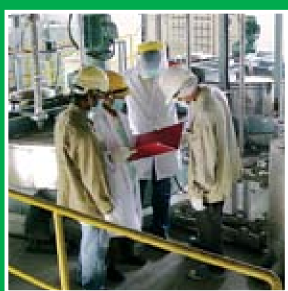
annual report 2007

Poised for accelerated global growth



IMASPRO CORPORATION BERHAD

(657527-H)

CONTENTS

annual report 2007

CHAIRMAN'S STATEMENT

Our prospects

"Overall, the prospects for next year remain very encouraging. Barring unforeseen circumstances in the business environments that we operate in, we are confident that ICB Group can perform satisfactorily and achieve further growth in the coming financial year."

Dear Valued Shareholders

On behalf of the Board of Directors of Imaspro Corporation Berhad ("ICB"), it is my pleasure to present the Annual Report and Audited Financial Statements of the Group and Company for the financial year ended 30 June 2007.

FINANCIAL PERFORMANCE

For the year under review, the Group recorded a turnover of RM85.93 million and profit before tax of RM12.94 million against a turnover of RM81.29 million and profit before tax of RM12.88 million (before negative goodwill recognised) achieved in the preceding year. The Group continued its strong growth achieved in the previous financial year into the first three (3) quarters of the financial year. However, the favourable growth trend was temporarily punctuated by an unexpected disruption in the supply of certain raw materials in the last quarter of the financial year which affected production output and caused a delay in fulfilling certain customer orders. The backlog in orders in the last quarter although cleared by the following quarter, i.e. by the first quarter of the financial year 2008, severely affected the Group's turnover while having to pay more for raw materials purchased from alternative suppliers dampened our pre-tax profit.

On a brighter note, the Group invested in a bio-technology project where more than RM3 million was utilised to build up production capacity for the world's first bio-palm based insecticide. With the benefit of tax incentive on bio-technology investment and higher capital allowances, the Group's effective tax rate for the current financial year was substantially lower than the statutory tax rate. As a result, on the "Operational" basis, despite the temporary hiccup in the last quarter as highlighted earlier, the profit after tax of the Group in the current financial year still grew to RM10.88 million.

DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 2.0 sen tax exempt and 1.5 sen non-tax exempt per share in respect of the financial year ended 30 June 2007, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

OPERATIONS REVIEW

The principal activity of ICB as investment holding and that of its wholly-owned subsidiaries as manufacturers of pesticides and plant micro-nutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals; and investment holding remain unchanged during the current financial year.

Our Group's products which comprise herbicides, particularly glyphosate-based range of herbicides, insecticides, fungicides and plant micro-nutrients, are mainly used to control pests in the agricultural sectors, such as oil palm and rubber plantations, fruit orchards and paddy fields, and for urban pest control of termites and other vectors.

In my previous Chairman's Statement, I mentioned about our joint research efforts with Malaysian Palm Oil Board ("MPOB") to develop more environmental friendly and cost-effective bio-palm insecticides. I am pleased to inform you that during the financial year, we received product registration approval from Pesticides Board, Malaysia, of the world's first bio-palm based insecticide, completed the fine-tuning of key production parameters and controls and officially launched the product on 1 July 2007. Following this success, we have now extended our joint research with MPOB to develop a "Hi-Loading" variant of the bio-palm insecticide principally for the export market.

Our Group continues to place strong emphasis on its R&D activities. In April 2007, through our own in-house Research & Development ("R&D"), we launched a new product, Preminator ® Cockroach Bait (in Gel Form), the first generic insecticide gel in Malaysia which we developed specifically for the pest control operator segment. Our R&D team also obtained approvals for twenty eight (28) new product registrations – twenty two (22) for the local market and six (6) for export markets. Being the lifeblood of our business, this increase in the number of product registrations to two hundred and thirty six (236) as at 30 June 2007 augurs well for the Group's continued relevance and growth.

Last year, we set ourselves a target of a more balanced ratio of revenue of 45% from overseas sales and the remaining from Malaysia in the years ahead. In line with our tag line: "Poised for Accelerated Global Growth", I am pleased to report that this overseas sales ratio has reached 43.9% as at 30 June 2007, despite having to delay delivery to certain overseas customers in the last quarter of the financial year for reasons highlighted earlier.

OUTLOOK AND PROSPECTS

Malaysia's economy is expected to continue maintaining its growth in 2007/2008 with heavy emphasis being placed by the Government in propelling the Agricultural sector. Various policies, schemes and incentives have been put in place with a vision of placing our Agriculture sector to become the country's third engine of growth under the 9th Malaysian Plan. This vision has provided the Group with ample opportunities to further tap and increase our market share in the plantation and crop sectors.

Globally, with crude oil prices currently hovering at record level of more than USD85 per barrel, and increasing environmental concerns about the greenhouse gas emission effect of burning fossil fuels, many governments have turned to the use of bio-fuel, i.e. fuel derived from sustainable plant sources, to meet their transportation fuel requirements. This unprecedented move offers both fresh hope for addressing escalating fossil fuel costs and environmental concerns and also providing new income and employment opportunities to planters, farmers and rural communities. Oil palm is considered to be both the most efficient energy crop and the most productive ethanol crop in the world, and the surge in demand for bio-fuel by developed countries has pushed crude palm oil prices to record high and boosted the attractiveness of our country's plantation industry where vast acreage of new land are planted with oil palm to meet rising global demand for bio-fuel.

Looking back, Malaysia was extremely visionary when it gave its Agriculture sector a shot in the arm some two (2) years ago. Across the globe, countries are now looking to the "bio-economy" as an economic rejuvenator of sorts. Bio-economy is an economy where industries rely on renewable bio-based feedstocks as their raw materials. In addition to its food and pulp value, the recent advances in plant breeding, plant genomics, proteonomics, bio-technology, nanotechnology, information technology and related sciences have now made it possible to transform the sugars, starches, oils and fibers found in planted crops into higher value products such as bio-energy (the burning or co-firing of biomass obtained from pyrolysis of plant matter and woody wastes to produce electricity and heat), bio-fuels (replacing transportation fuel with bio-ethanol obtained oil palm empty fruit bunches, corns, sugar cane, tapioca etc, and with biodiesel made from oils found in palm oil, jatropha and soybeans), and other bio-based products such as chemicals an example of which is the palm-based solvent used in our bio-palm based insecticide, nutraceuticals, biodegradable plastics and even fabrics for clothings. To ensure sufficient supply of these bio-based feedstocks, the

Another tie-up with MPOB to develop a high loading bio-palm based insecticide - MD C.H. Tong and Malaysian Palm Oil Board Deputy Director General Dr. Choo Yuen May exchanging the joint R&D agreement, ceremony witnessed by Y.B. Dato' Dr. Vijayaratnam a/l Seevaratnam, Parlimentary Secretary, Ministry of Plantation Industries and Commodities.

CHAIRMAN'S STATEMENT
(Continued)

global hectarage of planted crops would have to be increased in tandem, thus offering the Group new growth opportunities for its wide range of pesticides as it rides the bio-economy wave. I believe we would get to hear and read a lot more about "bio-economy" in the near future.

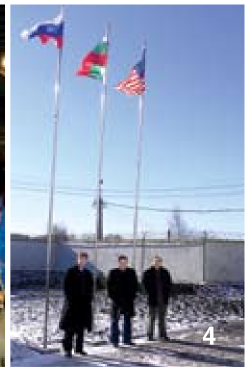
At the point of writing, the upheavals in the raw materials supply market have largely abated and the market is steadily returning to normalcy. This has given us increased optimism of the Group's continuing bright prospects in the upcoming financial year and beyond. In addition, having submitted an application for product registration in China during the current financial year, we are targeting for a maiden launch of our own glyphosate herbicide in one of the world's largest agriculture countries within the next twelve (12) months. As such, baring unforeseen circumstances in the business environments that we operate in, we are confident that ICB Group can perform satisfactorily and achieve further growth in the coming financial year.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I would like to express my appreciation and gratitude to the Management and Staff for their hard work, dedication and commitment during the financial year. I also would like to thank our shareholders, customers, business partners, suppliers, bankers, professional advisors, Government Agencies and Regulatory Authorities, both locally and in overseas countries, for their valuable commitment, support and guidance.

Last but not least, I also wish to thank my fellow colleagues on the Board for their counsel, support and invaluable contributions to the Group throughout the year.

MOHD SHAFEK BIN ISA
Chairman



1. MD C.H. Tong launching ENVO-CYPER, the world's first bio-palm based insecticide.

2. MD C.H. Tong briefing YB Datuk Peter Chin Fah Kui, Honorable Minister of Plantation Industries and Commodities, on our plans for more environmental friendly products using solvents and surfactants derived from oil palm at the International Palm Oil Congress, 2007.

3. YB Datuk Peter Chin Fah Kui, Honorable Minister of Plantation Industries and Commodities and Dato' Sabri Ahmad, Chairman of MPOB taking a closer look at our ENVO-CYPER at the International Palm Oil Congress, 2007.

4. Malaysian flag flying high in the Russian sky, a reflection of a warm welcome by our Russian counterpart when MD C. H. Tong visited its office in Moscow.

5. Our modern Bio-Palm based insecticide production facilities.

6. Participants in our field-cum-training programme at Bukit Cloh, a Sime Darby estate.

7. Conducting field experiment/trial spraying to evaluate the effectiveness of our post-emergence herbicide as part of our Research & Development programme.

DIRECTORATE & CORPORATE INFORMATION

Board of Directors

Mohd Shafek Bin Isa (Non-Executive Chairman)
Tong Chin Hen (Managing Director)
Tong Ah Wah @ Tong Chun Hwi (Executive Director)
Dr. Leong Wan Leong (Independent Non-Executive Director)
Tai Keat Chai (Independent Non-Executive Director)

Secretaries

Eng Soo Funn (MACS 00044)
Lam Lee San (MAICSA 7048104)

Registered Office

Wisma Goshen, 2nd Floor
60 & 62 Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No.: + (603) 7728 8485
Fax No.: + (603) 7728 8852

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

PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1
No.1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No.: + (603) 7718 6000

Auditors

Roger Yue, Tan & Associates
Chartered Accountants

Audit Committee

Dr. Leong Wan Leong (Chairman)
Tong Chin Hen
Tai Keat Chai

Remuneration Committee

Tai Keat Chai (Chairman)
Mohd Shafek Bin Isa
Dr. Leong Wan Leong

Nomination Committee

Mohd Shafek Bin Isa (Chairman)
Tai Keat Chai
Dr. Leong Wan Leong

Group Principal Bankers

Malayan Banking Berhad
Petaling Jaya Business Centre
1st & 2nd Floor, Wisma IJM Annexe
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan

HSBC Bank Malaysia Berhad
17-23, Jalan Sultan
46200 Petaling Jaya
Selangor Darul Ehsan

Solicitors

Teh & Lee
Unit 23-3, 3rd Floor
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Stock Exchange Listing

Bursa Malaysia Securities Berhad (Second Board)
Stock Name: Imaspro
Stock Code: 7222

PROFILE OF DIRECTORS

Mohd Shafek Bin Isa Non-Executive Chairman

Encik Mohd Shafek Bin Isa, a Malaysian and aged 50, is the Non-Executive Chairman. He was appointed to the Board and elected Chairman since 15 November 2005. He also serves as the Chairman of the Nomination Committee and a member of the Remuneration Committee. He is also a Director of all subsidiaries of Imaspro Corporation Berhad ("ICB").

