

poised for
ACCELERATED
global **GROWTH**

ANNUAL REPORT
2018



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

(657527-H)

LAVERMATE

Dual Action

Control **LARVAE** and **ADULTS** Mosquitoes
in One-Shot Application



READ LABEL BEFORE USE

JIRP. P/0818/389

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ANNUAL REPORT
2018

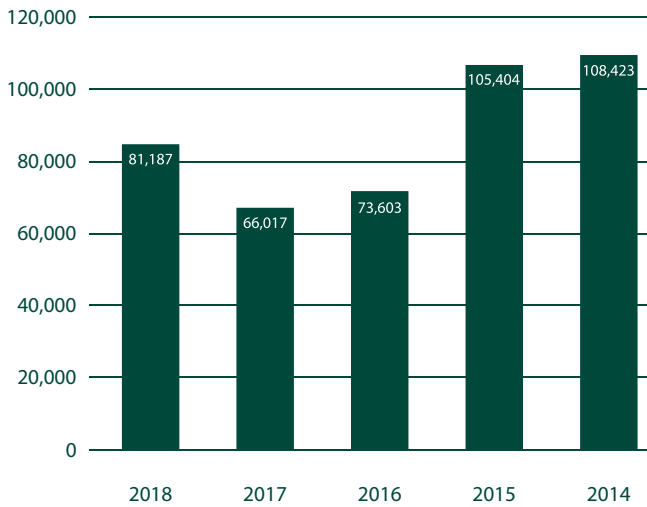
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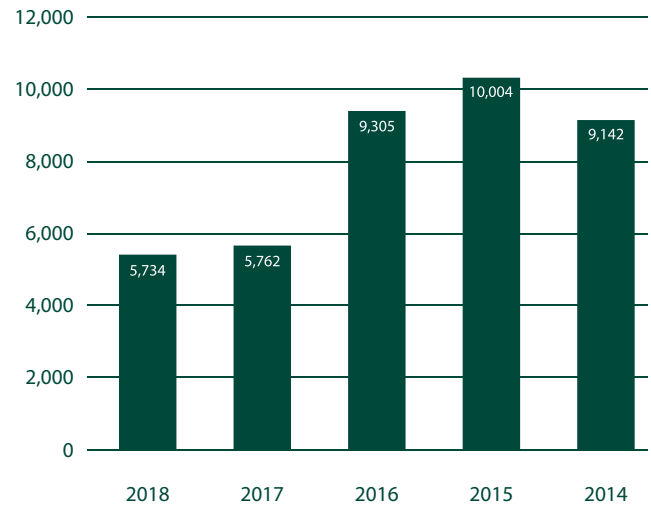
GROUP FINANCIAL HIGHLIGHTS

(for financial years ended 30 June)

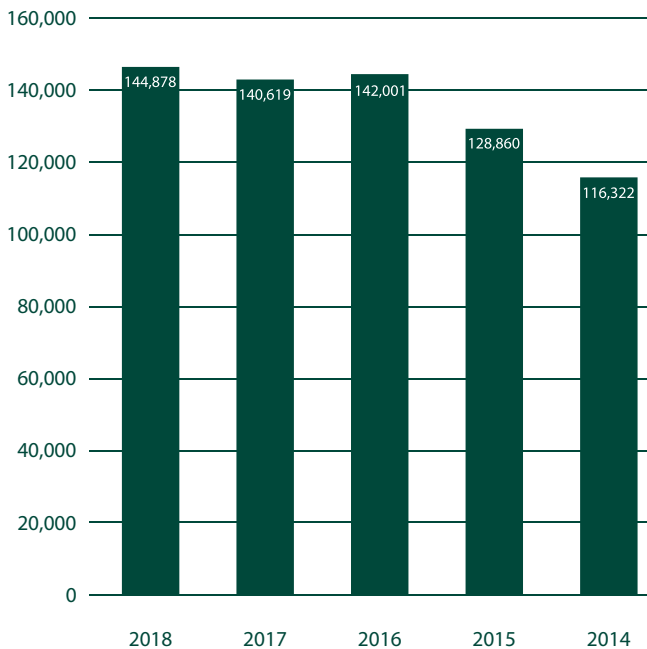
REVENUE (RM'000)



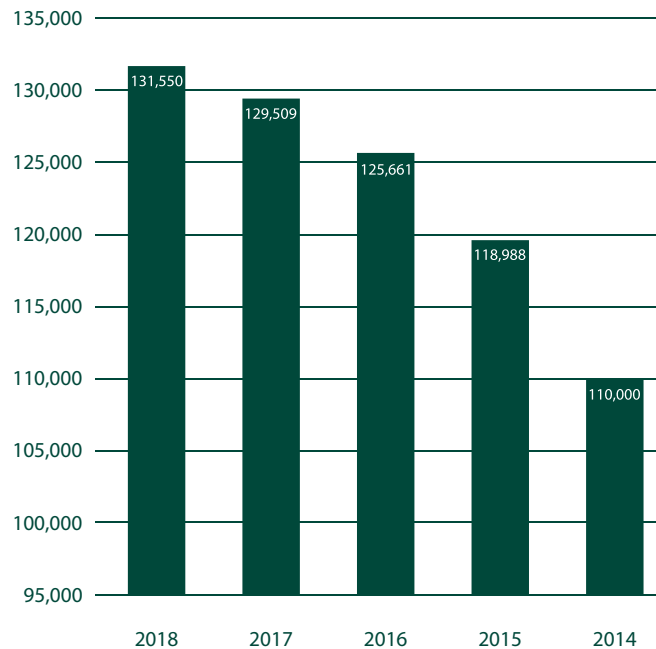
PROFIT AFTER TAXATION (RM'000)



TOTAL ASSETS (RM'000)



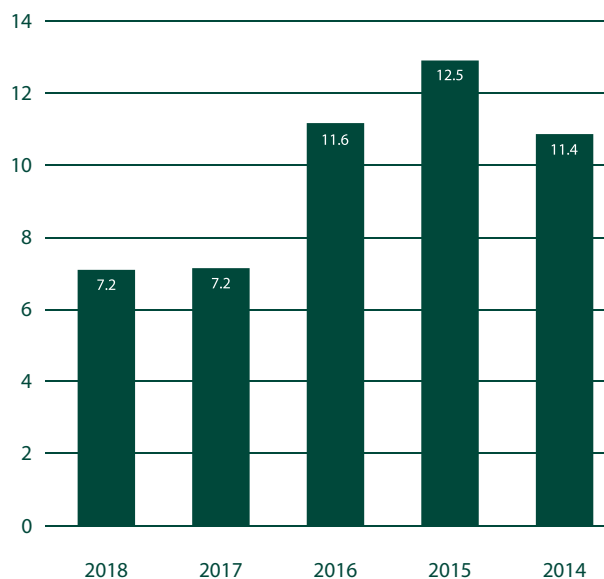
SHAREHOLDERS' EQUITY (RM'000)



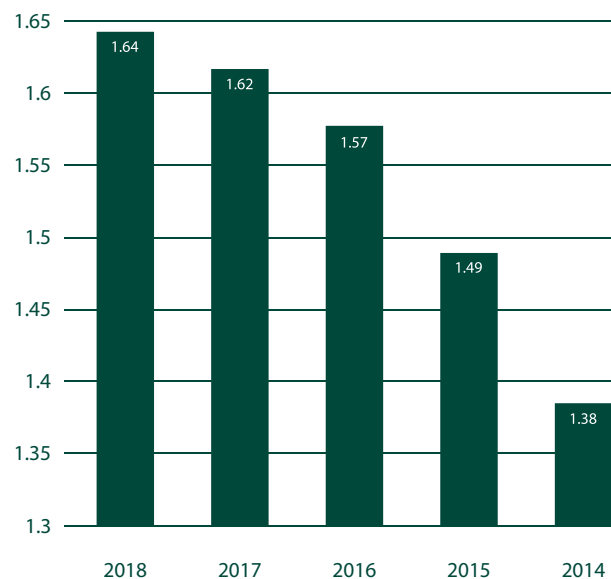
GROUP FINANCIAL HIGHLIGHTS

(for financial years ended 30 June)

EARNINGS PER SHARE (SEN)



NET ASSETS PER SHARE (RM)



		2018	2017	2016	2015	2014
Statements of Comprehensive Income						
Revenue	RM'000	81,187	66,017	73,603	105,404	108,423
Profit before taxation	RM'000	7,073	8,098	11,311	12,875	11,323
Profit after taxation	RM'000	5,734	5,762	9,305	10,004	9,142
Profit attributable to owners of the Company	RM'000	5,734	5,762	9,305	10,004	9,142
Gross dividend paid	RM'000	2,800	2,800	2,800	2,800	2,800
Statements of Financial Position						
Total assets	RM'000	144,878	140,619	142,001	128,860	116,322
Share capital	RM'000	42,857	42,857	40,000	40,000	40,000
Shareholders' equity	RM'000	131,550	129,509	125,661	118,988	110,000
Financial Ratios						
Return on equity	%	4.4	4.4	7.4	8.4	8.3
Earnings per share	sen	7.2	7.2	11.6	12.5	11.4
Gross dividend per share	sen	3.5	3.5	3.5	3.5	3.5
Net assets per share	RM	1.64	1.62	1.57	1.49	1.38

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 2018.

I am very pleased and proud of the progress we have made as a company in this past financial year and am excited about the opportunities that have been created by our committed team for even more progress in the year ahead. At ICB, we have always maintained our belief in making the connections between technologies and nature. These connections hold the keys in unlocking positive potential for growers and consumers.

In the fiscal year of 2018, our Research and Development ("R&D") team has advanced our mission to unlock that potential for farmers around the globe. I am especially proud of our R&D team in our breakthrough and hereby proudly announce to you our new innovative project in developing a product which is suitable for a modern and sustainable agriculture practice. Our R&D team has successfully developed a formulation system which consists of the combination of two types of biochemically-active compound into a single premix product. This product has the functions of a fungicide as well as a bio-stimulant. This innovative product of ICB is the first in South East Asia if not the world and is currently going through the process of data generation for the purpose of registration in other countries. As promised last year, our dedicated and committed team, in the face of unprecedented headwinds, has successfully helped growers increase their productivity sustainably, delivered on key milestones and created positive momentum moving into 2019.

Our Sales and Marketing team is ever ready to face any challenges to come in the future.

In comparison to the previous fiscal year, the overall sales of our agrochemical products in the domestic market has marginally dropped by 1.8%, mainly due to slower demand from the Northern region of Peninsular Malaysia and the Sarawak region.

With regards to our export market, we have seen an increase in our sales to Russia from RM1.2 million to RM 7.9 million. However, our sales effort to Indonesia suffered a decrease of 27% compared with last year, largely due to the trending down of palm oil production in Indonesia.

In line with the direction of ICB, we have been working closely with the public sector towards the development of more effective and eco-friendly products.

ICB is currently expanding its market to the Middle East region and our current business in Lebanon is showing positive results. Setting our eyes in a major market sector in the Middle East, we believe that our product portfolio is highly compatible with the major crops in this region.

We also managed to penetrate into the Myanmar market through Mosfly International Sdn Bhd. The Myanmar market is also showing positive results and our dedicated and committed teams are confident with this direction in generating additional growth for ICB.

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 that it would be in the Group's best interest to pay a single tier dividend of 3.5 sen per share for approval at the forthcoming Annual General Meeting.

