets/(Liabilities) Held in Non-Functional Currency			
	USD RM	**AUD RM**	**EUR RM**	**TOTAL RM**
Group				
At 30 June 2019				
Cash and bank balances	11,183,345	1,436,838	662	12,620,845
Trade receivables	9,333,738	-	-	9,333,738
Trade payables	(1,919,145)	-	-	(1,919,145)
	18,597,938	1,436,838	662	20,035,438
At 30 June 2018				
Cash and bank balances	2,102,063	1,512,614	664	3,615,341
Trade receivables	13,757,341	-	413,976	14,171,317
Trade payables	(4,784,575)	-	-	(4,784,575)
	11,074,829	1,512,614	414,640	13,002,083

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign Currency Risk (continued)

Sensitivity analysis for foreign currency risk

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

Effect on profit after tax	2019 Increase/ (Decrease) RM	2018 Increase/ (Decrease) RM
USD		
-Strengthened by 5%	929,897	553,741
-Weakened by 5%	(929,897)	(553,741)
AUD		
-Strengthened by 5%	71,842	75,631
-Weakened by 5%	(71,842)	(75,631)
EUR		
-Strengthened by 5%	33	20,732
-Weakened by 5%	(33)	(20,732)

(e) Fair values

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

The fair value measurement hierarchies used to measure financial assets carried at fair value in the Statements of Financial Position as at 30 June 2019 are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. CAPITAL MANAGEMENT

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

The Group manages its capital structure and make 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 2018 and 30 June 2019.

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

33. FINANCIAL INSTRUMENTS

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

		Financial assets at amortised cost			
		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Trade and other receivables	11	20,162,887	31,895,524	18,892,640	23,372,740
Less: Prepayment		(521,124)	(568,205)	-	-
		19,641,763	31,327,319	18,892,640	23,372,740
Cash and bank balances	12	30,873,992	24,875,046	6,921,864	2,408,640
Total		50,515,755	56,202,365	25,814,504	25,781,380

		Financial Liabilities and Other financial liabilities at amortised cost			
		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Trade and other payables	18	3,415,112	7,342,755	39,455	71,815
Loan and borrowings	17	4,024,770	4,717,075	-	-
Total		7,439,882	12,059,830	39,455	71,815

34. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 21 August 2019.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO PARAGRAPH 9.25(1) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Material Contracts Involving Directors and Substantial Shareholders

Save as otherwise disclosed in Note 28-Related Party Disclosures in the Financial Statements, there are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the External Auditors by the Group and the Company respectively for the financial year ended 30 June 2019 were as follows:

	Company RM	Group RM
Statutory audit fee paid/payable to:		
- HLB Ler Lum PLT	28,000	98,000
Non-audit fee paid/payable to:		
- HLB Ler Lum PLT	3,000	13,000
- Firms or corporations affiliated to HLB Ler Lum PLT	-	-
Sub total	3,000	13,000
Total	31,000	111,000

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

Utilisation of Proceeds

The Company did not raise any funds from any corporate proposals during the financial year ended 30 June 2019.

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

The details of the RRPTs were disclosed in Note 28-Related Party Disclosures in the Financial Statements for the financial year ended 30 June 2019.

PROPERTIES OF THE GROUP
AS AT 30 JUNE 2019

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Resources Sdn. Bhd.						
H.S. (D) 13013 Lot No. P.T. 11539 Mukim of Kapar District of Klang State of Selangor 33, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Rented out	Land area: 1,540 Built-up area: 4,386	Freehold	35	129	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	35	129	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	35	568	21 May 2004
H.S.(D) 268621 Lot No. P.T. 27861 Mukim Bukit Raja Daerah Petaling State of Selangor 2A, Jalan Setia Dagang AK, U13/AK, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan	3-storey Semi Detached Shop Office/Rented out	Land area: 7,804 Built-up area: 7,350	Freehold	3	5,412	15 February 2017