He has no directorship in other public companies.

He holds a Diploma in Statistics from Mara Institute of Technology (now known as UiTM) and a Postgraduate Diploma from the Securities Institute of Australia. He began his career as an Investment Analyst with Malaysian National Reinsurance Berhad, Kuala Lumpur and he left as an Investment Manager in 1986. Between 1986 and 1990, he was the Corporate Planning Manager of the KAB Group of companies. In KAB Group, he undertook various feasibility studies on the privatisation of toxic and hazardous waste management as well as on the cultivation of chilli and tomato. In 1991, he returned to the investment and securities industry when he joined BBMB Securities Sdn. Bhd. as Manager of Institutional Sales. He left BBMB Securities in 1992 to join UMBC Securities Sdn. Bhd. as Manager, Dealing before assuming the position of Senior Manager, Dealing in MGI Securities Berhad in 1995. He left MGI Securities in 1998 and was based in London as Fund Manager of TRIM Capital Management Ltd. before returning to Malaysia in 2000. Upon returning to Malaysia, he was employed as Head of Islamic Products Unit, a start-up division to participate in the evolving opportunities in Islamic banking, in Melor Permata Capital Management Sdn. Bhd. He left the company in the same year to pursue his personal interest in the investment and securities industry.

He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted for offences within the past ten (10) years other than traffic offences, if any. He attended all five (5) Board meetings held in the financial year.

Tong Chin Hen Managing Director

Mr. Tong Chin Hen, a Malaysian and aged 51, is the Managing Director. He was appointed to the Board since 15 November 2005. He also serves as a member of the Audit Committee before his resignation on 11 October 2007. He is also a Director of Imaspro Resources Sdn. Bhd. ("IRSB") and Ideal Command Sdn. Bhd., the subsidiaries of ICB.

He has no directorship in other public companies.

He is a member of the Institute of Directors in the United Kingdom.

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 1992 while he was the Executive Commercial Manager. His tenure at Ancom Berhad enabled him to experience first-hand most of the key activities of an international agrochemical company. Early signs of his entrepreneurship surfaced when he was with Ancom Berhad where he initiated and successfully opened up the Pacific Island markets for the company. He was also the first Ancom employee to initiate the sourcing of critical raw materials for production directly from suppliers in China to avoid mark-up by middlemen and traders. Subsequently in June 1993, he bought a stake in IRSB and assumed the position of General Manager. He has been solely responsible for the growth of the company to be a leading pesticide player in Malaysia over the last thirteen (13) years. He was also directly responsible for creating several export markets for the company, including pioneering exports of pesticides to Russia and Eastern European countries. To date, the products of IRSB have been exported to approximately thirty (30) countries worldwide. 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.

Mr. Tong Chin Hen holds 150,000 shares directly in the Company and 33,947,064 shares indirectly (deemed interested by virtue of his interest in Swiss Revenue Sdn. Bhd., a substantial shareholder of the Company, pursuant to Section 6A of the Companies Act, 1965). He is the younger brother of Mr. Tong Ah Wah @ Tong Chun Hwi and does not have any conflict of interest with the Company. He has not been convicted for offences within the past ten (10) years other than traffic offences, if any. He attended all five (5) Board meetings held in the financial year.

Tong Ah Wah @ Tong Chun Hwi Executive Director

Mr. Tong Ah Wah @ Tong Chun Hwi, a Malaysian and aged 58, is an Executive Director. He was appointed to the Board since 15 November 2005.

He is currently an Independent Non-Executive Director of Stone Master Corporation Berhad ("SMCB"). He is also a member of its Audit Committee.

He holds a Bachelor of Science in Chemical Engineering from National Cheng Kung University in Taiwan and has been a member of Institute Kimia Malaysia ("IKM") since 1978. Upon his graduation in 1972, he joined Malaya Acid Works Sdn. Bhd. ("MAWSB") and was later promoted to the position of Process Engineer in 1977. During his tenure with MAWSB, he was extensively involved in various fields in chemical manufacturing industries including amongst others, project planning, product development, plant expansion, quality control and research and development. In 1987, he achieved a Malaysian first when he pioneered the development and manufacturing of potassium silicate glass and liquid on a commercial scale. The product is now supplied widely to the local and overseas markets. He retired from MAWSB in 2004 as Senior Chemical Engineer of the company.

He is the elder brother of Mr. Tong Chin Hen and does not have any conflict of interest with the Company. He has not been convicted for offences within the past ten (10) years other than traffic offences, if any. He attended all five (5) Board meetings held in the financial year.

Dr. Leong Wan Leong Independent Non-Executive Director

Dr. Leong Wan Leong, a Malaysian and aged 57, is an Independent Non-Executive Director. He was appointed to the Board since 15 November 2005. He also serves as the Chairman of the Audit Committee and a member of both the Nomination Committee and the Remuneration Committee.

He has no directorship in other public companies.

He holds a Bachelor of Science Degree in Chemical Engineering from the National Cheng Kung University, Taiwan and a Master of Science Degree in Process Analysis and Development from the University of Aston Birmingham, United Kingdom. He joined the University of Malaya in 1977 where he lectured, tutored and conducted research. He received his PhD Degree from the Departmental of Chemical Engineering, University of Malaya in 1984. Between mid 1980s until 1996, he held various positions at the Palm Oil Research Institute of Malaysia ("PORIM"), currently known as Malaysia Palm Oil Board. He is a trained assessor for the implementation and auditing of ISO 9000 Quality System for the palm oil industry. He is also the main assessing officer for PORIM's Certificate of Competency Schemes for palm oil refineries and palm oil mills. He is also responsible for organising Diploma and other certified training programs for palm oil mill engineers, production supervisors and laboratory conductors. Currently, he has interests over several private limited companies involved in marketing and trading of products.

He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted for offences within the past ten (10) years other than traffic offences, if any. He attended all five (5) Board meetings held in the financial year.

Tai Keat Chai Independent Non-Executive Director

Mr. Tai Keat Chai, a Malaysian and aged 53, is an Independent Non-Executive Director. He was appointed to the Board since 15 November 2005. He also serves as the Chairman of the Remuneration Committee and a member of both the Nomination Committee and the Audit Committee.

He is presently a Board member of Chuan Huat Resources Berhad, Disccomp Berhad, Toyochem Corporation Berhad, MESB Berhad, Cuscapi Berhad, PECD Berhad, Opensys (M) Berhad and several other private limited companies.

He is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants. He began his career with KPMG London as an Audit Senior in 1977 and a year later joined PricewaterhouseCoopers in Kuala Lumpur, as a Qualified Assistant. In 1981, he joined Alliance Merchant Bank Berhad as an Assistant Manager and rose to the position of Senior Manager (Corporate Finance). Subsequently, in 1988, he returned to PricewaterhouseCoopers Consulting Sdn. Bhd. as Manager for about a year before joining Berjaya Group Berhad as a General Manager (Investment). In 1990, he ventured into the stockbroking industry and has worked in SJ Securities Sdn. Bhd., A.A. Anthony Securities Sdn. Bhd. and ECM Libra Avenue Securities Berhad as General Manager, Director and a dealer's representative respectively.

He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted for offences within the past ten (10) years other than traffic offences, if any. He attended all five (5) Board meetings held in the financial year.

CORPORATE GOVERNANCE STATEMENTS

The Board of Directors of Imaspro Corporation Berhad ("the Board") fully appreciates the importance of adopting high standards of Corporate Governance within the Group. Since our listing on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been committed to ensuring that the highest standards of Corporate Governance are consistently observed by the Group. Apart from observance of the Principles and Best Practices on Corporate Governance as set out in the Malaysian Code on Corporate Governance ("the Code"), the Board has also moved to put in place stringent parameters and measures for adherence by the management.

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

The Board is therefore pleased to report that during the financial year ended 30 June 2007, it had practiced good Corporate Governance in directing and managing the business affairs of the Company and its subsidiaries ("the Group").

BOARD OF DIRECTORS

Board Composition and Balance

The Board believes that effective Corporate Governance is premised on three important cornerstones namely, independence, accountability and transparency. Based on these premises, the Board is of the opinion that an effective Board is determined by its composition.

The composition of the Board has not changed since the last report. The Board is a well-balanced Board with an effective mix of Executive Directors and Independent Non-Executive Directors, which is in line with the Code and is of the appropriate size and with the right mix of skills and experience.

The Board currently has five (5) members, comprising two (2) Executive Directors and three (3) Non-Executive Directors. Of the three (3) Non-Executive Directors, two (2) are independent as defined under the Listing Requirements of Bursa Securities.

The Company has complied with the Paragraph 15.02 of the Listing Requirements of Bursa Securities which requires that at least two (2) Directors or one third (1/3) of the Board of Directors, whichever is higher to be independent.

The Independent Directors are independent of management and free from any business relationship which could materially interfere with the exercise of their judgement or the ability to act in the best interests of the Group and of the minority shareholders. They play a strong and vital role on the Board, entrenching good governance practices in the affairs of the Group by fulfilling an independent, pivotal role in corporate accountability, hence, their membership within the Audit, Remuneration and Nomination Committee.

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

The Non-Executive Directors complement the skills and experience of the Executive Directors in the formulation of corporate strategies and policies through their knowledge and experience of relevant sectors.

The division of responsibilities between the Chairman and Managing Directors is clearly defined. The Chairman is primarily responsible for ensuring the effective running of the Board, organising the business of the Board, setting its agenda and facilitates the constructive relations between the Executive and Non-Executive Directors. Whilst the Managing Director is primarily responsible for managing and supervising the day-to-day business of the Group and coordinating the development and implementation of business and corporate strategy as well as the implementation of Board policies and decisions.

Board Responsibilities

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

Board Responsibilities (continued)

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

Board Meetings and Supply of Information

To ensure effective management of the Group, Board Meetings are convened regularly during the year, at quarterly intervals or as and when necessary. During the financial year, five (5) Board Meetings took place.

Details of the attendance of the Directors at the Board Meetings held in the financial year ended 30 June 2007 are as follows:

Name of Director	No. of Meetings Attended
Mohd Shafek Bin Isa	5/5
Tong Chin Hen	5/5
Tong Ah Wah @ Tong Chun Hwi	5/5
Dr. Leong Wan Leong	5/5
Tai Keat Chai	5/5

Directors' commitment, resources and time allocated to the Company are evident from the attendance record, where no Directors were absent from the Board Meetings held during the financial year ended 30 June 2007, hence complying with Paragraph 15.05 of Listing Requirements of Bursa Securities.

All Directors are provided with an agenda inclusive of relevant board papers prior to each Board Meeting. The board papers include minutes of the last Board Meeting, agenda for the current meeting and any report and documents pertaining to the issues to be discussed at the Board Meeting. The board papers are issued in sufficient time to enable the Directors to obtain a comprehensive understanding of the issues to be deliberated upon to enable them to arrive at an informed decision. The Chairman of the Board chairs the Board Meetings while the Managing Director leads the presentation and provides explanations on the Board Reports. Senior Management staff may be invited to attend the Board Meetings to advise and provide the Board on relevant agenda items to enable them to arrive at a considered decision.

In addition to quarterly Board Meetings, briefings are conducted for the Board from time to time on various issues such as changes to company and securities legislations, rules and regulations to inform them of the latest developments in these areas. The Directors are also notified of any corporate announcements released to the Bursa Securities. They are also informed of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial result announcement.