OUTLOOK AND PROSPECTS

Based on the reports released by Bank Negara Malaysia (the Central Bank of Malaysia), it is forecasted that the agricultural sector will register a moderate growth, following the exceptional post El-Nino crude palm oil recovery in 2017. Agriculture production growth is expected to rebound to 7.2%, driven mainly by a turnaround in crude palm oil (CPO) production, as yields are expected to recover from the negative impact of El-Nino since 2016.

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

CORPORATE GOVERNANCE

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

CHANGES TO THE BOARD

There has been no change in the composition of the Board of ICB during the financial year.

APPRECIATION AND ACKNOWLEDGEMENT

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

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

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
CHAIRMAN

CHAIRMAN'S STATEMENT (continued)



◀ SANMITE® - shop-front sales activity co-organised with our client in Johor.



Personnel from corporate head office enjoying their company trip to Seoul, Korea. ▶



▶ In conjunction with "Pelancaran Program KOBA-10", our Group had participated in this community programme to share knowledge on prevention of dengue and how to control the mosquito by breaking its life cycle. ▶



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 (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	68
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Chairman
Date of Appointment	11 April 2016
Qualification	<ul style="list-style-type: none"> • 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	<p>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.</p> <p>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).</p>

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	<ul style="list-style-type: none">• Member of the Remuneration Committee• Member of the Nomination Committee

PROFILE OF DIRECTORS (continued)

Name	TONG CHIN HEN
Age	62
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	<p>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.</p>
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	45
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	<p>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.</p> <p>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.</p> <p>He is also a registered trademarks agent since 2003 and he has been actively involved in the registration of trade marks for companies.</p>
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	<ul style="list-style-type: none"> • Chairman of the Nomination Committee • Member of the Remuneration Committee • Member of the Audit Committee

PROFILE OF DIRECTORS (continued)

Name	CHAN WENG FUI
Age	44
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	<p>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.</p> <p>Subsequently in 2001, he joined Arab-Malaysian Merchant Bank (now AmInvestment Bank), specialising in corporate finance and investment banking.</p> <p>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.</p>
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	<ul style="list-style-type: none"> • Chairman of the Audit Committee • Chairman of the Remuneration Committee

PROFILE OF DIRECTORS (continued)

Name	CHAN KIM HING
Age	51
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	26 May 2016
Qualification	<ul style="list-style-type: none"> 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	<p>He started his career with Arthur Andersen & Co, Malaysia (top 5 global Public Accountants firm) in 1991, with working experiences covering Audit, Assurance, Business Advisory, Management Consulting and Computer Risk Management, specialising in financial and information-technology systems review-audits, internal controls, standard operating policies and procedures, compliance reviews and special assignments related to business mergers, systems-integration, reorganisation and restructuring of business activities of companies operating in the financial and capital market industry.</p> <p>In 1994, he was recruited to join M&A Securities Sdn Bhd (M&A) to head its Finance, Treasury and subsequently Operational Departments, where he successfully reorganised, restructured and expanded its business activities, which include acquisition of another stockbroking company to facilitate opening of branch offices. He was later promoted as the Executive Director cum Head of Operations of M&A, overseeing the finance, treasury, corporate finance, inter-broking, online-trading, settlement, margin financing, credit control, IT systems and business development. He was an elected management committee member of the Association of Stockbroking Companies of Malaysia (ASCM 2008 to 2012) and Securities Market Operations Committee (SMOC), working in consultation with the Regulatory authorities in addressing industry issues, implementation of rules and policies for the capital market industry.</p> <p>He left M&A in January 2016 to pursue his private interest and to further develop his professional skills and experiences.</p>
Other directorships of public companies and listed issuers	NIL
Family relationship with any director and/or major shareholders of the Company	NIL

PROFILE OF DIRECTORS (continued)

Conflict of interest with the Company

NIL

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

NIL

Committee

- Member of the Audit Committee
- Member of the Nomination Committee

PROFILE OF KEY SENIOR MANAGEMENT

YAP KIM YOK

Accounts and Administration Manager

Ms. Yap, Malaysian, aged 50, female, is the Accounts and Administration Manager of Imaspro Resources Sdn. Bhd. ("IRSB"), a wholly owned subsidiary company of Imaspro Corporation Berhad ("ICB"). She has been with the Group since 1 August 2003.

She graduated in 1992 with a Diploma in Management Accounting from Tunku Abdul Rahman College ("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 42, male, is the Finance & Corporate Strategy Manager of IRSB, a wholly owned subsidiary company of ICB and he has been with the Group since 15 March 2018.

He graduated from TARC with a Diploma in Commerce and holds a Bachelor's degree in Accountancy & Finance from the 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.

PETER CHONG TSEN YIN

Senior Business Development Manager

Mr. Peter Chong, Malaysian, aged 55, male, is the Senior Business Development Manager of Mosfly International Sdn.Bhd., a wholly owned subsidiary company of ICB and he has been with the Group since 1 November 2017.

He holds a Master of Business Administration (Marketing) and has served more than 20 years of sales and marketing in FMCG line that transcends local boundaries encompassing Brunei and China.

He is responsible in promoting and marketing full range of household insecticides. He is also involved in sales projection, costing and pricing strategies.

NGO HEA SING

Production Manager

Mr. Ngo, Malaysian, aged 44, male, is the Production Manager of IRSB and he has worked with the Group since 1 December 1999.

He received his Bachelor of Engineering (Honours) degree in Chemical Engineering in 1998 and a 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, aged 44, female, is the Product Development Manager of IRSB and she has been with the 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 book 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 48, female, is the Regulatory Affairs & Research and Development Manager of IRSB and she has worked with the Group since 1 April 1996.

She graduated in 1994 from Universiti Putra Malaysia with a Bachelor of Science degree 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 the 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 the Group's patent affairs, she is also in-charge of trademark registration of the Group's products.

DR. ANG LING HUI

Regulatory Affairs & Development Manager

Dr. Ang, aged 32, male, is the Regulatory Affairs & Development Manager of IRSB and he has worked with the Group since 7 November 2016.

He graduated in 2009 with a Bachelor's degree in Applied Science majoring in Biology and Management of Vector and Parasite and subsequently completed his Doctor of Philosophy ("PhD") degree 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 and its subsidiaries (“the Group”) is a leading agrochemical manufacturer in ASEAN countries. The Group manufactures and markets a comprehensive range of quality and cost-effective agrochemicals, public health and environmental science products to cater for both the crop and non-crop protection requirements of our customers.

The Group’s range of products comprises:

- Herbicides
- Insecticides
- Fungicides
- Specialty products
- Household insecticides.

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

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

OBJECTIVES AND STRATEGIES

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

FINANCIAL REVIEW

The Group recorded a total revenue of RM81.2 million and profit before tax of RM7.1 million in Financial Year 2018 (“FY2018”) compared with a total revenue of RM66.0 million and profit before tax of RM8.1 million in Financial Year 2017 (“FY2017”). The increase in revenue by 23% as compared with the previous financial year was mainly contributed by a local tender project of RM6.6 million and the growth in overseas market share especially in Russia, valued at USD1.94 million (approximate RM7.9 million). However the drop in profit before tax by 12.7% was mainly due to the lower performance from an associate company and higher cost of purchase due to strengthening of USD during the financial year under review.

SEGMENTAL REVIEW

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

Herbicides

The herbicides division achieved a revenue of RM40.6 million and profit before tax of RM3.6 million for FY2018 (FY2017: RM30.6 million and RM3.2 million respectively). The increase in revenue by about 32.6% was mainly contributed by higher demand from the export market, especially Russia, growing from RM1.2 million in FY2017 to RM7.9 million in FY2018.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SEGMENTAL REVIEW (continued)

Insecticides

The insecticides division achieved a revenue of RM26.1 million and profit before tax of RM2.3 million for FY2018 (FY2017: RM20.9 million and RM3.4 million respectively). The increase in revenue by about 24.5% is mainly due to a local tender project valued at RM6.6 million and the massive growth in the Vietnamese market through our co-operative partner from Japan, partially set off by a drop in revenue for insecticides in the Indonesian market.

Fungicides

The fungicides division achieved a revenue of RM10.6 million and profit before tax of RM0.9 million for FY2018 (FY2017: RM11.7 million and RM1.7 million respectively). The drop in revenue by about 9.7% was mainly brought about by lower demands from our export market such as Japan and Singapore. Nevertheless, Taiwan market recorded a growth of 81% compared with FY2017.

Household insecticides

The household insecticides division achieved a revenue of RM2.4 million and profit before tax of RM0.2 million for FY2018 (FY2017: RM1.1 million and RM0.05 million respectively). The increase of over 100% was mainly a result of our aggressive participation in both the domestic and export markets for household insecticide products.

CHALLENGES

The agrochemical industry will remain challenging due to the hypercompetitive global environment whereby profit margins will be squeezed as global players fight for market share aggressively. With the ongoing and the completion of mergers and acquisitions among these global players, we foresee more aggressive market competition in the near future.

On the local front, the volatility of Ringgit will determine the competitiveness of the cost structure of our products and intense competition from the local and global players will certainly continue to have an impact on our overall market share and profit margins.

The high R&D costs in developing a new agrochemical molecule usually take several years before being launched into the market. As such, this brings us another challenge to maximise cost efficiencies for better returns.

PROSPECTS

Despite the challenging environment of the agrochemical industry, improved sentiments are seen in countries such as Russia, the Middle East and Indo-China. The Group will capitalise fully to improve its performances moving forward.

The continued strengthening of the USD against Ringgit will also make our products more competitive and provide better opportunities for the Group to market its products more competitively on the global stage.

FINANCIAL COMPARISON FOR THE FINANCIAL YEARS ENDED 30 JUNE 2018 ("FY2018") AND 30 JUNE 2017 ("FY2017")

The Group's revenue for FY2018 was RM81.19 million, an increase of RM15.17 million (approximately 23%) over a revenue of RM66.02 million for FY2017. This double digit growth in revenue was mainly contributed by improved sentiments and our aggressive market penetration in countries such as Russia, the Middle East and Indo-China. The significant growth in our overseas market was partially set-off by flatter domestic market sales.

Profit before tax was recorded at RM7.07 million for FY2018, i.e. a decrease of 12.66% as compared to RM8.10 million in FY2017. The main reason for the difference was due to the share of losses in an associate company amounting to RM1.18 million.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL COMPARISON FOR THE FINANCIAL YEARS ENDED 30 JUNE 2018 (“FY2018”) AND 30 JUNE 2017 (“FY2017”) (continued)

Profit attributed to the owners of the Company was RM5.74 million in FY2018 compared with RM5.76 million in FY2017, a slight drop of 0.5%.

Total assets of the Group as at 30 June 2018, amounted to RM144.88 million (2017: RM140.62 million), had remained strong. Share capital of RM42.86 million was consistent with previous year. The improvement in shareholders' equity from RM129.51 million in FY2017 to RM131.55 million in FY2018 affirmed the strength of the Group's cumulative earnings over the years.

STATEMENT OF CASH FLOWS

Operating Activities

Net cash used for operating activities in FY2018 was RM2.3 million as compared with RM1.2 million generated in FY2017. This was largely due to slower collections from both domestic and overseas debtors, along with higher trade payables recorded in FY2018.

Investing Activities

There were no major investing activities for FY2018.

Financing Activities

There was no drawdown of any term loan for both financial years. Cash was utilised in the repayment of an existing term loan and the payment of dividend.