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2019

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd.						
H.S. (M) 6289, No. P.T. 4258 Mukim of Kapar District of Klang State of Selangor Lot 2, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara, 42000 Port Klang Selangor Darul Ehsan	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 73,378 Built-up area: 31,621	Leasehold interest for 99 years expiring on 9 June 2086	31	3,974	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	37	5,178	17 January 2007
Geran 43528/M1-A/13/547, No. Petak 547 dalam Tingkat No.13, Bangunan No. M1-A, Lot No. 14, Pekan Subang Jaya Daerah Petaling Negeri Selangor Unit No. CS-10, 10th Floor, Menara Summit Persiaran Kewajipan USJ 1, 47600 UEP Subang Jaya Selangor Darul Ehsan	Office unit / Rented out	Built-up area: 12,056	Freehold	5	3,436	20 November 2014

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2019

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd. (continued)						
Lot No. BP-33A, held under Master Title No. Pajakan Negeri 92907, Lot No. 82246, Mukim and District of Petaling, State of Selangor No. BP-33A, Jalan BPD 1, Business Park D'Alpinia , 47100 Puchong, Selangor Darul Ehsan	4-storey shop office / vacant	Built-up area: 11,076	Leasehold interest (Master Title)	4	5,845	26 March 2015
H.S.D 524538 P.T.D 167010, Mukim Tebrau District of Johor Bahru No 1, Jalan Perniagaan Setia ½, Taman Perniagaan Setia, 81100 Johor Bahru	2-storey Semi Detached Cluster Factory	Land area: 8,073 Built-up area: 2,436	Freehold	3	2,009	15 August 2016
PM 470 Lot 3244, Mukim Sempang District of Jasin State of Melaka No J9895, Kawasan Perindustrian Merlimau, 77300 Merlimau Melaka	Single Storey Factory with a double storey office	Land area: 82,064 Built-up area: 47,500	Leasehold interest for 99 years expiring on 8 September 2082	36	2,724	09 September 2016

PROPERTIES OF THE GROUP (continued)
AS AT 30 JUNE 2019

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Biotech Sdn. Bhd.						
H.S. (D) 60122, No. P.T. 60621 Mukim and District of Klang State of Selangor No. 24, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 11,016 Built-up area: 3,290	Freehold	21	801	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	21	549	17 November 2006

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2019

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Plant Science Centre Sdn. Bhd.						
Lot 3030, Mukim Tebrau 81100 Johor Bahru Johor Darul Takzim	Vacant Land	Land area: 8 acres Built-up area: 7.236 acres	Freehold	Nil	5,234	13 December 2013
H.S.(M) No. 175, 176, 177, 178, 179, 180, 181 and 182 Mukim of RIM District of Jasin State of Melaka Lot 1194-1201, Jalan Maahad Tahfiz, Kampung Cenderah, 77000 Jasin, Melaka	Freehold land with agricultural research centre comprising a single storey office block and laboratory / Research and development centre of the Group	Land area: 43 acres Built-up area: 168,653	Freehold	17	1,958	7 January 2015
GM 468 Lot No.1203 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 2.0292 hectares	Freehold	Nil	1,038	22 July 2015
GM 472 Lot No.1204 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 1.6346 hectares	Freehold	Nil	835	22 July 2015

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2019

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Millennium Station Sdn. Bhd.						
Geran 34407, Lot 1749N, Geran 34408, Lot 1750N, Geran 34409, Lot 1751N, Geran 34410, Lot 1752N, Geran 34360, Lot 1753N, Bandar Ipoh (U), Daerah Kinta Negeri Perak. No.12, Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan	3-storey shop office / vacant	Land area: 7,005 Built-up area: 18,840	Freehold	5	4,156	24 December 2014

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 27 SEPTEMBER 2019

Issued Share Capital	:	80,000,000 ordinary shares
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 SEPTEMBER 2019

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 99	8	1.47	300	0.00
100 – 1,000	266	48.72	60,700	0.08
1,001 – 10,000	124	22.71	554,300	0.69
10,001 – 100,000	86	15.75	3,617,704	4.52
100,001 – 3,999,999 (*)	61	11.17	41,819,932	52.28
4,000,000 and above (**)	1	0.18	33,947,064	42.43
Grand total	**546**	**100.00**	**80,000,000**	**100.00**