In exercising their duties, the Directors have unrestricted access to timely and accurate information within the Group, whether as a full Board or in their individual capacity. All Directors also have direct access to the advice and the services of the Group's Company Secretary in carrying out their duties. In addition, the Board may also seek professional opinion and independent advice from external consultants, if necessary, at the Company's expense.

Appointment and Re-election of Board Members

The proposed appointment of new Board members, resignation of existing members, as well as the proposed re-election of the Directors are approved by the Board upon the recommendation of the Nomination Committee. In accordance to the Company's Articles of Association, any Director so appointed shall hold office only until the next following Annual General Meeting ("AGM") and shall then be eligible for re-election.

The Articles of Association also requires that at least one-third (1/3) of the Directors including Executive Directors, to retire from office by rotation and be eligible for re-election at every AGM. All Directors shall submit for re-election at least once every three (3) years from the date of appointment in compliance with the Listing Requirements of the Bursa Securities. The Board is pleased to inform that all Directors who are required to seek re-election at the 2007 AGM have indicated their willingness to stand for re-election.

Appointment and Re-election of Board Members (continued)

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

The Board, through its delegation to the Nomination Committee, has set up and implemented the process for the assessments of its Chairman, the individual Board Members and the Board as a whole. For the financial year ended 30 June 2007, the Board has, through the Nomination Committee, reviewed the skills mix and experience of the individual Directors and assessed the effectiveness of the Board as a whole.

Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") conducted by the Research Institute of Investment Analysis Malaysia ("RIIAM") as required under the Listing Requirements of Bursa Securities.

In addition, all Directors are encouraged to attend relevant seminars and training programmes on a continuous basis organised by the relevant regulatory authorities and professional bodies to keep abreast of relevant new legislations, financial reporting requirements, changing commercial risks or other latest developments in the market place as well as to enhance their skills and knowledge in discharging their duties as Directors more effectively. During the year, all Directors have attended a seminar on Financial Reporting Standards ("FRS") Update. Apart from attending the seminar, the Directors' benefited from various technical updates and briefings undertaken from time to time.

Directors' Remuneration

The remuneration of the Executive Directors consists of basic salary and other emoluments. Other benefits customary to the Group are made available as appropriate. Any salary review takes into account market rates and the performance of the individual and the Group. The Non-Executive Directors' remuneration comprises fees that reflect their expected roles and responsibilities, including any additional work and contributions required. In addition, each Director is paid a meeting allowance for each Board and Committee meeting they attended. The Directors' fees are approved annually by the shareholders at the AGM.

Details of remuneration of Directors who served during the financial year ended 30 June 2007 are as follows:

Aggregate Remuneration by Category	Executive Directors RM	Non-Executive Directors RM
Salaries and bonuses	750,000	-
Fees	168,000	84,000
Pension cost – defined contribution plan	90,00	-
Total	1,008,000	84,000

For the financial year ended 30 June 2007, the numbers of Directors whose remuneration fall within the respective bands are as follows:

	Number of Directors	
Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 & below	-	3
RM350,001 to RM400,000	1	-
RM600,001 to RM650,000	1	-

Board Committees

In order to ensure the effective discharge of its fiduciary duties, the Board has established various Board Committees to assist the Board in the running of the Group. This is to allow the members of the Board Committees to deliberate and examine issues within their terms of reference in greater detail and subsequently recommend and report to the Board. The functions and terms of reference of the committees, as well as the authority delegated by the Board to these committees, have been clearly defined and approved by the Board. All Board Committees do not have executive powers but only the power to make recommendations to the Board. Directors serving on the Board's Committees together with their profiles are identified in the Profile of Directors beginning on page 6.

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

(a) Audit Committee

The Audit Committee was established pursuant to a resolution of the Board of Directors on 15 November 2005.

The Audit Committee presently comprises three (3) members of the Board of which two (2) are Independent Non-Executive Directors and one (1) is the Managing Director:

i) Dr. Leong Wan Leong (Independent Non-Executive Director) - Chairman
ii) Tong Chin Hen (Managing Director)
iii) Tai Keat Chai (Independent Non-Executive Director)

Mr. Tong Chin Hen resigned as a member of the Audit Committee on 11 October 2007 to comply with the revised Malaysian Code of Corporate Governance which took effect on 1 October 2007. On the same date, Mohd Shafek Bin Isa (Non-Executive Chairman) was appointed as a member of the Audit Committee.

The Audit Committee has held a total of five (5) meetings during the course of the financial year ended 30 June 2007. The terms of reference, attendance for the meetings and activities of the Audit Committee are stated in the Audit Committee Report beginning on page 15.

(b) Nomination Committee

The Nomination Committee was established on 17 January 2006. The membership of the Committee has not changed since the last report. The Committee is responsible for ensuring the Board has the appropriate balance and size, and recommending the right candidates with the necessary mix of skills, experience and competencies to be appointed to the Board.

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

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

During the financial year ended 30 June 2007, the Committee met once and the meeting was attended by all its members.

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

- to review, recommend and consider suitable candidates to the Board of the Company and subsidiaries of the Group, including committees of the Board;

- to recommend to the Board the optimum size of the Board, formalise a transparent procedure for proposing new nominees to the Board and Board Committees and ensure that the investment of the minority shareholders are fairly reflected on the Board;

CORPORATE GOVERNANCE STATEMENTS
(Continued)

(b) Nomination Committee (continued)

- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors, on an annual basis;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director;
- to ensure that there is an orientation and education programme for new appointed Directors with respect to the business and management of the Group;
- to consider and recommend training or skills upgrade for Directors in furtherance of their duties as appropriate;
- to provide feedbacks to Directors in respect of their individual performance;
- to provide constructive input to each individual Director as to how he or she may be better contribute to the functioning of the Board; and
- to ensure the composition of the Board is in accordance with the Memorandum and Articles of Association and the requirements for Best Practice of Corporate Governance.

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

(c) Remuneration Committee

The Remuneration Committee was established on 17 January 2006. The membership of the Committee has not changed since the last report. The Committee is responsible for carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration policy for Directors and Key Senior Management Officers, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value, and is in tandem with its culture and strategy.

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

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

Meetings of the Remuneration Committee are held as and when required, and at least once a year. During the financial year ended 30 June 2007, the Committee met once and the meeting was attended by all its members.

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

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

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

INVESTORS RELATIONS AND SHAREHOLDERS COMMUNICATION

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

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

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's performance, strategy and other matters affecting shareholders' interests.

The upcoming AGM represents the principal forum for dialogue and interaction with shareholders. A presentation is given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during every general meeting. Shareholders are accorded both the opportunity and time to raise questions on the agenda items of the general meeting. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association.

Besides the key channels of communication through the annual report, general meetings and announcements to Bursa Securities as well as analyst and media briefings, there is also continuous effort to enhance the Group's website at www.imaspro.com as a channel of communication and information dissemination. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

The Audit Committee assists the Board in scrutinising information for disclosure to ensure the quality of financial reporting and adequacy of such information, prior to submission to the Board for its approval.

As required by the Companies Act, 1965, the Directors are responsible for the preparation of financial statements in accordance with applicable approved accounting standards in Malaysia and to give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured that applicable accounting standards have been followed; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

CORPORATE GOVERNANCE STATEMENTS
(Continued)

Financial Reporting (continued)

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

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. Such a system is designed to manage 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 system of internal controls of the Group is reviewed periodically by the Audit Committee.

Further details of the Group's system of internal controls are set out in the Statement on Internal Control beginning on page 19.

Relationship with Auditors

The Board maintains a transparent and professional relationship with the external auditors. The Audit Committee meets with the external auditors at least once a year to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the external auditors without the presence of the Executive Directors and the Management whenever deemed necessary. From time to time, the external auditors highlight to the Audit Committee and the Board on matters that require the Board's attention.

The role of the Audit Committee in relation to both the internal and external auditors is described in the Audit Committee Report beginning on page 15.

Compliance with the Code

The Board is satisfied that the Group has, in all material aspects, complied with the Code throughout the financial year ended 30 June 2007.

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

The Code has been revised effective from 1 October 2007. The Group will take steps to ensure compliance with the revised Code.

The Board of Directors of Imaspro Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2007.

MEMBERSHIP AND MEETINGS

The Audit Committee comprises three (3) members of the Board of which two (2) are Independent Non-Executive Directors and one (1) is the Managing Director. During the financial year under review, the Committee held five (5) meetings.

The members of the Audit Committee and the attendance at the meetings during the financial year ended 30 June 2007 are stated below:

Name of Director		**No. of Meetings Attended**
Dr. Leong Wan Leong (Chairman)	Independent Non-Executive Director	5/5
Tong Chin Hen	Managing Director	5/5
Tai Keat Chai	Independent Non-Executive Director	5/5

Mr. Tong Chin Hen resigned as a member of the Audit Committee on 11 October 2007 to comply with the revised Malaysian Code of Corporate Governance which took effect on 1 October 2007. On the same date, Mohd Shafek Bin Isa (Non-Executive Chairman) was appointed as a member of the Audit Committee.

TERMS OF REFERENCE

1. Membership

The Audit Committee shall be appointed by the Board of Directors from amongst its Directors and shall consist of not less than three (3) members. The majority of the Audit Committee members must be Independent Non-Executive Directors. The Chairman, who shall be elected by the Audit Committee, shall be an Independent Non-Executive Director. No alternate Director shall be appointed as a member of the Audit Committee.

The Board shall at all times ensure that at least one (1) member of the Audit Committee:

i) must be a member of the Malaysian Institute of Accountants ("MIA"); or

ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and:
   - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
   - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

At least once in every three (3) years, the Board of Directors must review the terms of reference and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members carried out their duties in accordance to the terms of reference.

2. Meetings and reporting procedures

The Audit Committee shall convene meetings as and when required, and at least four (4) times during the financial year. The Chairman of the Audit Committee, or the Secretary on the requisition of any members, the internal auditors or the external auditors, shall at any time summon a meeting by giving reasonable notice. A quorum shall be two (2) members present and majority of which must be Independent Directors.

The chief executive officer, the chief financial officer and the Company Secretary normally attend all meetings of the Audit Committee but may be requested to leave a meeting as and when deemed necessary by the Audit Committee. The presence of the internal and external auditors will be requested, if required. Other Board members may attend meetings upon the invitation of the Audit Committee. The Committee shall meet the external auditors without any Executive Directors present whenever deemed necessary.

AUDIT COMMITTEE REPORT
(Continued)

2. Meetings and reporting procedures (continued)

The Company Secretary shall act as Secretary of the Audit Committee. The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Audit Committee. The agenda shall be distributed to all members of the Audit Committee and the internal and external auditors before the meeting together with supporting papers. The minutes of the meeting of the Audit Committee shall be circulated to all members of the Board. The Chairman of the Audit Committee shall report on each meeting to the Board and all recommendations of the Audit Committee shall be submitted to the Board for approval.

3. Authority

The Audit Committee is authorised by the Board and at the cost of the Company to:

- investigate any activity within its terms of reference, or as directed by the Board;
- determine and obtain the resources required to perform its duties, including approving the budget for the external and internal audit functions;
- have full and unrestricted access to any information pertaining to the Company or the Group for the purpose of discharging its functions and responsibilities;
- have direct communication channels with the external auditors and persons carrying out the internal audit function for the Group;
- engage independent professional advisers and to secure the attendance of outsiders with relevant experience and expertise if necessary; and
- notwithstanding anything contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company and the Group.