IDENTIFICATION OF RISKS

The Group is aware of raw materials price volatility. As such, price risk is mitigated by monitoring the price of raw materials regularly and entering purchase contracts in a more cautious manner.

Our heavy reliance on the sale of herbicides may have an impact on the financials of the Group as demand for herbicides may change according to changes in weather or drop in commodity prices. In mitigating such risks, the Group will continue to actively gain market share in the fungicide and insecticide segments as well as household insecticides.

With the new ruling Government implementing the Sales & Service Tax Act 2018, the Group foresees some incremental effects on packaging costs. However, due to aggressive market competition, the Group may not be able to pass on such incremental costs with immediate effect. The Group will continue to take appropriate measures to monitor cost efficiency to minimise any potential erosion in profit margins.

CAPITAL MANAGEMENT

The 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 the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

There were no changes in the Company's approach to capital management during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

ECONOMIC AND INDUSTRY OUTLOOK

Economic growth for Malaysia in the 2nd quarter of 2018 came in at 4.5%, which was below the consensus estimate of more than 5%. According to Bank Negara Malaysia (“BNM”), supply disruptions in the 2nd quarter of 2018 resulted in the slower economic growth. In comparison, Gross Domestic Product (“GDP”) growth was 5.8% in the 1st quarter of 2018. Growth in the manufacturing sector was recorded at 4.9% for the quarter ended 30 June 2018. Agriculture showed the most significant decline, going from an expansion of 5.9% in the quarter ended 30 June 2017 to a contraction of 2.5% in the quarter ended 30 June 2018.

Nevertheless, major economic sectors, notably the services and manufacturing sectors, remained supportive of growth. In the quarter ended 30 June 2018, economic activity came to a near standstill after the government announced the dissolution of the Parliament in April to pave way for the general election in May 2018. Malaysia saw the election of a new ruling government. BNM added that headline inflation is expected to moderate depending on the pass-through from changes in the consumption tax policy while the underlying inflation is expected to remain relatively stable due to sustained private sector spending.

BNM is of the view that Malaysia’s macroeconomic fundamentals remain strong and thus, provides the country with the requisite buffers to effectively manage potential shocks to the economy.

According to the International Monetary Fund, the world economy is expected to grow at 3.9% this year. Therefore, global economic activity is projected to expand in 2018, broadly reinforced by a favourable progress in the global trade and investment supported by an expansionary aggregate fiscal position and accommodative monetary stances in the advanced economies.

The global agrochemicals market has witnessed an impressive growth over the last few years, as population explosion, resulting in growing demand for food, lead to the greater demand for animal fodder. The effort to reinforce crop production, high quality yield are the key factors for the exponential growth rate. According to a report, Asia Pacific is the significant market share in global agrochemicals market and it is expected to retain its dominance throughout 2018.

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

As a global player, the Group takes heed of these macroeconomic variables and is well positioned to face these challenges. The Group is cautiously optimistic that given the Group’s strong and resilient business fundamentals, the 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. The Board is pleased to recommend a final single tier dividend of 3.5 sen per ordinary share for FY2018. The Board has been consistently paying dividends of 3.5 sen per ordinary share for the previous financial years.

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 (“Imaspro” or “the Company”) firmly believes that commitment to good business ethics and corporate governance (“CG”) is essential to maintain long term sustainability of the 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 the Group and the Company have adopted and applied the principles and recommended practices as set out in the MCCG 2017 during the financial year ended 30 June 2018. The detailed application by the Company for each CG practice during the financial year ended 30 June 2018 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 the Group. It provides an effective oversight of the conduct of the 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 the 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 29 August 2017 reviewed its Charter and approved the adoption of a revised and updated Charter consistent 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 the 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 the Group and ensure that the strategy and business plan of the Group supports long-term value creation and promote sustainability taking into consideration the economic, environmental and the social aspects;
- d) Oversee the conduct of the Group’s business and operations as well as ensure the businesses are being properly managed;
- e) Ensure the adequacy and integrity of the 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 the Company’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”)

The Board decided that the key senior management team would assume the risk management function and report directly to the 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.

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)

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 the 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 the 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 the Group at the highest level and is 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 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 meetings to discuss specific topics will be arranged, when necessary, to facilitate more time for discussion and view sharing.

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 the Group's financial performance, significant investments, corporate developments, strategic issues and business plan. The Company Secretary is responsible for ensuring all proceedings of the Board and Board Committees are recorded and draft minutes are circulated to the Directors for confirmation prior to being approved.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

During the financial year ended 30 June 2018, 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	4/4
Chan Kim Hing	4/4

Directors' commitment, resources and time allocated to the Company are evident from the attendance record, whereby all the Directors attended the Board meetings held for the financial year ended 30 June 2018.

At Board meetings, the Board reviews management reports on the business and financial performance of the 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 public listed corporations, 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 the 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 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 the Group's expense in the course of discharging their duties. Appropriate procedures are in place to facilitate the Directors' access to such advice.

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.

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)

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 the 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 was 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 continuous 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 2018, 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	<ul style="list-style-type: none"> Effective Sub-Contractors Management in Construction Project Effective Construction Quality Training and Qlassic 	25 – 26 April 2018 22 – 23 May 2018
Tong Chin Hen	<ul style="list-style-type: none"> CAC 2018-19th China International Agrochemical and Crop Protection Exhibition 	7 – 9 March 2018
Chen Sung Fang	<ul style="list-style-type: none"> Homedec, KL Convention Centre, KL 	26 – 29 April 2018
Chan Kim Hing	<ul style="list-style-type: none"> Post Industrial Mining Landscape as Cultural Heritage, Perak Heritage Society Learn To Sell Your Ideas Right - Special Visual Storytelling, Institute Darul Ridzuan Perak 	28 April 2018 30 June 2018
Chan Weng Fui	<ul style="list-style-type: none"> Securities Commission Malaysia, Conversation with Audit Committees 	14 November 2017

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

7) Code of Ethics and Conduct

The Board has established and adopted a Code of Ethics and Conducts ("CEC") for Directors and employees of the Group. The CEC, 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 the Group, and the core areas of conducts include the following:

- Compliance at all times with the CEC and the Board Charter.
- Not to misuse information gained in the course of duties for personal gain or for political purposes.
- Uphold accountability and act in good faith and in the best interests of the Group.
- Observe high standards of corporate governance at all times.
- Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.
- Ensure the protection of the Imaspro Group's legitimate business interests, including corporate opportunities, assets and confidential information.
- Ensure full, fair, accurate, timely and understandable disclosure.
- Declaration of any personal, professional or business interest that may conflict with responsibilities.
- Foster business sustainability through transparency, stakeholder engagement and proper employee development.
- Promote ethics and integrity where all business stakeholders who deal with the Group are encouraged to raise any concerns they may have in good faith with regard to any wrongdoing by the Imaspro Group's employees. Under the Group's internal whistle-blowing policy, whistleblowers are protected. Details of our Group's whistle-blowing policy are available at the Company's website at www.imaspro.com.
- Observe the guidelines of Shareholders' Rights and Responsibilities in general meetings issued by the Securities Commission.

The Board has reviewed the CEC on 29 August 2017, 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 and Independent Non-Executive Directors, which is in line with MCGG 2017 and is of the appropriate size with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to the Group and to bring informed and independent judgement to many aspects of the Group's strategies and performances so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained within the Group.

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

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)

The Independent Directors play a pivotal role in corporate accountability. None of the Independent Directors participates in the day-to-day management of the 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 the Group, but also of shareholders, stakeholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented and taken into account.

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

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 term of 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 to 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, calibre 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 the Group.

For the financial year ended 30 June 2018, 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 the overall discharge of functions and duties. It was also noted that the relationship among the Board members was good with positive and constructive interactions, coupled with strong leadership shown by the Chairman.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

10) Board Effectiveness Assessment (continued)

Based on the assessment, taking into consideration the nature and the scope of the 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 diverse skill sets, knowledge and experience that 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.

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 every 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.

At the forthcoming Fourteenth AGM, the following Directors retire pursuant to Article 75 of the Company's Constitution and are eligible for re-election:

- (i) Datuk Captain Hamzah Bin Mohd Noor
- (ii) Chan Kim Hing

The profiles of the above Directors are set out on pages 8 and 13 of this Annual Report.

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.

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)

The Board Committees for the financial year ended 30 June 2018 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.

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 2018, the NC met twice and both meetings were attended by all of its members.

The NC has carried out the following activities during the meeting held on 29 August 2017:

- 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; and
- discussed and recommended to the Board the Directors who are retiring and be eligible for re-election at the Thirteenth 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 the 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 the boardroom and given the relatively small size of the Board, 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.

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)

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

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

(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 the Group to achieve its long term goals and enhance shareholders' value. The main objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as Directors.

The 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 2018, 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 the Group and of the Company as well as Directors serving as members of the Board Committees. The Board has thus established formal and transparent remuneration policies and procedures for the Board and Board Committees. The remuneration of the Executive Director consists of basic salary and other emoluments. Any salary review takes into account market rates and the performance of both the individual and the Group.

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

The Company will seek the shareholders' approval at the forthcoming Fourteenth AGM for the Directors' fees and benefits payable to the Directors for the period from this Fourteenth AGM until the next AGM of the Company in 2019. 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 Group had, at the Thirteenth AGM held on 22 November 2017, approved the payment of Directors' fees and benefits up to RM212,250 to the Directors for the period from 1 July 2017 until the forthcoming Fourteenth AGM. For the financial year ended 30 June 2018, a total of RM148,000 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 remuneration for all Directors of the Company (including the Managing Director) who served during the financial year ended 30 June 2018 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	1,502,850	210,000	20,407	249,900	2,009,157
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	1,502,850	210,000	20,407	249,900	2,131,157

* : 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	3
RM150,001 – RM200,000	2
RM200,001 – RM250,000	0
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 at the best interest of the Company due to privacy issues.

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 the 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 the Group to operate effectively and efficiently;
- that an effective risk management framework is in place to manage risks impacting the Group;
- that internal audit functions effectively and audits are performed by external auditors objectively and independently; and
- the 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 the 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 the 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 the 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' calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit and non-audit fees.

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)

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, had provided their declaration in their annual audit plan (for the financial year ended 30 June 2018) presented to the AC.

Upon completion of the assessment, the AC will make recommendation for the re-appointment of external auditors to the Board. The proposed appointment shall be subject to shareholders' approval at the forthcoming Fourteenth AGM.

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 the Group's financial statements.

For the financial year ended 30 June 2018, the external auditors also undertook the following non-audit related reviews:

- 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 the 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 the 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 2018 are operating adequately and effectively for the purpose of safeguarding the 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 the Group's financial position and prospects. The Board, assisted by the AC, oversees the financial reporting of the Group. The AC reviews the Group's quarterly financial reports and annual audited financial statements, as well as the appropriateness of the 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 the Group are prepared in accordance with the requirements of Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR, so as to give a true and fair view of the financial position of the 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 2018, the 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. The 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

4) Financial Reporting (continued)

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

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

The 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. The Group firmly believes that timely, accurate and effective communication with its shareholders and stakeholders is key to enable them to make informed decisions with respect to the 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, the Group aims to effectively provide shareholders and investors with information to fulfill transparency and accountability objectives.