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

SUBSTANTIAL SHAREHOLDERS AS AT 27 SEPTEMBER 2019

	Direct		Deemed	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Yu Kuan Chon	11,685,604	14.61	433,400##	0.54
Tong Chin Hen	3,500,000	4.38	33,947,064#	42.43

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

DIRECTORS' SHAREHOLDINGS AS AT 27 SEPTEMBER 2019

	Direct		Deemed	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**
Tong Chin Hen	3,500,000	4.38	33,947,064#	42.43
Chan Weng Fui	1,748,100	2.19	-	-
Chen Sung Fang	-	-	-	-
Datuk Captain Hamzah Bin Mohd Noor	-	-	-	-
Chan Kim Hing	-	-	-	-

\#	Deemed interest through Swiss Revenue Sdn. Bhd.

SHAREHOLDERS' INFORMATION (continued)

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 27 SEPTEMBER 2019

No.	Name of Shareholders	No. of shares held	%
1	Swiss Revenue Sdn. Bhd.	33,947,064	42.43
2	Siow Chin How	3,975,500	4.97
3	Tong Sew Teng	3,445,190	4.31
4	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	3,393,300	4.24
5	Tong Chin Hen	3,350,000	4.19
6	Yeo Soo Ming Angeline	2,600,100	3.25
7	Amsec Nominees (Tempatan) Sdn. Bhd. - Ambank (M) Bhd (Hedging)	2,559,400	3.20
8	Stephen Kuek Hock Eng	2,274,300	2.84
9	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Fung Neng	2,120,200	2.65
10	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt an for OCBC Securities Pte. Ltd. (Clients A/C-R ES)	1,910,100	2.38
11	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tong Seech Wi	1,292,100	1.61
12	Agrimart Sdn. Bhd.	940,000	1.17
13	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	896,300	1.12
14	Tong Seech Wi	873,200	1.09
15	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Bhd. for Chan Weng Fui (Smart)	770,000	0.96
16	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Sow Keng	750,000	0.94
17	Ku Kooi Khang	630,838	0.79
18	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming	567,300	0.71
19	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming (Margin)	510,300	0.64
20	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	475,000	0.59
21	Chan Weng Fui	448,000	0.56
22	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koh Liong Boon	430,100	0.54
23	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for UBS Switzerland AG (Client Assets)	370,400	0.46
24	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	368,000	0.46
25	Neo Khoon Seng	350,700	0.44
26	PM Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Bing Tiam @ Goh Kee Sang (A)	301,000	0.38
27	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	290,000	0.36
28	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	284,000	0.36
29	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Wen Tzer	276,000	0.34
30	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	269,000	0.34
TOTAL		**70,658,392**	**88.32**

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth 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, 20 November 2019 at 10.00 a.m to transact the following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2019 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**

2. To approve the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2019. **(Resolution 1)**

3. To approve the payment of Directors' Fees and Benefits of RM162,000.00 for a period from this 15th Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 2)**

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

    (i) Chen Sung Fang **(Resolution 3)**
    (ii) Tong Chin Hen **(Resolution 4)**

5. To re-appoint Messrs HLB Ler Lum PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

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

6. **Ordinary Resolution I** **(Resolution 6)**
Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

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

7. **Ordinary Resolution II** **(Resolution 7)**
Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Mandate")

    "THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") 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 number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

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 issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and

(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 of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

(i) To cancel all or part of the Purchased Shares;

(ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

(iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;

(iv) To resell all or part of the treasury shares;

(v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;

(vi) To transfer all or part of the treasury shares as purchase consideration;

(vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

(viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised 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 Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

8. **Special Resolution** **(Resolution 8)**
Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a New Constitution ("Proposed Alteration")

"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in the Appendix I attached to the Annual Report 2019 with effect from the date of passing this special resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifteenth 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 2019 will be paid to the shareholders on 15 January 2020. The entitlement date for the said dividend shall be 3 January 2020.