4. Responsibilities

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee has the responsibility and authority to promptly report such matters to the Bursa Malaysia Securities Berhad ("Bursa Securities").

5. Duties

The duties of the Audit Committee shall include the following:

a) to review and recommend acceptance or otherwise of accounting policies, principles and practices;

b) to review the quarterly and annual financial statements of the Group and the Company for recommendation to the Board for approval, focusing particularly on:
   - any changes in or implementation of new accounting policies and practices;
   - major judgemental areas, significant and unusual events;
   - significant adjustments arising from the audit;
   - the going concern assumptions; and
   - compliance with the applicable approved accounting standards in Malaysia, Listing Requirement of the Bursa Securities and other legal and statutory requirements.

c) to review the adequacy of and to provide independent assurance to the Board of the effectiveness of risk management functions of the Group;

d) to ensure that the principal and requirements of managing risk are consistently adopted throughout the Group;

e) to assess the quality and effectiveness of the systems of the internal control and the efficiency of the Group's operations;

5. Duties (continued)

f) to review the findings on the internal control in the Group by internal and external auditors;

g) to review and approve the Statement on Internal Control for the annual report as required under Listing Requirements of Bursa Securities;

h) to direct any special investigation to be carried out by internal audit;

i) to consider the appointment, resignation and dismissal of internal and external auditors and their respective audit fees;

j) to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss;

k) to review the audit reports prepared by the internal and external auditors, the major findings and management responses and actions taken thereto. Where actions are not taken within an adequate timeframe by the management, the Audit Committee will report the matter to the Board;

l) to review the nature and scope of the audit with the internal and external auditors before the audit commence;

m) to review the adequacy of the scope, functions and resources of the internal auditors and whether it has the necessary authority to carry out its work;

n) to review any appraisal or assessment of the performance of the internal auditors;

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

p) to review the findings of any examinations by regulatory authorities;

q) to consider any related party transaction and conflict of interest that may arise within the Group including any transaction, procedure or course of conduct that raises questions of integrity;

r) to examine instances and matters that may have compromised the principles of Corporate Governance and report back to the Board; and

s) any such other functions as may be agreed by the Committee and the Board.

SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its terms of reference during the financial year ended 30 June 2007.

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

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

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

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

AUDIT COMMITTEE REPORT
(Continued)

SUMMARY OF ACTIVITIES (Continued)

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

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

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

g) reviewed the application of Corporate Governance principles and the extent of the Group's compliance with the Best Practices set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statements and Statement on Internal Control pursuant to the Listing Requirements of the Bursa Securities; and

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

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

Introduction

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), pursuant to Paragraph 15.27(b), requires the Board of Directors of listed companies to include a Statement on Internal Control in the annual report on the state of their internal control.

Directors' Responsibilities

The Board of Directors has the overall responsibility for establishing and maintaining a sound system of internal control for the Group to safeguard shareholders' investment and the Group's assets. The system of internal control is designed to manage and minimise risk rather than eliminating it. Shareholders should be aware that there are inherent limitations in any system of internal control. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information or against financial losses or fraud. The system of internal control covers inter alia, financial, operational and compliance system controls and risk management.

Current Risk Management Framework

The risk management framework has been embedded in the Company's management systems. Authority and accountability have been clearly defined to implement the risk management process and internal control system. The Management assists the Board to implement the process of identifying, evaluating and managing significant risks applicable to their respective areas of business and to formulate suitable internal controls to mitigate and control these risks.

The Audit Committee and Internal Audit Function

During the financial year, the Group outsourced its internal audit function to an independent firm of consultants.

The internal audit team will assist the Audit Committee in providing assurance that a sound system of internal controls exists by reviewing such controls and procedures of the Group. At the onset, the audit programme will be presented to the Audit Committee for their perusal and agreement and findings will be presented to the Committee accordingly. The internal audit team is totally independent. It has no involvement in the operations of the Group and is not involved in providing any form of advisory to the Management of the Group.

Other Key Internal Control Features

Key features of the process established within the Group which can contribute to a sound system of internal control are as follows:

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

- Standard operating policies and procedures that document how transactions are captured and where internal controls are applied exist for all operating units of the Group to guide staff in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary.

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

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

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

STATEMENT ON INTERNAL CONTROL
(Continued)

Other Key Internal Control Features (continued)

- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.24 of the Bursa Securities Listing Requirements, the external auditors have reviewed this Statement on Internal Control for inclusion in the annual report for the financial year ended 30 June 2007. This review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

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

FINANCIAL STATEMENTS

Financial Statements

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2007.

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	10,874,562	2,115,359
Attributable to:		
Equity holders of the Company	10,874,562	2,115,359
Minority Interest	-	-
	10,874,562	2,115,359

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

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 2006 was as follows:

In respect of the financial year ended 30 June 2006:

	RM
First and final dividend of 1.0 sen tax exempt and 2.5 sen less 28% income tax on 80,000,000 ordinary shares, paid on 23 January 2007	2,240,000

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 June 2007 of 2.0 sen tax exempt and 1.5 sen non-tax exempt on 80,000,000 ordinary shares amounting to RM2,488,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profit in the financial year ending 30 June 2008.

DIRECTORS

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

Mohd Shafek Bin Isa
Tong Chin Hen
Tong Ah Wah @ Tong Chun Hwi
Dr. Leong Wan Leong
Tai Keat Chai

In accordance with Article 75 of the Company's Articles of Association, Tong Ah Wah @ Tong Chun Hwi and Dr. Leong Wan Leong shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.50 each in the Company				
Shareholdings in the name of the Director:	**At 1.7.2006**	**Acquired**	**Disposed**	**At 30.6.2007**	
Mohd Shafek Bin Isa	150,000	-	-	150,000	
Tong Chin Hen	150,000	-	-	150,000	
Tong Ah Wah @ Tong Chun Hwi	100,000	-	-	100,000	
Dr. Leong Wan Leong	50,000	-	-	50,000	
Tai Keat Chai	50,000	-	-	50,000	
Shareholdings in which the Director is deemed to have an interest:					
Mohd Shafek Bin Isa	19,118,704	-	-	19,118,704	*
Tong Chin Hen	33,947,064	-	-	33,947,064	**
Tong Ah Wah @ Tong Chun Hwi	2,571,498	-	-	2,571,498	***

Notes:
- * Deemed interest by virtue of interest in Sunbina Dunia Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965
- ** Deemed interest by virtue of interest in Swiss Revenue Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965
- *** Deemed interest by virtue of his wife, Fang Lie Lie's direct interest in the Company

ISSUE OF SHARES

There were no changes in the issued and paid-up share capital of the Company during the financial year ended 30 June 2007.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

 (i) it necessary to write off any bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; and

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

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

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

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

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

 (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year, except for as disclosed in the notes to the financial statements.

(f) In the opinion of the Directors:

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

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

SIGNIFICANT EVENTS

Details of the significant events during the financial year under review are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Roger Yue, Tan & Associates have expressed their willingness to continue in office.

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

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

Petaling Jaya

Date : 11 October 2007

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of IMASPRO CORPORATION BERHAD do hereby state on behalf of the Directors that in our opinion, the accompanying financial statements together with the notes thereon, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

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

TONG CHIN HEN
Director

MOHD SHAFEK BIN ISA
Director

Petaling Jaya

Date : 11 October 2007

STATUTORY DECLARATION

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

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

Subscribed and solemnly declared)

by the abovenamed at Petaling Jaya)

in Selangor Darul Ehsan)

this day of 11 October 2007)

Before me

Commissioner for Oaths

S. Selvarajah
Petaling Jaya
Selangor Darul Ehsan

REPORT OF THE AUDITORS TO THE MEMBERS OF

IMASPRO CORPORATION BERHAD
(Incorporated in Malaysia)
(Company No. 657527-H)

30 JUNE 2007

We have audited the financial statements as set out.

The financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of:

  (i) the state of affairs of the Group and of the Company as at 30 June 2007 and of the results and cash flows of the Group and of the Company for the year ended on that date; and

  (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

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

The auditors' report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

ROGER YUE, TAN & ASSOCIATES
AF : 0134
Chartered Accountants

ROGER YUE SAU YIN
Partner of Firm
838/3/08 (J)

Petaling Jaya

Date : 11 October 2007

BALANCE SHEETS
As At 30 June 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	13,427,077	10,426,880	-	-
Investment properties	5	256,358	260,503	-	-
Investment in subsidiary companies	6	-	-	31,467,619	31,467,619
		13,683,435	10,687,383	31,467,619	31,467,619
Current assets					
Inventories	7	10,439,307	9,306,357	-	-
Trade receivables	8	33,808,750	33,616,427	-	-
Other receivables	9	4,010,789	643,737	-	-
Amount due from subsidiary companies	10	-	-	6,982,750	5,072,000
Short term investment	11	9,274,366	-	6,952,810	-
Cash and bank balances	12	6,491,322	16,463,223	16,717	9,025,023
Tax recoverable		955,000	5,000	32,250	5,000
		64,979,534	60,034,744	13,984,527	14,102,023
TOTAL ASSETS		78,662,969	70,722,127	45,452,146	45,569,642
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	40,000,000	40,000,000	40,000,000	40,000,000
Share premium		2,857,032	2,857,032	2,857,032	2,857,032
Unappropriated profit	14	25,493,989	16,859,427	2,581,434	2,706,075
Total equity		68,351,021	59,716,459	45,438,466	45,563,107
Non – current liabilities					
Borrowings – secured	15	-	134,044	-	-
Deferred tax liabilities	16	749,649	731,230	-	-
		749,649	865,274	-	-
Current liabilities					
Borrowings – secured	15	701,844	1,021,780	-	-
Trade payables	17	7,059,772	7,488,086	-	-
Other payables	18	1,795,220	593,728	13,680	6,535
Tax payable		5,463	1,036,800	-	-
		9,562,299	10,140,394	13,680	6,535
Total liabilities		10,311,948	11,005,668	13,680	6,535
TOTAL EQUITY AND LIABILITIES		78,662,969	70,722,127	45,452,146	45,569,642

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

INCOME STATEMENTS
For The Year Ended 30 June 2007

		Group		Company	
		2007	**2006**	**2007**	**2006**
	Note	**RM**	**RM**	**RM**	**RM**
Continuing Operations					
Revenue	19	85,926,442	81,293,232	2,275,000	3,400,000
Cost of sales		(68,394,819)	(64,698,701)	-	-
Gross profit		17,531,623	16,594,531	2,275,000	3,400,000
Other operating income	20	821,263	449,498	275,893	129,345
Distribution cost		(156,113)	(117,865)	-	-
Administration expenses		(4,300,965)	(3,180,129)	(240,687)	(96,980)
Other operating expenses		(885,389)	(780,404)	-	-
Operating profit		13,010,419	12,965,631	2,310,206	3,432,365
Finance costs	21	(75,371)	(89,674)	-	-
Operating profit after finance costs		12,935,048	12,875,957	2,310,206	3,432,365
Negative goodwill recognised		-	9,877,823	-	-
Profit before taxation	22	12,935,048	22,753,780	2,310,206	3,432,365
Income tax expense	25	(2,060,486)	(3,472,277)	(194,847)	(723,000)
Profit after taxation		10,874,562	19,281,503	2,115,359	2,709,365
Pre-acquisition profit		-	(2,418,786)	-	-
Profit for the year		10,874,562	16,862,717	2,115,359	2,709,365
Attributable to:					
Equity holders of the Company		10,874,562	16,862,717	2,115,359	2,709,365
Minority interest		-	-	-	-
		10,874,562	16,862,717	2,115,359	2,709,365
Earnings per share					
Basic - (sen)	26	13.59	13.88		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Year Ended 30 June 2007