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

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

The Group recognises the importance of being transparent and accountable to its shareholders and as such, a communication policy was drafted to enable the Board and Management to communicate effectively with investors, financial community and the public generally.

2) Leveraging Information Technology for Effective Dissemination of Information

Shareholders are also encouraged to access the 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 the Group's strategy, performance and major developments to shareholders during the AGM. The Notice of the Fourteenth AGM of the Company has been 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 the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Constitution to attend and vote on their behalf. The Board and Key Senior Management are present to provide clarification on shareholders' queries. The external auditors, Messrs HLB Ler Lum, 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.

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 the 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 2018.

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 2018, 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 2018, 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	4/4
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 are normally 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 29 August 2017 and 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.

Separately, the AC Chairman had two meetings with the external auditors without the presence of the Management Team.

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 2018 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 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 the applicable disclosure provisions of the MMLR of Bursa Securities.

Date of Meetings	Review of Quarterly Interim Financial Statements
28 August 2017	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 June 2017
22 November 2017	First quarter results for the financial year ended 30 June 2018
7 February 2018	Second quarter results for the financial year ended 30 June 2018
23 May 2018	Third quarter results for the financial year ended 30 June 2018

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 ("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 2018, covering areas such as scope of work, calibre, 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 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 ending 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) Management Information Systems ("MIS");
- ii) Inventory Management, Laboratory and Quality Assurance and Maintenance;
- iii) Follow-up status on previously reported audit findings (MIS, Inventory Management, Laboratory and Quality Assurance, Maintenance, Production, Finance and Accounts and Safety and Health); and
- iv) Follow-up status on previously reported audit findings (Inventory Management, Laboratory and Quality Assurance and Maintenance).

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 the financial year ended 30 June 2018 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 Recurrent Related Party Transactions ("RRPT") 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 on an 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 on an 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.

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 this 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 Independent Non-Executive Directors. Internal audit reports were reviewed and adopted by the AC on a 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 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 2018, the following activities were conducted:

- 1) Tabled Internal Audit Plan for the AC's review and endorsement.
- 2) Conducted audit review on MIS functions of the Group to ensure there is ongoing process for virtual virus protection and security, access security and data integrity, data protection and backup and compliance with established policies and procedures.
- 3) Conducted audit review on Inventory Management, Laboratory and Quality Assurance and Maintenance functions of its subsidiary to ensure reliability and integrity of operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
- 4) Followed up review on previously reported findings on MIS, Inventory Management, Laboratory and Quality Assurance, Maintenance, Production, Finance and Accounts and Safety and Health functions that the agreed recommendations were effectively implemented.
- 5) Reviewed the Registry of Risk, Risk Matrix and Change Log prepared by Management, including risk factors identified, risk measurement impact and likelihood and risk control actions.
- 6) Issued Internal Audit reports incorporating audit recommendations and Management's responses in relation to audit findings on weaknesses in the systems and controls to the AC and Management.
- 7) Presented Internal Audit reports to the Audit Committee for review.

Fees paid in respect of the internal audit services for the financial year ended 30 June 2018 performed by SBAC was RM21,836.

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 the financial year ended 30 June 2018. 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, whether due to 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 this 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 enable 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 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 areas 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 programmes are established to ensure that staff is constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group’s business objectives.

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 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 a 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.

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.

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)

For the financial year ended 30 June 2018, four (4) internal audit reviews have been carried out and reported by the outsourced internal auditors:

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
1st Quarter (July 2017 – September 2017)	November 2017	Imaspro Resources Sdn. Bhd.	<ul style="list-style-type: none"> Management Information System (“MIS”)
2nd Quarter (October 2017 – December 2017)	February 2018	Imaspro Resources Sdn. Bhd.	<ul style="list-style-type: none"> Inventory Management Laboratory and Quality Assurance Maintenance
3rd Quarter (January 2018 – March 2018)	May 2018	Imaspro Resources Sdn. Bhd.	Follow up Status Report on Previously Reported Audit Findings on MIS, Inventory Management, Laboratory and Quality Assurance, Maintenance, Production, Finance and Accounts and Safety and Health
4th Quarter (April 2018 – June 2018)	August 2018	Imaspro Resources Sdn. Bhd.	Follow up Status Report on Previously Reported Audit Findings on Inventory Management, Laboratory and Quality Assurance, Maintenance, MIS, Finance and Accounts and Safety and Health

Review of Statement by the External Auditors

The external auditors have 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 continually assess the adequacy and effectiveness of the Group’s system of internal control and to strengthen it, as and when necessary.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES 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 2018, 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

Over the course of more than 12 years, Imaspro Corporation Berhad (“ICB”) and its subsidiary companies (“the Group”) have chartered a growth trajectory to be where it is today. 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.

ENVIRONMENT

The Group 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 the Group’s operations;
- b) Integrate the consideration of environmental concerns and impacts into its decision making and activities; and
- c) Promote environmental awareness among its employees.

The Group focuses on the efficient use of resources and proper management of wastes generated from the manufacturing process. Investments in automation and process engineering over the years have not only reduced costs but also indirectly contributed to minimising wastages of resources used and reducing waste material generated.

This more efficient usage of resources and lesser machine hours due to increased efficiency have indirectly contributed to a smaller carbon footprint as demonstrated by the lower kilowatt hours of electricity used.

The 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 laws and regulations. Training has been conducted on innovative waste management practices to be applied in the production process.

ECONOMIC

The growth of the Group has contributed to the employment of local communities whereby some employees have been with the Group for close to over 20 years. The Group works towards instilling a culture of well-being, enabling them to grow and prosper with the Group. Employees are offered with competitive salaries and benefits coupled with a conducive working environment.

The Group is also committed to creating a safe and healthy environment at the workplace. The Group oversees the occupational health and safety initiatives. Programmes and initiatives implemented to achieve greater health and safety awareness amongst our employees include:

- Activities conducted under the “Yearly Safety and Health Programme”
- Activities conducted for compliance with the Occupational Safety & Health (Control of Industrial Major Accident Hazards) Regulations 1996
- Training sessions conducted for ensuring safe storage facilities condition
- Activities conducted for Health and Medical Surveillance
- Training sessions conducted for Personal Protection Equipment
- Training sessions conducted for controlling accident / incident
- Conduct of Emergency Response Plan and Emergency / Fire Drill
- Training session for compliance with The Industry Code of Practice on Chemicals Classification and Hazard Communication

SUSTAINABILITY STATEMENT (continued)

SOCIAL

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

The 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 the Group's policies, procedures and applicable laws and regulations. The Group also sets out the Code of Conduct and Ethics to maintain a uniform set of values and ethics within the Group.

The Group seeks to continually 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 do not compromise on compliance, safety and quality in any way.

The Group strives to create a conducive working environment for all its employees. Annual lunch is organised each year in conjunction with major festivals to foster closer relationship amongst the employees of the Group.

The Group also provides various training to its employees for cultivation of talent within the Group in order to sustain its continuous growth in the future. With the various initiatives conducted, the Group strives to work towards a sustainable balance between its commitments to its customers and also other stakeholders in the economic environment i.e. our environment via our carbon footprint; our economy via our continuous growth and creating a mutually beneficial relationship with our suppliers and sustaining employment for our local communities and our assets by empowering our employees via the various career development initiatives and promoting a conducive, healthy and safe working environment.

FINANCIAL STATEMENTS

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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 2018.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM	Company RM
Profit for the year	5,733,809	4,216,125
Profit attributable to:		
Owners of the Company	5,733,809	4,216,125
Non-controlling interests	-	-
	<u>5,733,809</u>	<u>4,216,125</u>

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 2017 was as follows:

In respect of the financial year ended 30 June 2017

	RM
A first and final single tier dividend of 3.5 sen per share paid on 16 January 2018	<u>2,800,000</u>

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 2018 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 a benefit, (other than benefits included in the aggregate amount of remunerations received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in the notes to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for as disclosed in the Notes to the Financial Statements.

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares in the Company			At 30.6.2018
	At 1.7.2017	Acquired	Disposed	
Shareholdings in the name of the Director:				
Tong Chin Hen	150,000	1,600,000	-	1,750,000
Chan Weng Fui	2,159,000	554,000	(1,896,000)	817,000
Shareholdings in which the Director is deemed to have an interest:				
Tong Chin Hen	33,947,064	-	-	33,947,064 *

Notes:

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

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

DIRECTORS' REMUNERATION

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

DIRECTORS' REPORT (continued)

ISSUE OF SHARES

There were no changes in the issued share capital of the Company during the financial year ended 30 June 2018.

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

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

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

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

TONG CHIN HEN
Director

CHAN WENG FUI
Director

Petaling Jaya

Date : 27 August 2018

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of IMASPRO CORPORATION BERHAD do hereby state on behalf of the Directors that in our opinion, the accompanying financial statements together with the notes thereon, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and of their financial performance and cash flows of the Group and of the Company for the 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

Petaling Jaya

Date : 27 August 2018

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 27 August 2018)

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 2018 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 55 to 100.

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 2018, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Impairment assessment of goodwill on acquisition of subsidiary and associate, trademark and investment in subsidiary.

The risk

We refer to Notes 6, 7 and 8 respectively to the Financial Statements.

As at 30 June 2018, goodwill on acquisition of subsidiary and associate ("goodwill"), and trademarks arising on consolidation amounted to RM1,125,301, RM4,456,547 and RM6,729,375 respectively. The trademarks arising on consolidation is after an accumulated amortisation charge of RM2,680,625. The goodwill and trademarks represent 8.5% of the Group's total assets.

The Company recorded a cost of investment of RM26,000,000 in Mosfly International Sdn. Bhd. ("MISB") in the separate financial statements as at 30 June 2018. Given that MISB's shareholders' funds are lower than the cost of investment, the Company has performed an impairment assessment on Mosfly International Sdn. Bhd.. The recoverable amount was determined by the management based on its value-in-use ("VIU").

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

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

Our response:

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

We performed the following audit procedures :

- Discussed with management on the key assumptions used in the respective VIU cash flows;
- Assessed the reasonableness of the gross margin, growth rate, pre-tax discount rate and terminal value; and
- Performed a sensitivity analysis over the gross margin, growth rate, pre-tax discount rate and terminal value used in deriving the VIU to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount.