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

a. Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 3 January 2020 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)
Company Secretaries

Kuala Lumpur

Date: 22 October 2019

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTES:

1. Appointment of Proxy

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

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

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

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

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

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

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

(h) Only the members whose names appear on the Record of Depositors as at 12 November 2019 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

2. Audited Financial Statements for the financial year ended 30 June 2019

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

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

3. Resolution 2 – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The Directors' Fees and Benefits proposed for the period from this 15th Annual General Meeting until the next Annual General Meeting are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held from the 15th Annual General Meeting until the next Annual General Meeting. This resolution is to facilitate payment of Directors' Fees and Benefits on a current financial year basis. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

4. Resolutions 3 and 4 – Re-election of Directors

Chen Sung Fang and Tong Chin Hen are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 15th Annual General Meeting.

The Board had through the Nomination Committee carried out the assessment on the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board had also through the Nomination Committee carried out assessment on the contribution and performance as well as the independence of Chen Sung Fang, the Independent Director standing for re-election and is satisfied that he met the criteria of independence as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. Resolution 5 – Re-appointment of Auditors

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs HLB Ler Lum PLT and considered the re-appointment of Messrs HLB Ler Lum PLT as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs HLB Ler Lum PLT has the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Explanatory Notes on Special Business

(i) Resolution No. 6 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution No. 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to allot shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purpose as the Directors consider would be in the interest of the Company.

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

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

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

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

(ii) Resolution No. 7 – Proposed Renewal of Share Buy-Back Mandate

The proposed Resolution No. 7, if passed will give the Company the authority to purchase its own ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 22 October 2019 for further information.

(iii) Resolution No. 8 – Proposed Alteration

This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of Chapter 7 and other Chapters of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other provisions of laws and regulations that are applicable to the Company.

For further information on the Proposed Alteration, please refer to Appendix I attached to the Annual Report 2019.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

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

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

Kindly refer to item 6(i) of the Explanatory Notes on Special Business of the Notice of the Fifteenth Annual General Meeting for the details of the authority for Directors to allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 on page 125.

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

PROXY FORM

CDS account no.	No. of shares held

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

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

appoint ______________________________ NRIC/Passport No. ____________________

of ______________________________ or failing him, ____________________

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

the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifteenth 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, 20 November 2019** at **10.00 a.m.** and at any adjournment thereof for/against* the resolution(s) to be proposed thereat.

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
	Ordinary Business			
1.	Receive the Audited Financial Statements for the financial year ended 30 June 2019 and the Reports of the Directors and Auditors thereon.			
2.	Approval on the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2019.	1		
3.	Approval on the payment of Directors' Fees and Benefits of RM162,000.00 for a period from this 15th Annual General Meeting until the next Annual General Meeting of the Company.	2		
4(i).	Re-election of Chen Sung Fang as Director of the Company pursuant to Article 75 of the Company's Constitution.	3		
4(ii).	Re-election of Tong Chin Hen as Director of the Company pursuant to Article 75 of the Company's Constitution.	4		
5.	Re-appointment of Messrs HLB Ler Lum PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
	Special Business			
6.	Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	6		
7.	Proposed Renewal of Share Buy-Back Mandate.	7		
8.	Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a new Constitution.	8		

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

Dated this ______________ day of ______________ 2019

____
Signature / Common Seal of Shareholder(s)

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

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

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

NOTES:

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

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

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

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

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

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

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

(h) Only the members whose names appear on the Record of Depositors as at 12 November 2019 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

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

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

FIRST FOLD HERE

EX-TINGO™

Dwi Tindakan
雙功能

Perangsang Tumbesaran Tumbuhan
植物增強劑

Booster kepada Racun Kulat
殺菌劑助劑

Bengkak Cerana
(*Phytophthora* sp.)
潰瘍病

Kulapuk Downy
(*Peronospora* sp.)
露菌病

Diedarkan oleh :

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

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