	Note	<------ Attributable to equity holders of the Company ----->			
			Non - Distributable	Distributable	
		Share Capital	Share Premium	Unappropriated Profit	Total
		RM	RM	RM	RM
At 1 July 2005		2	-	(3,290)	(3,288)
Issue of ordinary shares		39,999,998	4,266,189	-	44,266,187
Listing expenses		-	(1,409,157)	-	(1,409,157)
Profit for the year		-	-	16,862,717	16,862,717
At 30 June 2006		40,000,000	2,857,032	16,859,427	59,716,459
At 1 July 2006		40,000,000	2,857,032	16,859,427	59,716,459
Profit for the year		-	-	10,874,562	10,874,562
Dividends	27	-	-	(2,240,000)	(2,240,000)
At 30 June 2007		40,000,000	2,857,032	25,493,989	68,351,021

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

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 30 June 2007

	Note	Share Capital RM	Non - Distributable Share Premium RM	Distributable Unappropriated Profit RM	Total RM
At 1 July 2005		2	-	(3,290)	(3,288)
Issue of ordinary shares		39,999,998	4,266,189	-	44,266,187
Listing expenses		-	(1,409,157)	-	(1,409,157)
Profit for the year		-	-	2,709,365	2,709,365
At 30 June 2006		40,000,000	2,857,032	2,706,075	45,563,107
At 1 July 2006		40,000,000	2,857,032	2,706,075	45,563,107
Profit for the year		-	-	2,115,359	2,115,359
Dividends	27	-	-	(2,240,000)	(2,240,000)
At 30 June 2007		40,000,000	2,857,032	2,581,434	45,438,466

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

CASH FLOW STATEMENTS

For The Year Ended 30 June 2007

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	12,935,048	22,753,780	2,310,206	3,432,365
Adjustments for:				
Gain on disposal of property, plant and equipment	(12,596)	(13,986)	-	-
Interest expenses	75,371	89,674	-	-
Interest income	(503,365)	(245,768)	(275,893)	(129,345)
Gain on foreign exchange				
- unrealised	(53,296)	-	-	-
Allowance for doubtful debts	142,968	282,081	-	-
Allowance for doubtful debts no longer required	(188,406)	(125,144)	-	-
Depreciation	959,059	614,743	-	-
Negative goodwill recognised	-	(9,877,823)	-	-
Pre-acquisition profit	-	(2,418,786)	-	-
Dividend income	-	-	(2,275,000)	(3,400,000)
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	13,354,783	11,058,771	(240,687)	(96,980)
Increase in inventories	(1,132,950)	(1,181,035)	-	-
Increase in receivables	(3,458,422)	(10,243,215)	-	-
Increase in payables	734,015	2,139,605	7,145	5,535
Increase in amount due from subsidiary companies	-	-	-	(2,400,000)
Decrease in amount due to director	-	-	-	(2,290)
CASH GENERATED FROM / (DEPLETED IN) OPERATIONS	9,497,426	1,774,126	(233,542)	(2,493,735)
Interest paid	(75,371)	(89,674)	-	-
Interest received	503,365	245,768	275,893	129,345
Taxes paid	(4,023,404)	(2,598,328)	(39,847)	-
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	5,902,016	(668,108)	2,504	(2,364,390)

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

CASH FLOW STATEMENTS (Continued)

For The Year Ended 30 June 2007

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary companies, net of cash (Note 6)	-	6,165,783	-	-
Purchase of property, plant and equipment	(3,955,115)	(926,673)	-	-
Proceeds from disposal of property, plant and equipment	12,600	37,988	-	-
Advances to subsidiary companies	-	-	(2,490,000)	-
Dividends received	-	-	2,672,000	-
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(3,942,515)	5,277,098	182,000	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(259,013)	(162,274)	-	-
Net proceeds of bills payable	(200,954)	636,290	-	-
Repayment of hire purchase payable	-	(9,196)	-	-
Proceeds from issuance of ordinary shares (net of listing expenses)	-	11,389,411	-	11,389,411
Dividends paid	(2,240,000)	-	(2,240,000)	-
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(2,699,967)	11,854,231	(2,240,000)	11,389,411
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(740,466)	16,463,221	(2,055,496)	9,025,021
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	42,931	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,463,223	2	9,025,023	2
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12)	15,765,688	16,463,223	6,969,527	9,025,023

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2007

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 Second Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Wisma Goshen, 2nd Floor, 60 & 62 Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan 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 11 October 2007.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

At the beginning of the current financial year, the Group and the Company had adopted the following Financial Reporting Standards ("FRSs") which are mandatory for financial periods beginning on or after 1 January 2006 and relevant to the Group's operations:

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 140	Investment Property

In this set of financial statements, the Group has early adopted FRS 124 - Related Party Disclosures which is mandatory for financial period beginning on or after 1 October 2006.

In addition, the Group has not early adopted the deferred FRS 139 - Financial Instruments: Recognition and Measurement and the following FRSs and amendment that are mandatory for financial period beginning on or after 1 January 2007:

(i) FRS 6 – Exploration for and Evaluation of Mineral Resources
FRS 6 is not relevant to the Group's operations.

(ii) Amendment to FRS 119_{2004} - Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures
This amendment introduces the option of an alternative recognition approach for actuarial gains and losses arising from post-employment defined benefit plans. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. This amendment is not applicable to the Group.

2. BASIS OF PREPARATION (Continued)

(a) Statement of Compliance (continued)

On 15 February 2007, the Malaysian Accounting Standards Board ("MASB") issued the following amendments to FRS and interpretation ("ICs") for Entities Other Than Private Entities:

(i) Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operations;

(ii) IC Interpretation 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities;

(iii) IC Interpretation 2, Members' Shares in Co-operative Entities and Similar Instruments;

(iv) IC Interpretation 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;

(v) IC Interpretation 6, Liabilities arising from Participating in Specific Market – Waste Electrical and Electronic Equipment;

(vi) IC Interpretation 7, Applying the Restatement Approach under FRS 119_{2004} Financial Reporting in Hyperinflationary Economies; and

(vii) IC Interpretation 8, Scope of FRS 2 Share-based payments.

The above amendments to FRS and ICs are effective for accounting periods beginning on or after 1 July 2007. The initial application of IC Interpretation 1 does not have any impact on the financial statements of the Group. The amendments to FRS and other ICs as issued above are not applicable to the Group.

The adoption of new and revised FRSs does not result in significant changes in accounting policies of the Group except for as disclosed in Note 33.

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's 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.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiary Companies and Basis of Consolidation

(i) Subsidiary companies

Subsidiary companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments 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 profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the balance sheet date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiary companies are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Goodwill on consolidation is stated at cost less accumulated impairment losses.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition represents negative goodwill which is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. It is measured at the minorities' share of the fair value of the subsidiary companies' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiary companies' equity since then.

(b) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(c) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties will continue to be measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Investment properties are derecognised when either they have been disposed 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 property is recognised in profit or loss in the year in which it arises.

(d) 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.

(e) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Investments in quoted shares

Investments in quoted shares are stated at cost less impairment losses. The Group classified its investments in quoted shares into long term and short term investments. The long term investments are non-trading investments intended to be held on long term basis while the short term investments are intended to be disposed within next twelve (12) months from the end of the financial year.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Trade receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Trade payables

Trade payables are stated at fair value of the consideration to be paid in the future for goods and services received.

(v) Interest-bearing borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(f) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance lease are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (continued)

(i) Finance leases (continued)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 3(b).

(ii) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. 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.

(g) Income Tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Employee Benefits (continued)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or 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. Such contributions are recognised as an expense in the profit and loss as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(j) 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. The following specific recognition criteria must also be met before revenue is recognised:

(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.

(k) 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 Ringgit Malaysia (RM), which is also the Group's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Contingent Liabilities

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

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(m) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the assets in the unit or groups of units on pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

An impairment loss for an asset is reversed only when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

(n) Segment Reporting

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

4. PROPERTY, PLANT AND EQUIPMENT

The Group **30 June 2007**	**Freehold land RM**	**Long term leasehold land RM**	**Buildings RM**	**Office equipment RM**	**Furniture and fittings RM**	**Renovation RM**	**Motor vehicles RM**	**Plant and machinery RM**	**Total RM**
Cost									
At 1 July 2006	1,675,126	1,266,861	3,358,330	629,219	473,402	474,478	845,741	5,252,347	13,975,504
Additions	1,055,200	-	394,800	69,780	30,797	112,882	179,341	2,112,315	3,955,115
Disposals	-	-	-	(2,750)	-	-	(53,933)	(40,000)	(96,683)
At 30 June 2007	2,730,326	1,266,861	3,753,130	696,249	504,199	587,360	971,149	7,324,662	17,833,936
Accumulated depreciation									
At 1 July 2006	-	31,089	102,002	328,679	398,889	332,580	644,869	1,710,516	3,548,624
Depreciation charge for the year	-	15,836	54,906	95,592	29,799	81,339	108,058	569,384	954,914
Disposals	-	-	-	(2,749)	-	-	(53,931)	(39,999)	(96,679)
At 30 June 2007	-	46,925	156,908	421,522	428,688	413,919	698,996	2,239,901	4,406,859
Net carrying amount									
At 30 June 2007	2,730,326	1,219,936	3,596,222	274,727	75,511	173,441	272,153	5,084,761	13,427,077

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group 30 June 2006	Freehold land RM	Long term leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Total RM
Cost									
Balance at date of acquisition									
- As previously reported	1,761,526	1,266,861	3,565,596	564,518	471,452	471,698	839,862	4,484,605	13,426,118
- Effect of adopting FRS 140 (Note 5)	(86,400)	-	(207,266)	-	-	-	-	-	(293,666)
- As restated	1,675,126	1,266,861	3,358,330	564,518	471,452	471,698	839,862	4,484,605	13,132,452
Additions	-	-	-	67,901	1,950	2,780	86,300	767,742	926,673
Disposals	-	-	-	(3,200)	-	-	(80,421)	-	(83,621)
At 30 June 2006	1,675,126	1,266,861	3,358,330	629,219	473,402	474,478	845,741	5,252,347	13,975,504
Accumulated depreciation									
Balance at date of acquisition									
- As previously reported	-	20,662	102,347	272,077	369,154	259,988	627,944	1,374,491	3,026,663
- Effect of adopting FRS 140 (Note 5)	-	-	(29,017)	-	-	-	-	-	(29,017)
- As restated	-	20,662	73,330	272,077	369,154	259,988	627,944	1,374,491	2,997,646
Depreciation charge for the year	-	10,427	28,672	59,801	29,735	72,592	73,345	336,025	610,597
Disposals	-	-	-	(3,199)	-	-	(56,420)	-	(59,619)
At 30 June 2006	-	31,089	102,002	328,679	398,889	332,580	644,869	1,710,516	3,548,624
Net carrying amount									
At 30 June 2006	1,675,126	1,235,772	3,256,328	300,540	74,513	141,898	200,872	3,541,831	10,426,880

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

The net book values of property, plant and equipment pledged to licensed banks as securities for borrowings (Note 15) are as follows:

	Group	
	2007 RM	2006 RM
Long term leasehold land	1,219,936	1,235,772
Freehold land	-	448,000
Buildings	2,165,501	2,723,804
	3,385,437	4,407,576

5. INVESTMENT PROPERTIES

	Group	
	2007 RM	2006 RM
Cost		
At 1 July / date of acquisition		
- As previously reported	293,666	-
- Effect of adopting FRS 140 (Note 4)	-	293,666
- As restated	293,666	293,666
Additions	-	-
At 30 June	293,666	293,666
Accumulated depreciation		
At 1 July / date of acquisition		
- As previously reported	33,163	-
- Effect of adopting FRS 140 (Note 4)	-	29,017
- As restated	33,163	29,017
Depreciation charged for the year	4,145	4,146
At 30 June	37,308	33,163
Net carrying amount		
At 30 June	256,358	260,503

In year 2007, the fair values on the above investment properties stated at cost approximates RM1,040,000. These fair values were obtained based on Directors' informal enquiries made with registered valuers.