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.
- 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
AF 0276
Chartered Accountants

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

Date : 27 August 2018

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	29,775,710	30,394,700	-	-
Investment properties	5	18,569,286	18,826,864	-	-
Investment in subsidiary companies	6	-	-	57,467,623	57,467,623
Investment in associate	7	11,450,025	13,145,676	-	-
Intangible assets	8	7,854,676	9,178,533	-	-
Deferred tax asset	9	175,000	180,000	-	-
		<u>67,824,697</u>	<u>71,725,773</u>	<u>57,467,623</u>	<u>57,467,623</u>
Current assets					
Inventories	10	18,294,114	18,532,243	-	-
Trade and other receivables	11	31,895,524	17,870,169	23,372,740	18,826,210
Tax recoverable		1,988,409	849,100	-	10,000
Cash and bank balances	12	24,875,046	31,641,516	2,408,640	5,523,417
		<u>77,053,093</u>	<u>68,893,028</u>	<u>25,781,380</u>	<u>24,359,627</u>
TOTAL ASSETS		<u>144,877,790</u>	<u>140,618,801</u>	<u>83,249,003</u>	<u>81,827,250</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:					
Share capital	13	42,857,032	42,857,032	42,857,032	42,857,032
Foreign currency translation reserve	14	1,679,140	2,572,214	-	-
Retained profits	15	87,013,973	84,080,164	40,320,156	38,904,031
		<u>131,550,145</u>	<u>129,509,410</u>	<u>83,177,188</u>	<u>81,761,063</u>
Total equity		<u>131,550,145</u>	<u>129,509,410</u>	<u>83,177,188</u>	<u>81,761,063</u>
Non – current liabilities					
Deferred tax liabilities	9	1,176,878	1,196,878	-	-
Loan and borrowings	16	4,026,895	4,718,549	-	-
		<u>5,203,773</u>	<u>5,915,427</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	17	7,342,755	4,244,485	71,815	66,187
Loan and borrowings	16	690,180	665,358	-	-
Tax payable		90,937	284,121	-	-
		<u>8,123,872</u>	<u>5,193,964</u>	<u>71,815</u>	<u>66,187</u>
TOTAL LIABILITIES		<u>13,327,645</u>	<u>11,109,391</u>	<u>71,815</u>	<u>66,187</u>
TOTAL EQUITY AND LIABILITIES		<u>144,877,790</u>	<u>140,618,801</u>	<u>83,249,003</u>	<u>81,827,250</u>

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 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Continuing Operations					
Revenue	18	81,187,028	66,016,580	4,500,000	34,500,000
Cost of sales		(62,182,551)	(48,671,106)	-	-
Gross profit		19,004,477	17,345,474	4,500,000	34,500,000
Other operating income	19	2,361,451	2,338,675	104,497	91,266
Distribution cost		(923,166)	(1,031,991)	-	-
Administration expenses		(10,213,920)	(9,222,317)	(388,372)	(366,068)
Other operating expenses		(1,701,371)	(1,067,892)	-	-
Operating profit		8,527,471	8,361,949	4,216,125	34,225,198
Finance cost	20	(274,275)	(330,208)	-	-
Share of associate's result		(1,180,128)	65,846	-	-
Profit before tax	21	7,073,068	8,097,587	4,216,125	34,225,198
Income tax expense	24	(1,339,259)	(2,335,623)	-	-
Profit for the year		5,733,809	5,761,964	4,216,125	34,225,198
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
- Share of associate's results		(268,595)	264,046	-	-
- Foreign currency translation		(624,479)	622,193	-	-
Total comprehensive income for the year		4,840,735	6,648,203	4,216,125	34,225,198
Profit attributable to:					
Owners of the Company		5,733,809	5,761,964	4,216,125	34,225,198
Non controlling interests		-	-	-	-
		5,733,809	5,761,964	4,216,125	34,225,198
Total comprehensive income attributable to:					
Owners of the Company		4,840,735	6,648,203	4,216,125	34,225,198
Non controlling interests		-	-	-	-
		4,840,735	6,648,203	4,216,125	34,225,198
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	7.17	7.20		

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 2018

Group	Note	Attributable to owners of the Company				Total Equity RM
		Non - Distributable		Distributable		
		Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Retained Profits RM	
At 1 July 2016		40,000,000	2,857,032	1,685,975	81,118,200	125,661,207
Profit for the year		-	-	-	5,761,964	5,761,964
Other comprehensive income for the year		-	-	886,239	-	886,239
Transition to no par value regime (Note 13)		2,857,032	(2,857,032)	-	-	-
Transaction with owners						
Dividends	26	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2017		42,857,032	-	2,572,214	84,080,164	129,509,410
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	26	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2018		42,857,032	-	1,679,140	87,013,973	131,550,145

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 2018

	Note	Attributable to owners of the Company			Total Equity RM
		Share Capital RM	Non - Distributable Share Premium RM	Distributable Retained Profits RM	
Company					
At 1 July 2016		40,000,000	2,857,032	7,478,833	50,335,865
Profit for the year		-	-	34,225,198	34,225,198
Other comprehensive income for the year		-	-	-	-
Transition to no par value regime (Note 13)		2,857,032	(2,857,032)	-	-
Transaction with owners					
Dividends	26	-	-	(2,800,000)	(2,800,000)
At 30 June 2017		42,857,032	-	38,904,031	81,761,063
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	26	-	-	(2,800,000)	(2,800,000)
At 30 June 2018		42,857,032	-	40,320,156	83,177,188

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 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	7,073,068	8,097,587	4,216,125	34,225,198
Adjustments for:				
Amortisation	1,323,857	1,210,398	-	-
Depreciation of property, plant and equipment	1,406,758	1,558,157	-	-
Depreciation of investment properties	257,578	208,841	-	-
Dividend income	-	-	(4,500,000)	(34,500,000)
Gain on disposal of property, plant and equipment	(20,088)	(30,768)	-	-
Impairment loss on trade receivables	6,458	112,857	-	-
Interest expenses	274,275	330,208	-	-
Interest income	(736,053)	(934,296)	(104,497)	(91,266)
Gain on foreign exchange				
- unrealised	(830,300)	(40,381)	-	-
Property, plant and equipment written off	-	1	-	-
Reversal of allowance for impairment of trade receivables	(152,762)	(102,306)	-	-
Share of associate's results	1,180,128	(65,846)	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	9,782,919	10,344,452	(388,372)	(366,068)
CAPITAL CHANGES				
Inventories	238,129	(4,699,998)	-	-
Receivables	(12,625,585)	1,953,678	(46,530)	(6,927,189)
Payables	2,538,270	(4,263,424)	5,628	(2,669,732)
CASH (ABSORBED BY)/GENERATED FROM OPERATIONS	(66,267)	3,334,708	(429,274)	(9,962,989)
Interest paid	(274,275)	(330,208)	-	-
Interest received	736,053	934,296	104,497	91,266
Taxes paid	(2,701,550)	(2,716,646)	-	-
Taxes refunded	14,798	19,094	10,000	17,958
NET (USED IN)/CASH FROM OPERATING ACTIVITIES	(2,291,241)	1,241,244	(314,777)	(9,853,765)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(795,839)	(7,009,521)	-	-
Purchase of investment properties	-	(5,062,512)	-	-
Proceeds from disposal of property, plant and equipment	28,159	80,660	-	-
Dividend received	378,000	1,050,410	-	11,175,000
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(389,680)	(10,940,963)	-	11,175,000

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

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(666,832)	(611,291)	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET CASH USED IN FINANCING ACTIVITIES	(3,466,832)	(3,411,291)	(2,800,000)	(2,800,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,147,753)	(13,111,010)	(3,114,777)	(1,478,765)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(618,717)	628,456	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	31,641,516	44,124,070	5,523,417	7,002,182
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12)	24,875,046	31,641,516	2,408,640	5,523,417

Reconciliation of liabilities arising from financing activities:

	1 July 2017 RM	Principal and interest payment RM	Non-cash changes - interest expense RM	30 June 2018 RM
Bank borrowing	5,383,907	(902,682)	235,850	4,717,075

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 August 2018.

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

(i) Changes in accounting policies

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

Amendments to MFRS 107	Statement of Cash Flows – Disclosure Initiative
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 -2016 Cycle)

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

(ii) Standards issued but not yet effective

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective date
MFRS 9, Financial Instruments (2014)	1 January 2018
MFRS 15, Revenue from Contracts with Customers	1 January 2018
Clarifications to MFRS 15, Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 1, First Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)	1 January 2018
Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts	1 January 2018
Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective date
Amendments to MFRS 140, Investment Property – Transfers of Investment Property	1 January 2018
MFRS 16, Leases	1 January 2019
IC Interpretation 23, Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)	1 January 2019
Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)	1 January 2019
Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)	1 January 2019
Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)	1 January 2019
Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119, Employee Benefits - Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17, Insurance Contracts	1 January 2021
MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB Board

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

(i) MFRS 9 Financial instruments

MFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in MFRS 9 are based on an expected credit loss model and replace the MFRS 139 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

MFRS 9 is effective for annual periods beginning on or after 1 July 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The effect of adoption of MFRS 9 has no material impact to the Group.

(ii) MFRS 15 Revenue from Contracts with Customers

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 presentation and disclosure requirements in MFRS 15 are more detailed than the current standard. Many of the disclosure requirements in MFRS 15 are new. The Group has performed a preliminary impact assessment of adopting MFRS 15 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts MFRS 15 in 2018.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(ii) MFRS 15 Revenue from Contracts with Customers (continued)

The Directors do not expect the impact to be material on its financial statements.

(iii) MFRS 16 Leases

MFRS 16 will result in almost all leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly. The new leases standard is effective for annual periods beginning on or after 1 July 2019.

Some of the commitments of the Group may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under MFRS 16.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

(d) Use of Estimates and Judgements

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

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

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

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgements (continued)

- Trademark and Investment in subsidiary

The Company reviews its trademark and investment in subsidiary when there are 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.

- (ii) Depreciation of property, plant and equipment and investment properties

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

- (ii) Impairment of loans and receivables

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Consolidation (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 79 years to 99 years. Buildings are depreciated over its lease periods ranging from 50 years to 99 years.

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

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

(e) Investment in Associated Companies

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment in Associated Companies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible Assets (continued)

(i) Goodwill (continued)

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

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

(ii) Trademark

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(g).

(g) Impairment of Non-Financial Assets

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

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

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)

(h) Operating Leases

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

(i) Inventories

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

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

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

(j) Cash and Cash Equivalents

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

(k) Financial Assets

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

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

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

Loans and receivables

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of Financial Assets

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

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

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

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

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

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

(m) Share Capital and Share Issuance Expenses

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

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

(n) Borrowing Costs

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

(o) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Contingencies

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

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

(q) Financial Liabilities

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

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

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

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

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

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

(r) Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest income

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

(iii) Rental income

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

(iv) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue Recognition (continued)

(v) Royalty income

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

(s) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

(t) Foreign Currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Foreign Currencies (continued)

(iii) Foreign operations

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

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

(u) Income Taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Operating Segments

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

(w) Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Farm structure & equipment RM	Total RM
Cost										
At 1 July 2016	9,824,792	3,269,162	8,822,535	1,080,923	555,858	700,073	2,889,707	12,930,174	110,608	40,183,832
Additions	4,097,016	-	1,428,328	37,002	-	10,000	871,349	564,978	848	7,009,521
Disposals	-	-	-	-	-	-	(186,724)	-	-	(186,724)
Written off	-	-	-	-	-	-	(16,207)	-	-	(16,207)
At 30 June 2017/	13,921,808	3,269,162	10,250,863	1,117,925	555,858	710,073	3,558,125	13,495,152	111,456	46,990,422
At 1 July 2017	-	-	121,020	16,866	-	-	233,810	420,943	3,200	795,839
Additions	-	-	-	-	-	-	(123,069)	(379,633)	-	(502,702)
Disposals	-	-	-	-	-	-	-	-	-	-
At 30 June 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
Accumulated depreciation										
At 1 July 2016	-	413,503	1,174,118	901,872	525,192	651,662	2,132,103	9,347,909	44,244	15,190,603
Depreciation charge for the year	-	40,795	130,400	63,067	13,236	16,224	343,616	928,319	22,500	1,558,157
Disposals	-	-	-	-	-	-	(136,832)	-	-	(136,832)
Written off	-	-	-	-	-	-	(16,206)	-	-	(16,206)
At 30 June 2017	-	454,298	1,304,518	964,939	538,428	667,886	2,322,681	10,276,228	66,744	16,595,722
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
Net carrying amount										
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
At 30 June 2017	13,921,808	2,814,864	8,946,345	152,986	17,430	42,187	1,235,444	3,218,924	44,712	30,394,700

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES

	Group	
	2018 RM	2017 RM
Cost		
At 1 July	19,262,405	14,199,893
Addition	-	5,062,512
At 30 June	19,262,405	19,262,405
Accumulated depreciation		
At 1 July	435,541	226,700
Depreciation charge for the year	257,578	208,841
At 30 June	693,119	435,541
Net carrying amount		
At 30 June	18,569,286	18,826,864
Estimated fair value	21,405,000	20,820,000
Included in the above are:		
	Group	
	2018 RM	2017 RM
Net carrying amount		
Land	8,580,006	8,634,025
Buildings	9,989,280	10,192,839
	18,569,286	18,826,864

Investment properties comprise land and buildings. Rental income generated from the investment properties during the financial year amounted to RM168,600 (2017: RM45,600).