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

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2007 RM	Company 2006 RM
Unquoted shares – at cost	31,467,619	31,467,619

The details of the subsidiary companies, all of which are incorporated in Malaysia are as follows:-

Name of Subsidiary Companies	Effective Ownership Interest 2007 (%)	Effective Ownership Interest 2006 (%)	Principal Activities
Direct subsidiary of Imaspro Corporation Berhad			
Imaspro Resources Sdn. Bhd. *	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. *	100	100	Investment holding
Direct subsidiary of Imaspro Resources Sdn. Bhd.			
Imaspro Biotech Sdn. Bhd. *	100	-	Manufacturing, distribution, research and development of pesticides and agrochemicals

* Audited by Roger Yue, Tan & Associates

(a) Acquisition of subsidiary company

On 10 November 2006, a wholly-owned subsidiary of the Company, Imaspro Resources Sdn. Bhd. ("IRSB") acquired 2 ordinary shares of RM1 each representing 100% equity interest in Imaspro Biotech Sdn. Bhd. ("IBSB"), a newly Malaysian incorporated company for a cash consideration of RM2.

In addition, IRSB had also on 13 November 2006 and 29 June 2007 subscribed for total additional of 4,999,998 new ordinary shares of RM1 each in the share capital of IBSB, thereby increasing the issued and fully paid share capital of IBSB to 5,000,000 ordinary shares of RM1 each.

(b) The acquisition had the following effects on the Group's financial result for the financial year:

	RM
Revenue	-
Loss before taxation	(180,023)
Net loss for the year	(180,023)

6. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(c) The acquisition had the following effects on the financial position of the Group as at the end of the financial year:

	RM
Property, plant and equipment	3,310,698
Inventories	60,880
Trade and other receivables	21,491
Cash and bank balances	2,651,051
Trade and other payables	(1,224,143)
Group's share of total net assets	4,819,977

(d) The fair values of the assets acquired and cash flow arising from the acquisition of subsidiary companies were as follows:

	At date of acquisition RM
Cash and cash equivalents	2
Fair value of total net assets	2
Add: Goodwill on consolidation	-
Total purchase consideration	2
Cash and cash equivalent of subsidiary companies acquired	2
Net cash inflow to the Group	-

7. INVENTORIES

	Group	
	2007 RM	2006 RM
At cost:		
Finished goods	2,919,625	2,783,478
Raw materials	6,556,533	5,682,156
Packaging materials	710,225	589,408
Work-in-progress	252,924	251,315
	10,439,307	9,306,357

8. TRADE RECEIVABLES

	Group 2007 RM	Group 2006 RM
Trade receivables	34,282,796	34,135,911
Less : Allowance for doubtful debts	(474,046)	(519,484)
	33,808,750	33,616,427

The Group's normal trade credit terms ranges from 90 days to 270 days. Other credit terms are assessed and approved on a case by case basis.

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

9. OTHER RECEIVABLES

	Group 2007 RM	Group 2006 RM
Deposits	585,570	29,870
Prepayments	3,425,219	612,899
Sundry receivable	-	968
	4,010,789	643,737

10. AMOUNT DUE FROM SUBSIDIARY COMPANIES

The amount due from subsidiary companies is unsecured, interest free and with no fixed term of repayment.

11. SHORT TERM INVESTMENT

The amount represents investment in short-term fixed income unit trust fund which provides a stream of monthly income by investing in money market and fixed income instruments. Interest received from the investment is exempted from tax.

Short term investment is highly liquid which have an insignificant risk of changes in value which bore weighted average effective interest rates at the balance sheet date of 2.78% and 2.85% (2006: Nil and Nil) for the Group and the Company respectively.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash on hand and at banks	4,480,322	1,747,223	16,717	25,023
Deposits with licensed banks	2,011,000	14,716,000	-	9,000,000
Cash and bank balances	6,491,322	16,463,223	16,717	9,025,023
Short term investment (Note 11)	9,274,366	-	6,952,810	-
Cash and cash equivalents	15,765,688	16,463,223	6,969,527	9,025,023

One of the deposits with licensed banks in respect of a subsidiary company amounting to RM11,000 (2006: RM11,000) is held under lien with a licensed bank as security for a bank guarantee issued in favour of Tenaga Nasional Berhad.

The weighted average effective interest rates of deposits with licensed banks at the balance sheet date were as follows:

	Group		Company	
	2007 %	2006 %	2007 %	2006 %
Licensed banks	2.61	3.04	-	2.60

The average maturities of deposits with licensed banks as at the end of the financial year were as follows:

	Group		Company	
	2007 Days	2006 Days	2007 Days	2006 Days
Licensed banks	14	30	-	30

13. SHARE CAPITAL

	Number of Ordinary Shares of RM0.50 Each		Amount	
	2007	2006	2007 RM	2006 RM
Authorised:				
At 1 July	200,000,000	200,000	100,000,000	100,000
Created during the year	-	199,800,000	-	99,900,000
At 30 June	200,000,000	200,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 July	80,000,000	4	40,000,000	2
Issued during the year	-	79,999,996	-	39,999,998
At 30 June	80,000,000	80,000,000	40,000,000	40,000,000

14. UNAPPROPRIATED PROFIT

As at 30 June 2007, the Company has tax exempt profits available for distribution of approximately RM1,600,000, subject to agreement with Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire unappropriate profit as at 30 June 2007.

15. BORROWINGS - secured

	Group	
	2007 RM	2006 RM
Term loan	134,131	393,144
Bills payable	567,713	762,680
	701,844	1,155,824
Repayable:		
Within one year	701,844	1,021,780
More than 1 year and less than 2 years	-	134,044
	701,844	1,155,824
Analysed as:		
Under current liabilities	701,844	1,021,780
Under non-current liabilities	-	134,044
	701,844	1,155,824

The weighted average effective interest rate of term loan as at the balance sheet date were 8.25% (2006: 7.75%) per annum.

Commission on bills payable drawdown was charged at 0.10% flat, subject to minimum charge of RM30 per bill and bills payable are repayable from 120 days to 180 days.

The borrowings facilities above are secured by:

Term loan
(i) A first legal charge on a subsidiary company's long term leasehold land and building; and
(ii) Jointly and severally guaranteed by certain Directors of the Company.

Bills payable
(i) General Security Agreement Relating to Goods;
(ii) Letter of pledge; and
(iii) Corporate guarantee by the Company.

16. DEFERRED TAX LIABILITIES

	Group 2007 RM	Group 2006 RM
At 1 July	731,230	-
Acquisition of subsidiary companies	-	616,697
Recognised in income statement (Note 25)	18,419	114,533
At 30 June	749,649	731,230
Presented after appropriate offsetting as follows:		
Deferred tax assets	(11,739)	-
Deferred tax liabilities	761,388	731,230
	749,649	731,230

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

Deferred tax assets of the Group	Receivables RM	Payables RM	Total RM
At 1 July 2006	-	-	-
Recognised in income statement	-	(11,739)	(11,739)
At 30 June 2007	-	(11,739)	(11,739)
At 1 July 2005	-	-	-
Acquisition of subsidiary companies	(15,418)	-	(15,418)
Recognised in income statement	15,418	-	15,418
At 30 June 2006	-	-	-

Deferred tax liabilities of the Group	Property, plant and equipment RM	Receivables RM	Total RM
At 1 July 2006	731,230	-	731,230
Recognised in income statement	15,724	14,434	30,158
At 30 June 2007	746,954	14,434	761,388
At 1 July 2005	-	-	-
Acquisition of subsidiary companies	623,715	8,400	632,115
Recognised in income statement	107,515	(8,400)	99,115
At 30 June 2006	731,230	-	731,230

17. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases. The normal trade credit terms granted to the Group ranges from 30 days to 90 days.

18. OTHER PAYABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits received	20,700	20,700	-	-
Accruals	544,361	471,053	5,000	5,000
Sundry payables	1,230,159	101,975	8,680	1,535
	1,795,220	593,728	13,680	6,535

19. REVENUE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Sale of goods	85,926,442	81,293,232	-	-
Dividend income	-	-	2,275,000	3,400,000
	85,926,442	81,293,232	2,275,000	3,400,000

20. OTHER OPERATING INCOME

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Allowance for doubtful debts no longer required	188,406	125,144	-	-
Interest income	503,365	245,768	275,893	129,345
Rental income	63,600	64,600	-	-
Gain on disposal of property, plant and equipment	12,596	13,986	-	-
Gain on foreign exchange - unrealised	53,296	-	-	-
	821,263	449,498	275,893	129,345

21. FINANCE COSTS

	Group 2007 RM	Group 2006 RM
Interest expenses on:		
Hire purchase	-	492
Term loan	22,831	40,823
Bills payable	52,540	48,359
	75,371	89,674

22. PROFIT BEFORE TAXATION

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

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Employee benefits expense (Note 23)	2,847,544	2,112,923	48,000	24,000
Non-executive Directors' remuneration (Note 24)	84,000	42,000	84,000	42,000
Auditors' remuneration				
- statutory audit	21,700	19,200	5,000	5,000
- other services	13,500	30,000	13,500	30,000
Loss on foreign exchange				
- realised	321,573	87,469	-	-
Allowance for doubtful debts	142,968	282,081	-	-
Depreciation property, plant and equipment (Note 4)	954,914	892,026	-	-
- Included in cost of sales	538,211	485,318	-	-
- Included in other operating expenses	416,703	406,708	-	-
Depreciation of investment properties (Note 5)				
- Included in other operating expenses	4,145	4,146	-	-
Factory rental				
- Included in cost of sales	8,800	-	-	-

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Wages, salaries, bonuses and allowances	2,598,890	1,896,870	48,000	24,000
Social security costs	16,659	15,121	-	-
Contribution to defined contribution plan	231,995	200,932	-	-
	2,847,544	2,112,923	48,000	24,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,008,000 (2006: RM626,120) and RM48,000 (2006: RM24,000) respectively as further disclosed in Note 24.