Direct operating expenses from investment properties that did not generate rental income of the Group during the year amounted to RM22,356 (2017: RM168,408).

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM26,577 (2017: RM4,059).

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 30(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 RM9,438,323 (2017: RM9,594,384) pledged to a licensed bank for a term loan facility granted to a subsidiary company (Note 16).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2018 RM	2017 RM
Unquoted shares – at cost	57,467,623	57,467,623

Details of the subsidiary companies are as follows:

Name of Companies	Country of Incorporation	Effective Ownership Interest		Principal Activities
		2018 (%)	2017 (%)	
Direct subsidiary companies of the Company				
Imaspro Resources Sdn. Bhd. ("IRSB")	Malaysia	100	100	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
Ideal Command Sdn. Bhd.	Malaysia	100	100	Investment holding
Plant Science Centre Sdn. Bhd.	Malaysia	100	100	Providing research, development and training with regards of pesticides and agrochemicals
Millennium Station Sdn. Bhd.	Malaysia	100	100	Investment holding
Mosfly International Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of mosquito coils, disinfectants and household insecticides
Direct subsidiary companies of IRSB				
Imaspro Biotech Sdn. Bhd.	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

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

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

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

There were no changes during the year (2017: Nil) in the Group's ownership interest in its significant subsidiary companies.

(a) Acquisition of subsidiary company

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

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

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

7. INVESTMENT IN ASSOCIATED COMPANY

(a) Investment in associated company

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unquoted shares, at deem cost	13,418,967	13,418,967	-	-
Share of post-acquisition reserves	(1,968,942)	(273,291)	-	-
	11,450,025	13,145,676	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN ASSOCIATED COMPANY (continued)

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

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2018 (%)	2017 (%)
Held through Mosfly International Sdn. Bhd.				
Mosfly Vietnam Industries Co. Ltd.*^	Vietnam	Producing insect, bacteria exterminating products; producing cosmetics, cleaning, and polishing substances, room sprayer, body deodorizer	50.00	50.00

* Company not audited by HLB Ler Lum

^ Company with financial year ended 31 December

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN ASSOCIATED COMPANY (continued)

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

	2018	2017
	RM	RM
<i>Effective equity interest</i>	50%	50%
<u>Summarised financial information</u>		
<u>As at 30 June</u>		
Non-current assets	13,132,817	14,395,791
Current assets	5,733,333	7,988,508
Non-current liabilities	(149,342)	(212,386)
Current liabilities	(5,130,608)	(4,793,655)
Net assets	<u>13,986,956</u>	<u>17,378,258</u>
<u>Year ended 30 June</u>		
Revenue	<u>21,024,513</u>	<u>26,494,968</u>
Profit for the financial year	(2,360,255)	131,691
Other comprehensive income	(537,189)	528,091
Total comprehensive income	<u>(2,897,444)</u>	<u>659,782</u>
<u>Reconciliation of net assets to carrying amount</u>		
<u>As at 30 June</u>		
Group's share of net assets	6,993,478	8,689,129
Goodwill	4,456,547	4,456,547
Carrying amount in the Statement of Financial Position	<u>11,450,025</u>	<u>13,145,676</u>
<u>Group's share of results</u>		
<u>Year ended 30 June</u>		
Group's share of (loss)/profit for the year	(1,180,128)	65,846
Group's share of other comprehensive (loss)/income	(268,595)	264,046
Group's share of total comprehensive (loss)/income	<u>(1,448,273)</u>	<u>329,892</u>
<u>Other information</u>		
Dividend income from associate	<u>241,166</u>	<u>1,183,844</u>

Goodwill amounting to RM4,456,547 (2017: RM4,456,547) was included in the carrying amount of investment in associated company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INTANGIBLE ASSETS

	Group	
	2018 RM	2017 RM
Goodwill [Note 8 (i)]	1,125,301	1,125,301
Trademarks [Note 8 (ii)]	6,729,375	8,053,232
	7,854,676	9,178,533

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

(i) Goodwill

	Group	
<u>Cost</u>	2018 RM	2017 RM
At beginning of the year	1,125,301	7,681,848
Re-allocation of fair value assets acquired (Note 6(a))	-	(6,556,547)
At end of the year	1,125,301	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 %	2017 %
Gross margin ¹	16.75	21.6
Growth rate ²	15.06	17.13
Pre-tax discount rate ³	8.84	8.71
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 %	2017 %
Gross margin	6.81	12.18
Growth rate	6.03	11.79
Discount rate	21.12	11.12
Terminal Value	-3 times	-

(ii) Trademarks

	2018 RM	Group 2017 RM
<u>At cost</u>		
At beginning of the year	9,410,000	7,310,000
Re-allocation of fair value assets acquired (refer Note 6 (a))	-	2,100,000
At end of the year	9,410,000	9,410,000
<u>Accumulated amortisation</u>		
At beginning of the year	1,356,768	146,370
Charge for the year (Note 21)	1,323,857	1,210,398
At end of the year	2,680,625	1,356,768
Net carrying amount	6,729,375	8,053,232

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2018 RM	2017 RM
At 1 July	1,016,878	1,244,746
Recognised in profit or loss (Note 24)	(15,000)	(227,868)
At 30 June	1,001,878	1,016,878

Presented after appropriate offsetting as follows:

	Group	
	2018 RM	2017 RM
Deferred tax assets	(175,000)	(180,000)
Deferred tax liabilities	1,176,878	1,196,878
	1,001,878	1,016,878

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	Property, plant and equipment RM	Others RM	Total RM
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)
At 1 July 2016	-	-	-
Recognised in profit or loss	4,172	(184,172)	(180,000)
At 30 June 2017	4,172	(184,172)	(180,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Deferred tax liabilities of the Group	Property, plant and equipment RM	Others RM	Total RM
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
At 1 July 2016	701,848	542,898	1,244,746
Recognised in profit or loss	(93,868)	46,000	(47,868)
At 30 June 2017	607,980	588,898	1,196,878

10. INVENTORIES

At cost:	Group	
	2018 RM	2017 RM
Raw materials	12,444,264	12,241,444
Finished goods	4,391,560	4,802,870
Packaging materials	909,033	736,742
Work-in-progress	549,257	751,187
	18,294,114	18,532,243

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM46,996,923 (2017: RM49,486,210).

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade receivables				
- Third parties	28,646,682	16,008,849	-	-
- Associated company	269,987	-	-	-
Less : Allowance for impairment	(482,848)	(724,556)	-	-
Trade receivables, net	28,433,821	15,284,293	-	-
Other receivables				
- Deposits	144,256	121,326	-	-
- Prepayments	568,205	567,363	-	-
- Dividend receivables	-	-	4,500,000	-
- Amount due from subsidiary companies	-	-	18,872,740	18,826,210
- Amount due from associated company	1,161,886	1,341,976	-	-
- Sundry receivables	463,261	555,211	-	-
- Advance paid to suppliers	1,124,095	-	-	-
	3,461,703	2,585,876	23,372,740	18,826,210
Total trade and other receivables (Note 32)	31,895,524	17,870,169	23,372,740	18,826,210

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 (2017: 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	2017
	RM	RM
Neither past due nor impaired	26,975,756	13,328,962
1 to 30 days past due not impaired	499,566	643,018
31 to 60 days past due not impaired	558,788	109,904
61 to 90 days past due not impaired	164,429	784,394
More than 91 days past due not impaired	124,720	335,801
	1,347,503	1,873,117
Impaired	593,410	806,770
	1,940,913	2,679,887
	<u>28,916,669</u>	<u>16,008,849</u>

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	2017
	RM	RM
Individual impaired:		
Trade receivables – nominal accounts	593,410	806,770
Less : Allowance for impairment	(482,848)	(724,556)
	<u>110,562</u>	<u>82,214</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance accounts:

	Group	
	2018	2017
	RM	RM
At 1 July	724,556	714,005
Charge for the year (Note 21)	6,458	112,857
Reversal of impairment losses (Note 19)	(152,762)	(102,306)
Bad debt written off	(95,404)	-
At 30 June	<u>482,848</u>	<u>724,556</u>

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

(b) Related party balances

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

12. CASH AND BANK BALANCES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash on hand and at banks	5,189,737	7,553,266	31,980	9,584
Short term cash investments	<u>19,685,309</u>	<u>24,088,250</u>	<u>2,376,660</u>	<u>5,513,833</u>
Cash and bank balances (Note 33)	<u>24,875,046</u>	<u>31,641,516</u>	<u>2,408,640</u>	<u>5,523,417</u>

- (a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2017: 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 1.97% to 3.25% (2017: 2.40% to 3.30%) and 2.99% (2017: 3.51%) for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. SHARE CAPITAL

	Number of Ordinary Shares		Amount	
	2018	2017	2018 RM	2017 RM
Issued and fully paid				
Ordinary shares with no par value				
At beginning of the financial year	80,000,000	80,000,000	42,857,032	40,000,000
Transition to no par value regime*	-	-	-	2,857,032
At end of the financial year	80,000,000	80,000,000	42,857,032	42,857,032

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

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

14. FOREIGN CURRENCY TRANSLATION RESERVE

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

15. RETAINED PROFITS

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

16. LOAN AND BORROWINGS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Term loan - secured				
- Non-current	4,026,895	4,718,549	-	-
- Current	690,180	665,358	-	-
	4,717,075	5,383,907	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. LOAN AND BORROWINGS (continued)

The weighted average effective interest rate at the reporting date for the term loan of the Group is 5.07% (2017: 5.09%).

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

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

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade payables				
- Third parties	5,834,794	3,118,988	-	-
Other payables				
- Deposits received	113,000	11,251	-	-
- Accruals	1,296,573	1,023,561	68,600	59,600
- Sundry payables	98,388	90,685	3,215	6,587
	<u>1,507,961</u>	<u>1,125,497</u>	<u>71,815</u>	<u>66,187</u>
Total trade and other payables (Note 32)	<u>7,342,755</u>	<u>4,244,485</u>	<u>71,815</u>	<u>66,187</u>

(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 (2017: 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 (2017: 30 to 60 days).

18. REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Sale of goods	81,028,727	65,986,580	-	-
Dividend income	-	-	4,500,000	34,500,000
Rental income	158,301	30,000	-	-
	<u>81,187,028</u>	<u>66,016,580</u>	<u>4,500,000</u>	<u>34,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. OTHER OPERATING INCOME

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Gain on disposal of property, plant and equipment	20,088	30,768	-	-
Gain on foreign exchange				
- realised	-	450,250	-	-
- unrealised	830,300	-	-	-
Interest income	736,053	934,296	104,497	91,266
Rental income	15,600	53,600	-	-
Royalty income	571,243	751,907	-	-
Reversal of allowance for impairment of trade receivables (Note 11)	152,762	102,306	-	-
Sundry income	35,405	15,548	-	-
	<u>2,361,451</u>	<u>2,338,675</u>	<u>104,497</u>	<u>91,266</u>

20. FINANCE COST

	Group	
	2018 RM	2017 RM
Interest expenses on:		
Commitment fees	38,425	39,029
Term loan	235,850	291,179
	<u>274,275</u>	<u>330,208</u>

21. PROFIT BEFORE TAX

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Employee benefits expense (Note 22)	6,810,325	6,723,301	24,000	24,000
Non-Executive Directors' remuneration (Note 23)	114,000	108,000	114,000	108,000
Auditors' remuneration				
- statutory audit	104,355	108,699	31,000	36,000
- others	9,000	27,750	9,000	2,750
Amortisation expense (Note 8)	1,323,857	1,210,398	-	-
Impairment loss on trade receivables (Note 11)	6,458	112,857	-	-
Depreciation of property, plant and equipment (Note 4)	1,406,758	1,558,157	-	-
Depreciation of investment properties (Note 5)	257,578	208,841	-	-
Property, plant and equipment written off	-	1	-	-
Rental of premises	9,022	8,435	-	-
Loss/(Gain) on foreign exchange				
- unrealised	-	(40,381)	-	-
- realised	476,796	-	-	-
	<u>476,796</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Wages, salaries, bonuses and allowances	6,056,664	5,965,125	24,000	24,000
Social security contribution	46,842	41,171	-	-
Contributions to defined contribution plan	706,819	717,005	-	-
	<u>6,810,325</u>	<u>6,723,301</u>	<u>24,000</u>	<u>24,000</u>

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,986,750 (2017: RM2,068,650) and RM24,000 (2017: RM24,000) respectively as further disclosed in Note 23.

23. DIRECTORS' REMUNERATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Executive:				
- Salaries and other emoluments	1,592,850	1,650,950	-	-
- Fees	144,000	144,000	24,000	24,000
- Contributions to defined contribution plan	249,900	273,700	-	-
	<u>1,986,750</u>	<u>2,068,650</u>	<u>24,000</u>	<u>24,000</u>
Non-Executive:				
- Fees	114,000	108,000	114,000	108,000
	<u>2,100,750</u>	<u>2,176,650</u>	<u>138,000</u>	<u>132,000</u>
Benefits in-kind	20,407	13,325	-	-
	<u>2,121,157</u>	<u>2,189,975</u>	<u>138,000</u>	<u>132,000</u>

24. INCOME TAX EXPENSE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Income tax:				
Malaysian income tax	1,359,000	2,253,514	-	-
(Over)/Under provided in prior year	(4,741)	309,977	-	-
	<u>1,354,259</u>	<u>2,563,491</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	(15,000)	(227,868)	-	-
	<u>(15,000)</u>	<u>(227,868)</u>	<u>-</u>	<u>-</u>
TOTAL	<u>1,339,259</u>	<u>2,335,623</u>	<u>-</u>	<u>-</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. INCOME TAX EXPENSE (continued)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	7,073,068	8,097,587	4,216,126	34,225,198
Taxation at Malaysian statutory tax rate of 24%	1,697,536	1,943,421	1,011,870	8,214,048
Expenses not deductible for tax purposes	995,851	502,139	68,130	87,856
Income not subject to tax	(1,302,401)	(359,586)	(1,080,000)	(8,301,904)
Expenditure qualified for double deduction	(18,417)	(48,422)	-	-
(Over)/Under provision of tax expense in prior year	(4,741)	309,977	-	-
Utilisation of reinvestment allowances	(35,242)	(81,357)	-	-
Tax effect of unrecognised deferred tax asset	6,673	13,125	-	-
Tax impact of expired pioneer status	-	56,326	-	-
Tax expense for the year	1,339,259	2,335,623	-	-

25. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2018	2017
Profit after tax attributable to owners of the Company (RM)	5,733,809	5,761,964
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per share (sen)	7.17	7.20

(b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. DIVIDENDS

	Group and Company	
	2018	2017
	RM	RM
For financial year ended 30 June 2017:		
- A first and final single tier dividend of 3.5 sen per share paid on 17 January 2017	-	2,800,000
For financial year ended 30 June 2018:		
- A first and final single tier dividend of 3.5 sen per share paid on 16 January 2018	2,800,000	-
	<u>2,800,000</u>	<u>2,800,000</u>

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 2018 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.

27. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,500,000	34,500,000
Royalty income receivable from associated company - Mosfly Vietnam Industries Co., Ltd.	571,243	751,907	-	-
Sales to associated company - Mosfly Vietnam Industries Co., Ltd.	1,703,533	205,950	-	-
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	199,020	-	-
Salaries and other related expenses paid/payable to persons related to a Director, Tong Chin Hen	-	57,534	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Short term employee benefits	2,862,795	3,175,469	138,000	132,000
Post-employment benefits:				
- Defined contribution plan	388,087	421,204	-	-
	<u>3,250,882</u>	<u>3,596,673</u>	<u>138,000</u>	<u>132,000</u>

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

Included in the total key management personnel are:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors' remuneration (Note 23)	<u>2,100,750</u>	<u>2,176,650</u>	<u>138,000</u>	<u>132,000</u>

28. CONTINGENT LIABILITIES

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unsecured:				
Corporate guarantee given to a licensed bank for credit facilities granted to subsidiary companies	<u>-</u>	<u>-</u>	<u>36,927,000</u>	<u>36,927,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. 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, Lebanon and Bulgaria but which individually fall below the 10% threshold of a reportable segment

Although the geographical segment of Vietnam, Japan and Russia 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.

Group	Malaysia RM	Vietnam RM	Indonesia RM	Japan RM	Russia RM	Others RM	Elimination RM	Total RM
At 30 June 2018								
Segment revenue:								
Sales to external customers	46,044,160	1,878,498	11,652,919	7,896,685	7,919,600	5,795,166	-	81,187,028
Inter-segment sales	919,322	-	-	-	-	-	(919,332)	-
	<u>46,963,482</u>	<u>1,878,498</u>	<u>11,652,919</u>	<u>7,896,685</u>	<u>7,919,600</u>	<u>5,795,166</u>	<u>(919,332)</u>	<u>81,187,028</u>
Profit before tax								7,073,068
Income tax expense								<u>(1,339,259)</u>
Profit for the year								<u>5,733,809</u>
At 30 June 2017								
Segment revenue:								
Sales to external customers	40,530,513	3,089,227	15,952,757	1,873,352	1,258,963	3,311,768	-	66,016,580
Inter-segment sales	2,423,825	-	-	-	-	-	(2,423,825)	-
	<u>42,954,338</u>	<u>3,089,227</u>	<u>15,952,757</u>	<u>1,873,352</u>	<u>1,258,963</u>	<u>3,311,768</u>	<u>(2,423,825)</u>	<u>66,016,580</u>
Profit before tax								8,097,587
Income tax expense								<u>(2,335,623)</u>
Profit for the year								<u>5,761,964</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. OPERATING SEGMENTS (continued)

(a) Geographical Segments (continued)

The revenues of approximately RM11,653,000 (2017: RM15,953,000) are derived from single major external customer in Indonesia.

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

(b) Business Segments

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

30. 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 bearing interest at floating rates.

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

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

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM47,171 (2017: RM53,839) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loan and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity Risk

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

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

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2018							
Financial liabilities:							
Trade and other payables (Note 17)	7,342,755	-	7,342,755	7,342,755	-	-	-
Term loan (Note 16)	4,717,075	5.07	6,014,301	912,995	896,944	1,374,411	2,829,951
	<u>12,059,830</u>		<u>13,357,056</u>	<u>8,255,750</u>	<u>896,944</u>	<u>1,374,411</u>	<u>2,829,951</u>
2017							
Financial liabilities:							
Trade and other payables (Note 17)	4,244,485	-	4,244,485	4,244,485	-	-	-
Term loan (Note 16)	5,383,907	5.09	6,899,895	914,562	898,511	1,814,785	3,272,037
	<u>9,628,392</u>		<u>11,144,380</u>	<u>5,159,047</u>	<u>898,511</u>	<u>1,814,785</u>	<u>3,272,037</u>
Company							
2018							
Financial liabilities:							
Other payables (Note 17)	71,815	-	71,815	71,815	-	-	-
2017							
Financial liabilities:							
Other payables (Note 17)	66,187	-	66,187	66,187	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk

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

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

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by eight (8) (2017: 6) customers which constituted approximately 67% (2017: 43%) 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:

By country:	2018 RM	2017 RM
Malaysia	15,255,001	11,045,412
Japan	2,072,720	1,569,616
Vietnam	313,001	133,059
Indonesia	485,982	722,176
Russia	7,848,663	-
Others	2,458,454	1,814,030
	<u>28,433,821</u>	<u>15,284,293</u>

(d) Foreign Currency Risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign Currency Risk (continued)

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

Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currency			
	USD RM	AUD RM	EUR RM	TOTAL RM
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)
	<u>11,074,829</u>	<u>1,512,614</u>	<u>414,640</u>	<u>13,002,083</u>
At 30 June 2017				
Cash and bank balances	1,863,481	234,528	10,629	2,108,638
Trade receivables	3,918,319	23,040	-	3,941,359
Trade payables	(2,054,839)	-	(12,200)	(2,067,039)
	<u>3,726,961</u>	<u>257,568</u>	<u>(1,571)</u>	<u>3,982,958</u>

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	2018	2017
	Increase/ (Decrease) RM	Increase/ (Decrease) RM
USD		
- Strengthened by 5%	553,741	186,348
- Weakened by 5%	(553,741)	(186,348)
AUD		
- Strengthened by 5%	75,631	12,878
- Weakened by 5%	(75,631)	(12,878)
EUR		
- Strengthened by 5%	20,732	(79)
- Weakened by 5%	(20,732)	79

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Fair Values

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

The fair value measurement hierarchies used to measure financial assets carried at fair value in the Statements of Financial Position as at 30 June 2018 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.

31. 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 2017 and 30 June 2018.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. FINANCIAL INSTRUMENTS

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

	Note	Financial Assets Loans and receivables			
		Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Trade and other receivables	11	31,895,524	17,870,169	23,372,740	18,826,210
Less: Prepayment		(568,205)	(567,363)	-	-
		<u>31,327,319</u>	<u>17,302,806</u>	<u>23,372,740</u>	<u>18,826,210</u>
Cash and bank balances	12	<u>24,875,046</u>	<u>31,641,516</u>	<u>2,408,640</u>	<u>5,523,417</u>
Total		<u>56,202,365</u>	<u>48,944,322</u>	<u>25,781,380</u>	<u>24,349,627</u>

	Note	Financial Liabilities Other financial liabilities at amortised cost			
		Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Trade and other payables	17	7,342,755	4,244,485	71,815	66,187
Loan and borrowings	16	<u>4,717,075</u>	<u>5,383,907</u>	-	-
Total		<u>12,059,830</u>	<u>9,628,392</u>	<u>71,815</u>	<u>66,187</u>

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

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the external auditors by the Group and the Company respectively for the financial year ended 30 June 2018 were as follows:

	Company RM	Group RM
Statutory audit fee paid/payable to:		
- HLB Ler Lum	36,000	108,000
Non-audit fee paid/payable to:		
- HLB Ler Lum	2,750	27,750
- Firms or corporations affiliated to HLB Ler Lum	-	-
Sub total	2,750	27,750
Total	38,750	135,750

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 2018.