24. DIRECTORS' REMUNERATION

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Executive:				
- Salaries and other emoluments	750,000	434,000	-	-
- Fees	168,000	144,000	48,000	24,000
- Contribution to defined contribution plan	90,000	48,120	-	-
	1,008,000	626,120	48,000	24,000
Non-Executive:				
- Fees	84,000	42,000	84,000	42,000
TOTAL	1,092,000	668,120	132,000	66,000

25. INCOME TAX EXPENSE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Income tax:				
Malaysian income tax	(2,016,000)	(3,364,000)	(175,000)	(723,000)
(Under) / overprovided in prior years	(26,067)	6,256	(19,847)	-
	(2,042,067)	(3,357,744)	(194,847)	(723,000)
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(67,983)	(97,318)	-	-
Effect to changes in tax rate	55,149	-	-	-
Underprovided in prior years	(5,585)	(17,215)	-	-
	(18,419)	(114,533)	-	-
TOTAL	(2,060,486)	(3,472,277)	(194,847)	(723,000)

Domestic current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The statutory tax rate for a subsidiary company, with a share capital not exceeding RM2.5 million is at 20% (2006: 20%) on chargeable income up to RM500,000. The excess above RM500,000 is taxable at 27% (2006: 28%). The domestic statutory tax rate will be reduced to 26% effective year of assessment 2008. The computation of deferred tax as at 30 June 2007 has reflected these changes.

25. INCOME TAX EXPENSE (Continued)

A reconciliation of income tax expense applicable to profit before taxation 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	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit before taxation	12,935,048	22,753,780	2,310,206	3,432,365
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	(3,492,463)	(6,371,058)	(623,756)	(961,062)
Tax benefits for small and medium companies in Malaysia	16,212	56,686	-	40,000
Effect on changes in tax rates on opening balance of deferred tax	52,629	-	-	-
Deferred tax recognised at different tax rates	2,520	-	-	-
Expenses not deductible for tax purposes	(132,150)	(75,760)	(25,589)	(25,938)
Income not subject to tax	79,766	2,765,790	474,345	224,000
Expenditure qualified for double deduction	42,256	35,581	-	-
Utilisation of reinvestment allowances	52,396	127,443	-	-
Tax deduction granted on investment in subsidiary that undertakes the commercialisation of research and development findings	1,350,000	-	-	-
(Under)/over provision of taxation in prior years	(26,067)	6,256	(19,847)	-
Under provision of deferred tax in prior years	(5,585)	(17,215)	-	-
Tax expense for the year	(2,060,486)	(3,472,277)	(194,847)	(723,000)

26. EARNINGS PER SHARE - GROUP

(a) Basic

The basic earnings per share has been calculated based on the Group's profit for the year attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares of RM0.50 each in issued during the financial year held by the Company.

	Group	
	2007 RM	2006 RM
Profit attributable to ordinary equity holders of the Company (RM)	10,874,562	6,984,894*
Weighted average number of ordinary shares in issue	80,000,000	50,317,847
Basic earnings per share (sen)	13.59	13.88

* excluding negative goodwill recognised

(b) Diluted

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

27. DIVIDENDS

	Group and Company	
	2007	2006
	RM	RM
For financial year ended 30 June 2006:		
- 1.0 sen per share tax exempt on 80,000,000 ordinary shares paid on 23 January 2007	800,000	-
- 2.5 sen per share less 28% income tax on 80,000,000 ordinary shares paid on 23 January 2007	1,440,000	-
	2,240,000	-

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 June 2007 of 2.0 sen tax exempt and 1.5 sen non-tax exempt on 80,000,000 ordinary shares amounting to RM2,488,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profit in the financial year ending 30 June 2008.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant transactions with related parties in the financial statements are as follow:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Dividends receivable from a subsidiary company				
- Imaspro Resources Sdn. Bhd.	-	-	2,275,000	3,400,000

Information regarding outstanding balances arising from related party transactions as at 30 June 2007 is disclosed in Note 10.

(b) Transaction with other related parties

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Sales to Dewana Sdn. Bhd., a company in which the Director, Tong Chin Hen has equity interest in this Company via his shareholding in Imaspro Process Technology Sdn. Bhd.	38,456	139,281	-	-
Salaries and other related expenses paid/payable to persons related to certain Directors	72,800	-	-	-

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.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(c) Compensation of key management personnel

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

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Short term employee benefits	1,443,360	1,095,910	132,000	66,000
Post-employment benefits:				
- Defined contribution plan	140,348	99,464	-	-
	1,583,708	1,195,374	132,000	66,000

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

Included in the total key management personnel are:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Directors' remuneration (Note 24)	1,092,000	668,120	132,000	66,000

29. CAPITAL COMMITMENT

	Group	
	2007	**2006**
Capital expenditure	**RM**	**RM**
Approved and contracted for:		
-Property, plant and equipment	4,860,000	-

30. CONTINGENT LIABILITIES

During the financial year, the Company is contingently liable for the following:

	Company	
Unsecured:	**2007**	**2006**
- Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary company	**RM**	**RM**
	4,850,000	1,550,000

31. SIGNIFICANT EVENTS

(i) On 10 November 2006, a wholly-owned subsidiary of the Company, Imaspro Resources Sdn. Bhd. ("IRSB") acquired 2 ordinary shares of RM1 each representing 100% equity interest in Imaspro Biotech Sdn. Bhd. ("IBSB"), a newly Malaysian incorporated company for a cash consideration of RM2.

In addition, IRSB had also on 13 November 2006 and 29 June 2007 subscribed for total additional of 4,999,998 new ordinary shares of RM1 each in the share capital of IBSB, thereby increasing the issued and paid-up share capital of IBSB to 5,000,000 ordinary shares of RM1 each.

(ii) On 17 November 2006, Imaspro Biotech Sdn. Bhd. entered two sale and purchase agreements to acquire 2 pieces of freehold industrial land together with factory buildings for a total purchase consideration of RM1.45 million which was fully paid during the financial period.

(iii) On 17 January 2007, Ideal Command Sdn. Bhd. entered into a sale and purchase agreement to acquire a piece of leasehold industrial land together with a factory building for a total purchase consideration of RM5.4 million. A deposit of RM540,000 was paid during the financial year under review and the balance of RM4,860,000 was fully settled subsequent to the balance sheet date.

32. SEGMENT INFORMATION

(a) Geographical Segments

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers as listed below:-

	Group	
	2007 RM	2006 RM
Revenue		
Malaysia	48,213,911	46,077,391
Vietnam	10,615,638	7,876,869
Russia	8,969,033	3,455,100
Australia	7,908,730	7,483,070
Indonesia	4,368,365	3,082,518
Bulgaria	2,340,194	5,816,527
Other oversea countries	3,510,571	7,501,757
	85,926,442	81,293,232

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

(b) Business Segments

As the principal businesses of the Group are manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals and trading of pesticides and other agrochemicals which are substantially within a single business segment, no segmental analysis is provided.

33. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs

The adoption of the new and revised FRSs that are mandatory for financial period beginning on or after 1 July 2007 does not result in significant changes in accounting policies of the Group except as stated below:

FRS 140 – Investment Properties

Prior to 1 July 2006, investment properties were included within property, plant and equipment. The adoption of FRS 140 has resulted in identification of properties that meet the definition of investment properties. Investment properties are now classified as a separate category on the consolidated balance sheet and stated at cost less accumulated depreciation and impairment loss.

The Group has applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 2006 or prior period except for the reclassification from property, plant and equipment to investment properties. The reclassification has been accounted for retrospectively.

The following comparative amounts for the year ended 30 June 2006 have been restated as a result of adopting the new and revised FRSs:

Description of change	Previously Stated RM	Increase/ (Decrease) FRS 140 RM	Restated RM
Group			
Property, plant and equipment	10,687,383	(260,503)	10,426,880
Investment properties	-	260,503	260,503

The effects on the consolidated balance sheet as at 30 June 2007 are set out below. There were no effects on the consolidated income statement for the year ended 30 June 2007.

	Increase/ (Decrease) FRS 140 RM
Group	
Property, plant and equipment	(256,358)
Investment properties	256,358

34. FINANCIAL INSTRUMENTS

(a) 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, foreign currency, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debts; the Group had no substantial long term interest-bearing assets as at 30 June 2007. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings and manages its interest rates risk by placing the financial assets on varying maturities and interest rate terms. The Group reviews its debts portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

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

(c) Foreign Exchange Risk

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

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

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

	Net Financial Assets Held in Non-Functional Currency		
Functional currency of the Group	**United States Dollar RM**	**Australian Dollar RM**	**Total RM**
At 30 June 2007			
Ringgit Malaysia	9,693,377	3,729,957	13,423,334
At 30 June 2006			
Ringgit Malaysia	10,284,597	1,989,435	12,274,032

(d) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

34. FINANCIAL INSTRUMENTS (Continued)

(e) Credit Risk

The Group's credit risk is primarily attributable to trade receivables. Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The credit risk of the Group's other financial asset, such as cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset. However, management does not expect any counterparty to fail to meet its obligations.

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

(f) Fair Values

The carrying amounts of financial assets and liabilities such as cash and cash equivalent, receivables, payables and short term borrowings of the Group and of the Company at the balance sheet date approximated their fair values due to relatively short term nature of these financial instruments, except for the following:

		Group		Company	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets					
At 30 June 2007:					
Amount due from subsidiary companies	10	-	-	6,982,750	*
Short term investment	11	9,274,366	9,274,366	6,952,810	6,952,810
At 30 June 2006:					
Amount due from subsidiary companies	10	-	-	5,072,000	*

* It is not practical to estimate the fair values of amount due to subsidiary companies due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs.

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

		30 June 2007		30 June 2006	
	Note	Nominal/ Notional Amount RM	Net Fair Value RM	Nominal/ Notional Amount RM	Net Fair Value RM
Contingent liabilities	30	4,850,000	567,713 #	1,550,000	229,320 #

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

34. FINANCIAL INSTRUMENTS (Continued)

(f) Fair Values (continued)

The following method and assumption is used to estimate the fair value of the following class of financial instruments:

Short Term Investment

The fair value of quoted short term investment is determined by reference to the stock exchange quoted market bid prices at the close of the business on the balance sheet date.

35. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the financial year ended 30 June 2007:

Material Contracts Involving Directors and Substantial Shareholders

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

Sanction and Penalties

There were no sanctions or penalties imposed by any regulatory authorities on the Company and its subsidiaries, Directors or management during the financial year ended 30 June 2007.

Share Buy-Backs

The Company did not make any share buy-back during the financial year ended 30 June 2007.

Non-Audit Fees

Non-audit fees paid to external auditors during the financial year ended 30 June 2007 amounted to RM13,500.

Options, Warrants or Convertible Securities Exercised

No options, warrants or convertible securities were issued during the financial year ended 30 June 2007.

Variation in Results for the Financial Year

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

American Depository Receipt ("ADR") / Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year ended 30 June 2007.

Profit Estimate, Forecast or Projection

The Company has not provided a profit forecast for the financial year ended 30 June 2007.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year ended 30 June 2007.

Utilisation of Proceeds from Corporate Proposals

As an integral part of the listing of Imaspro Corporation Berhad ("ICB") on the Second Board of Bursa Securities, a Public Issue of 17,064,758 ICB Shares at an issue/offer price of RM0.75 per ICB Share raised a total of RM12,798,569 in proceeds. The proceeds from the Public Issue have been utilised in the following manner:

	Total amount of proceeds RM'000	Amount utilised as at 30 June 2007 RM'000	Balance unutilised as at 30 June 2007 RM'000
Acquisition of a property	5,500	(540)	* 4,960
Acquisition of plant and machineries	3,500	(2,377)	1,123
Working capital requirements	2,099	(2,099)	-
Estimated listing expenses	1,700	(1,409)	** 291
Total	12,799	(6,425)	6,374

Note:

* *On 17 January 2007, the Group has entered into a sale and purchase agreement to acquire a piece of leasehold industrial land together with a factory building for a total purchase consideration of RM5.4 million to be satisfied fully in cash via the proceeds raised from the Flotation Exercise. RM540,000 being payment as deposit was paid during the financial year ended 30 June 2007. The balance of RM4.86 million was settled on 30 July 2007.*

** *The actual listing expenses were lower than the estimated. As such, the unutilised balance of proceeds of RM291,000 allocated for listing expenses was utilised for working capital of the Group.*

Extension of Time to Dismantle Unapproved Structures

The Company had on 4 April 2006 announced that it had obtained an approval from the Securities Commission ("SC") on the extension of time until 19 January 2007 for ICB to comply with the dismantling of unapproved structures of the Group's existing factory in Klang, Selangor pursuant to conditions imposed by the SC on the Flotation Exercise of ICB.

The Company has completed the rectification of the abovementioned unapproved structures on 19 January 2007. As such, the Company has fulfilled the conditions imposed by the SC on the Flotation Exercise.

Revaluation of Properties

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

PROPERTIES OF THE GROUP

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure (years)	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.	3-storey shophouse/ Rented out	Land area: 1,540 Built-up area: 4,386	Freehold	23	160	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.	3-storey shophouse/ Administrative head office & Rented out	Land area: 1,540 Built-up area: 4,386	Freehold	23	160	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.	3-storey shophouse/ Administrative head office	Land area: 1,540 Built-up area: 4,386	Freehold	23	646	21 May 2004
H.S. (M) No. 175, 176, 177, 178, 179, 180, 181 and 182, Mukim of RIM, District of Jasin, State of Melaka Same as above	Freehold land with agricultural research centre comprising a single storey office block and laboratory/ Research and development centre of ICB Group	Land area: 43 acres Built-up area: 168,653	Freehold	5	2,006	8 November 2004

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure (years)	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.	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 73,378 Built-up area: 31,621	Leasehold interest for 99 years expiring on 9 June 2086 leaving an unexpired term of 79 years	19	3,385	15 November 1996
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.	Manufacturing, distribution and research and development of pesticides and agrochemicals	Land area: 11,016 Built-up area: 3,290	Freehold	9	849	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.	Manufacturing, distribution and research and development of pesticides and agrochemicals	Land area: 7,800 Built-up area: 3,290	Freehold	9	597	17 November 2006

SHAREHOLDERS' INFORMATION

SHARE CAPITAL AS AT 19 OCTOBER 2007

Authorised Share Capital	: RM100,000,000
Issued and Paid Up Capital	: RM40,000,000
Class of Shares	: Ordinary shares of RM0.50 each
Voting Right	: One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 19 OCTOBER 2007

No. of Holders	%	Size of Holdings	No. of Shares	%
1	0.17	Less than 100 shares	50	0.00
281	46.37	100 – 1,000 shares	97,500	0.12
233	38.44	1,001 – 10,000 shares	994,250	1.24
60	9.90	10,001 – 100,000 shares	2,122,100	2.65
28	4.62	100,001 to less than 5% of issued shares	19,720,332	24.65
3	0.50	5% and above of issued shares	57,065,768	71.34
606	**100.00**	**Total**	**80,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 19 OCTOBER 2007

	No. of Shares Held			
Name	Direct Interest	%	Deemed Interest	%
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Sunbina Dunia Sdn. Bhd.	19,118,704	23.90	-	-
Lembaga Tabung Haji	4,000,000	5.00	-	-
Mohd Shafek Bin Isa	150,000	0.19	19,118,704*	23.90
Tong Chin Hen	150,000	0.19	33,947,064#	42.43

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

DIRECTORS' SHAREHOLDINGS AS AT 19 OCTOBER 2007

	No. of Shares Held			
Name	Direct Interest	%	Deemed Interest	%
Dr. Leong Wan Leong	50,000	0.06	-	-
Mohd Shafek Bin Isa	150,000	0.19	19,118,704*	23.90
Tai Keat Chai	50,000	0.06	-	-
Tong Ah Wah @ Tong Chun Hwi	2,671,498	3.34	-	-
Tong Chin Hen	150,000	0.19	33,947,064#	42.43

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

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 19 OCTOBER 2007

No.	Name of Shareholders	No. of Shares Held	%
1.	Swiss Revenue Sdn Bhd	33,947,064	42.43
2.	Sunbina Dunia Sdn Bhd	19,118,704	23.90
3.	Lembaga Tabung Haji	4,000,000	5.00
4.	Tong Ah Wah @ Tong Chun Hwi	2,671,498	3.34
5.	Chin Wei Ching	2,373,692	2.97
6.	HLG Nominee (Asing) Sdn Bhd - Commerzbank (SEA) Ltd for Spice World Investments Inc	2,120,000	2.65
7.	HLG Nominee (Asing) Sdn Bhd - Commerzbank (SEA) Ltd for Pyco Holdings Ltd	2,100,000	2.63
8.	Universal Trustee (Malaysia) Berhad - SBB Dana Al-Azam	1,686,600	2.11
9.	Universal Trustee (Malaysia) Berhad - SBB Emerging Companies Growth Fund	1,620,600	2.03
10.	Agrimart Sdn Bhd	940,000	1.18
11.	Ku Kooi Khang	878,838	1.10
12.	HSBC Nominees (Asing) Sdn Bhd - UBS AG Zurich for Hans Wirth	850,000	1.06
13.	M & A Nominee (Asing) Sdn Bhd - Lewey Marketing Aktiengesellschaft	745,600	0.93
14.	Amanah Raya Berhad - SBB Dana Al-Faiz	530,200	0.66
15.	Neo Khoon Seng	350,700	0.44
16.	Stephen Kuek Hock Eng	256,604	0.32
17.	Kamol Lertdetdecha	254,400	0.32
18.	M & A Nominee (Asing) Sdn Bhd - Multivers Aktiengesellschaft	233,700	0.29
19.	Wong Klin Chai @ Wong Kum Heng	233,100	0.29
20.	Lim Boon Liat	210,000	0.26
21.	Cimsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Khoo Nee Meng	195,000	0.24
22.	Teh Kiat Hock	181,900	0.23
23.	Tan Chong Seng	170,000	0.21
24.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Sar	162,500	0.20
25.	Ong Kong Beng	157,400	0.20
26.	Mohd Shafek Bin Isa	150,000	0.19
27.	Tong Chin Hen	150,000	0.19
28.	Lee Tan Yan	142,000	0.18
29.	Lee Kim Heage	135,000	0.17
30.	Yap Kim Yok	119,000	0.15
	Total	**76,684,100**	**95.87**

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third 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 Tuesday, 18 December 2007 at 10.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements and the Reports of the Directors and Auditors thereon for the year ended 30 June 2007.

2. To approve the payment of a first and final dividend of 1.5 sen per share, less income tax and 2.0 sen per share, tax exempt, in respect of the financial year ended 30 June 2007.

   Ordinary Resolution 1

3. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2007.

   Ordinary Resolution 2

4. To re-elect Mr. Tong Ah Wah @ Tong Chun Hwi who is retiring pursuant to Article 75 of the Company's Articles of Association.

   Ordinary Resolution 3

5. To re-elect Dr. Leong Wan Leong who is retiring pursuant to Article 75 of the Company's Articles of Association.

   Ordinary Resolution 4

6. To re-appoint Messrs. Roger Yue, Tan & Associates as Auditors of the Company and to authorise the Directors to fix their fees.

   Ordinary Resolution 5

As Special Business

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

7. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

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

   Ordinary Resolution 6

8. Proposed Amendments to the Articles of Association of the Company

   "THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in the Appendix A of the Circular to Shareholders in relation to the Proposed Amendments to the Articles of Association attached with the Annual Report for the financial year ended 30 June 2007 be and are hereby approved."

   Special Resolution 1

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Third Annual General Meeting of the Company, a first and final dividend of 1.5 sen per share, less income tax and 2.0 sen per share, tax exempt, in respect of the financial year ended 30 June 2007 will be paid to the shareholders on 23 January 2008. The entitlement date for the said dividend shall be 9 January 2008.

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 9 January 2008 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

ENG SOO FUNN (f) (MACS 00044)
LAM LEE SAN (f) (MAICSA 7048104)
Secretaries

Petaling Jaya
Date: 23 November 2007

NOTES:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. To be valid, the instrument appointing a proxy, duly completed must be deposited at the Share Registrar of the Company at PFA Registration Services Sdn. Bhd., Level 13, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).

3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

   Where the appointer is a corporation, the instrument appointing a proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

NOTICE OF THIRD ANNUAL GENERAL MEETING
(Continued)

Explanatory Notes on Special Business

Ordinary Resolution No. 6 on the Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

Ordinary Resolution No. 6 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Special Resolution No. 1 on Proposed Amendments to the Articles of Association of the Company

Special Resolution No. 1, if passed, will bring the Articles of Association of the Company to be in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act, 1965 and will enhance administrative efficiency.

STATEMENT ACCOMPANYING NOTICE OF THIRD ANNUAL GENERAL MEETING

(Pursuant to the Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Directors who are standing for re-election at the Third Annual General Meeting of the Company are as follows:-**

   a. Mr. Tong Ah Wah @ Tong Chun Hwi
   b. Dr. Leong Wan Leong

2. **Further details of Directors who are standing for re-election**

   Further details of the above Directors who are standing for re-election are set out on page 7 of this Annual Report.

IMASPRO CORPORATION BERHAD (Company No. 657527-H)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares Held

I/We ____

of ____

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

______________________________ of ______________________________

or failing him, ____

______________________________ of ______________________________

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Third 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 Tuesday, 18 December 2007 at 10.30 a.m. and at any adjournment thereof.

AGENDA 1
Receipt of the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2007.

My/our proxy is to vote as indicated below:
AGENDA 2-8

No.	Resolutions	For	Against
Ordinary Resolution 1	Approval on the payment of a First and Final Dividend		
Ordinary Resolution 2	Approval on the payment of Directors' fees		
Ordinary Resolution 3	Re-election of Mr. Tong Ah Wah @ Tong Chun Hwi as Director		
Ordinary Resolution 4	Re-election of Dr. Leong Wan Leong as Director		
Ordinary Resolution 5	Re-appointment of Messrs. Roger Yue, Tan & Associates as Auditors of the Company		
Ordinary Resolution 6	Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965		
Special Resolution 1	Proposed Amendments to the Articles of Association of the Company		

(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.)

Signed this _______ day of _____ 2007

....
Signature of Member/Common Seal

Notes:-

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *To be valid, the instrument appointing a proxy, duly completed must be deposited at the Share Registrar of the Company at PFA Registration Services Sdn. Bhd., Level 13, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*
3. *A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

   Where the appointer is a corporation, the instrument appointing a proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

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The Company

IMASPRO CORPORATION BERHAD (Company No. 657527-H)

(Incorporated in Malaysia)

PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1,
No.1, Jalan SS21/58, Damansara Uptown,
47400 Petaling Jaya, Selangor Darul Ehsan

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