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

The details of the RRPTs were disclosed in Note 27-Related Party Disclosures in the Financial Statements for the financial year ended 30 June 2018.

PROPERTIES OF THE GROUP

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Resources Sdn. Bhd.						
H.S. (D) 13013 Lot No. P.T. 11539 Mukim of Kapar District of Klang State of Selangor 33, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Rented out	Land area: 1,540 Built-up area: 4,386	Freehold	34	132	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	34	132	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	34	574	21 May 2004
H.S.(D) 268621 Lot No. P.T. 27861 Mukim Bukit Raja Daerah Petaling State of Selangor 2, Jalan Setia Dagang AK, U13/AK, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan	3-storey Semi Detached Shop Office	Land area: 7,804 Built-up area: 7,350	Freehold	2	5,439	15 February 2017

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd.						
H.S. (M) 6289, No. P.T. 4258 Mukim of Kapar District of Klang State of Selangor Lot 2, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara, 42000 Port Klang Selangor Darul Ehsan	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 73,378 Built-up area: 31,621	Leasehold interest for 99 years expiring on 9 June 2086	30	3,932	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	36	5,240	17 January 2007
Geran 43528/M1-A/13/547, No. Petak 547 dalam Tingkat No.13, Bangunan No. M1-A, Lot No. 14, Pekan Subang Jaya Daerah Petaling Negeri Selangor Unit No. CS-10, 10th Floor, Menara Summit Persiaran Kewajipan USJ 1, 47600 UEP Subang Jaya Selangor Darul Ehsan	Office unit/ vacant	Built-up area: 12,056	Freehold	4	3,511	20 November 2014

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd. (continued)						
Lot No. BP-33A, held under Master Title No. Pajakan Negeri 92907, Lot No. 82246, Mukim and District of Petaling, State of Selangor No. BP-33A, Jalan BPD 1, Business Park D'Alpinia, 47100 Puchong, Selangor Darul Ehsan	4-storey shop office/ vacant	Built-up area: 11,076	Leasehold interest (Master Title)	3	5,928	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	2	2,018	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	35	2,780	09 September 2016

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Biotech Sdn. Bhd.						
H.S. (D) 60122, No. P.T. 60621 Mukim and District of Klang State of Selangor No. 24, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 11,016 Built-up area: 3,290	Freehold	20	805	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	20	553	17 November 2006

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Plant Science Centre Sdn. Bhd.						
Lot 3030, Mukim Tebrau 81100 Johor Bahru Johor Darul Takzim	Vacant Land	Land area: 8 acres Built-up area: 7.236 acres	Freehold	Nil	5,234	13 December 2013
H.S.(M) No. 175, 176, 177, 178, 179, 180, 181 and 182 Mukim of RIM District of Jasin State of Melaka	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	16	1,973	7 January 2015
Lot 1194-1201, Jalan Maahad Tahfiz, Kampung Cenderah, 77000 Jasin, Melaka						
GM 468 Lot No.1203 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 2.0292 hectares	Freehold	Nil	1,038	22 July 2015
GM 472 Lot No.1204 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 1.6346 hectares	Freehold	Nil	835	22 July 2015

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Millennium Station Sdn. Bhd.						
Geran 34407, Lot 1749N, Geran 34408, Lot 1750N, Geran 34409, Lot 1751N, Geran 34410, Lot 1752N, Geran 34360, Lot 1753N, Bandar Ipoh (U), Daerah Kinta Negeri Perak.	3-storey shop office/ vacant	Land area: 7,005 Built-up area: 18,840	Freehold	4	4,201	24 December 2014
No.12, Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan						

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 28 SEPTEMBER 2018

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 28 SEPTEMBER 2018

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 99	7	1.23	250	0.00
100 – 1,000	269	47.28	63,150	0.08
1,001 – 10,000	151	26.54	735,700	0.92
10,001 – 100,000	80	14.06	3,026,500	3.78
100,001 – 3,999,999 (*)	60	10.54	38,184,632	47.73
4,000,000 and above (**)	2	0.35	37,989,768	47.49
Grand total	569	100.00	80,000,000	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 28 SEPTEMBER 2018

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Yu Kuan Chon	10,855,804	13.57	1,371,000#	1.71
Tong Chin Hen	1,750,000	2.19	33,947,064#	42.43

Deemed interest through Swiss Revenue Sdn. Bhd.

Deemed interest through shares held by his spouse, Chan Sow Keng.

DIRECTORS' SHAREHOLDINGS AS AT 28 SEPTEMBER 2018

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Tong Chin Hen	1,750,000	2.19	33,947,064#	42.43
Chan Weng Fui	3,238,500	4.05	-	-
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 28 SEPTEMBER 2018

No.	Name of Shareholders	No. of shares held	%
1	Swiss Revenue Sdn. Bhd.	33,947,064	42.43
2	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	4,042,704	5.05
3	Siow Chin How	3,975,500	4.97
4	Tong Sew Teng	3,445,190	4.30
5	Ong Beng Chuan	2,600,000	3.25
6	Amsec Nominees (Tempatan) Sdn. Bhd. - Ambank (M) Berhad (Hedging)	2,559,400	3.20
7	Stephen Kuek Hock Eng	2,274,300	2.84
8	Tong Chin Hen	1,600,000	2.00
9	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	1,373,100	1.71
10	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for UBS Switzerland AG (Clients Assets)	1,300,000	1.63
11	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tong Seech Wi	1,292,100	1.62
12	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Fung Neng	1,254,400	1.57
13	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Chan Weng Fui (Smart)	1,000,000	1.25
14	Agrimart Sdn. Bhd.	940,000	1.18
15	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	896,300	1.12
16	Tong Seech Wi	873,200	1.09
17	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	859,600	1.07
18	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Sow Keng	750,000	0.94
19	Ku Kooi Khang	630,838	0.79
20	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Sow Keng	621,000	0.78
21	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming	600,000	0.75
22	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	580,900	0.73
23	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Fung Neng	579,000	0.72
24	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	480,000	0.60
25	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming	438,000	0.55
26	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	419,800	0.52
27	Mercsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Weng Fui	407,000	0.51
28	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ling Mooi Hung	394,400	0.49
29	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming (CEB)	358,000	0.45
30	Neo Khoon Seng	350,700	0.44
Total		70,842,496	88.55

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth 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 Thursday, 22 November 2018 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 2018 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 2018. | (Resolution 1) |
| 3. To approve the payment of Directors' Fees and Benefits of RM162,000.00 for a period from this 14th 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) Datuk Captain Hamzah Bin Mohd Noor
(ii) Chan Kim Hing | (Resolution 3)
(Resolution 4) |
| 5. To re-appoint Messrs HLB Ler Lum 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 Resolutions of the Company:-

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 6. Ordinary Resolution I
Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 | (Resolution 6) |
| <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby empowered to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so 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."</p> | |
| 7. Ordinary Resolution II
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") | (Resolution 7) |

"THAT subject to the provisions of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to allocate the maximum amount of funds not exceeding the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) for the purpose of purchasing

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

such amount of ordinary shares in the Company ("the Shares") on the stock market of Bursa Malaysia Securities Berhad at any time as may be determined by the Directors of the Company provided that the aggregate number of the Shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase;

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

- (i) to cancel the Shares so purchased;
- (ii) to retain the Shares so purchased as treasury shares for distribution as share dividends to shareholders and/or resell the treasury shares on the stock market of Bursa Malaysia Securities Berhad in accordance with the relevant rules of Bursa Malaysia Securities Berhad;
- (iii) combination of (i) and (ii) above; or
- (iv) in any other manner as prescribed by the Companies Act 2016, rules, regulations and orders made pursuant to the Companies Act 2016 and the Main Market Listing Requirements and any other relevant authority for the time being in force;

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

- (i) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which this resolution is passed, at which time it will lapse, unless by an ordinary resolution passed at such Annual General Meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

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

8. 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 Fourteenth 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 2018 will be paid to the shareholders on 16 January 2019. The entitlement date for the said dividend shall be 3 January 2019.

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

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

- a. Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 3 January 2019 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: 23 October 2018

NOTES:

1. Appointment of Proxy

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

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

- (h) Only the members whose names appear on the Record of Depositors as at 13 November 2018 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 2018

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.

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 14th 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 14th 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

Datuk Captain Hamzah Bin Mohd Noor and Chan Kim Hing are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 14th 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 Requirement 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 Datuk Captain Hamzah Bin Mohd Noor and Chan Kim Hing, the Independent Directors standing for re-election and is satisfied that they met the criteria of independence as prescribed in the Main Market Listing Requirement 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 and considered the re-appointment of Messrs HLB Ler Lum as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs HLB Ler Lum 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.

NOTICE OF FOURTEENTH 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 Thirteenth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that require fund raising activity.

(ii) Resolution No. 7 – Proposed Renewal of Share Buy-Back Mandate

The proposed Resolution No. 7, if passed will empower the Company 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 23 October 2018 for further information.

STATEMENT ACCOMPANYING NOTICE OF 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 at page 113.



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

(657527-H)

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 Fourteenth 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 Thursday, 22 November 2018 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 2018 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 2018.	1		
3.	Approval on the payment of Directors' Fees and Benefits of RM162,000.00 for a period from this 14th Annual General Meeting until the next Annual General Meeting of the Company.	2		
4(i).	Re-election of Datuk Captain Hamzah Bin Mohd Noor as Director of the Company pursuant to Article 75 of the Company's Constitution.	3		
4(ii).	Re-election of Chan Kim Hing as Director of the Company pursuant to Article 75 of the Company's Constitution.	4		
5.	Re-appointment of Messrs HLB Ler Lum 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		

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 _____ 2018

Signature / Common Seal of Shareholder(s)

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

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

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

NOTES:

- A 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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/her 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).
- Only the members whose names appear on the Record of Depositors as at 13 November 2018 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-TINGOTM



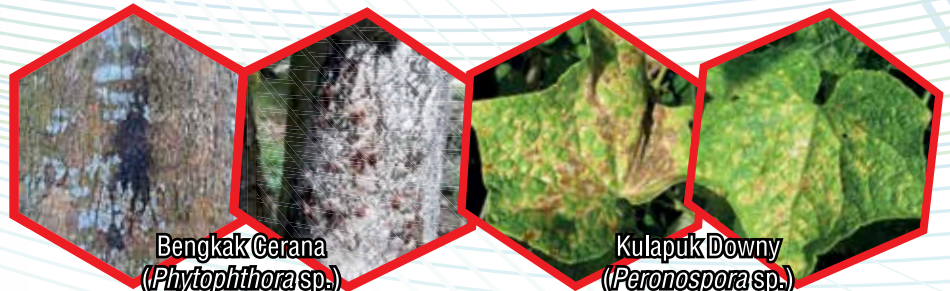
Dwi Tindakan 雙功能

**Perangsang
Tumbesaran
Tumbuhan**

植物增強劑

**Booster
kepada
Racun Kulat**

淨菌劑助劑



Bengkak Cerana
(*Phytophthora* sp.)
潰瘍病

Kulupuk 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