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ANNUAL REPORT
2009



IMASPRO CORPORATION BERHAD

(657527-H)

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CHAIRMAN'S STATEMENT

Dear Valued Shareholders

On behalf of the Board, I have pleasure in presenting the Fourth Annual Report and Financial Statements of Imaspro Corporation Berhad ("ICB") for the year ended 30 June 2009.

FINANCIAL PERFORMANCE

Our revenue for the year ended June 30, 2009 was RM83 million against RM150.7 million in the financial year ended 30 June 2008. Net profit slid to RM6.8 million compared with RM16.3 million previously and earnings per share decreased by 59 per cent to 8.5 sen.

Revenue during the first half was badly affected by the deterioration of the export markets. The rise in raw material costs and rising oil prices invariably impacted our input costs. During the latter part of the second half, the Company's performance improved from the lows of Q4 2008 and Q1 2009 indicating a bottoming out.

To cope with declining demand, inventory unwinding was inevitable. Our inventory was high as we were concerned with price increase and speculation. When prices reversed, we had to respond to changing market conditions and our full year results were impacted by inventory holding losses due to the collapse in the prices of raw materials and finished products. We are aligning our inventory in a positive manner to replenish our declining stockpiles as we believe that prices will increase again when the economy picks up and inflation rises.

In Q2 2009, revenue began to show improvement from the very weak and near-static pace of end 2008/early 2009. Even though consumption remained slow, there were indications of stabilisation in external

demand and domestic market.

Overall, ICB was still profitable despite a decline in revenue and I would like to thank all of our staff for their commitment and dedication that made this performance possible.

DIVIDENDS

The Board of Directors is pleased to recommend a single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2009, subject to the approval of the shareholders at the forthcoming Annual General Meeting. Our confidence in the future performance has enabled the Board to propose a slight increase in dividends to return value to our long term oriented shareholders.

OPERATIONS REVIEW

ICB is an investment holding company with its subsidiaries engaged as provider and distributor of pesticides, plant micronutrients and other agrochemicals. The bulk of ICB's products are used in the agriculture sector as well as in the urban pest control.

Squeezed by global uncertainties, credit crunch and weak demand, we had to cope with unprecedented actions taken by our customers which included delays in taking delivery of their orders, cancelling sales and even asking for rebates. The biggest challenge we faced was payment by our customers whose cash flows were disrupted and subsequently hurting our collection. We



MD C. H. Tong (left) presenting the 'Product Display Contest 2008' grand prize award to the winner, Mr. Law Boon Chai, managing director of Lian Yik Peralatan Pertanian Sdn. Bhd.



MD C. H. Tong sharing a light moment with the grand prize winner Mr. Law Boon Chai, managing director of Lian Yik Peralatan Pertanian Sdn. Bhd., and Mr. Mah Kim Poh, Imaspro's Area Manager.



Members of the organising committee and marketing team for 'Product Display Contest, 2008' in a photo-shot with MD C. H. Tong.



Close camaraderie among staff with MD C. H. Tong celebrating the 'Annual Dinner 2009'.



En Abd. Patah Ismail (left), a manager in our Sales & Marketing department, conducting training and demonstration on herbicide application at Felda Jelai estate, Negeri Sembilan.

continue to favour the long term relationship with our customers by finding a 'mixture' of solutions around that risk mark.

Activities in Vietnam, Australia, Indonesia and Russia continued to experience contraction but are projected to register growth in 2010/11 in line with the expected turnaround of the major economies of US, Europe and Japan. In my previous statement, I mentioned about our obtaining product approval in China and finalising the distribution agreement. I am pleased to inform you that during the financial year, we had made a maiden shipment to China in the first half of 2009.

All plants and machineries were kept at a high state of operating efficiency using streamlined methods. On capital expenditures, given the slowdown in business, we refrained from making any significant expansion or increase in spending. On a long-term basis, we intend to make significant investments in improvements in facilities and consolidating in some areas.

As part of our research and development efforts, we are in the process of developing suitable public health products in the control of *Aedes mosquito*, the major vector (carrier) of virus responsible for diseases such as Dengue and Chikungunya. Our bio-palm insecticide, ENVO-CYPER, jointly developed with Malaysian Palm Oil Berhad and launched in year 2007 for use in oil palm plantations is beginning to gain broader

acceptance in the market. We have obtained product registration approval of high loading cypermethrin in Indonesia. The first shipment of this newly registered product to Indonesia is scheduled for the first quarter of financial year 2010.

During the financial year, we have embarked to leverage on our business network abroad towards capturing more opportunities for our Group on the international stage. The platform for this is wholly-owned subsidiary, Imaspro Resources Incorporated ("IRI"). Its principal activity is the distribution of agrochemicals and related chemical products. IRI is an offshore company established under the regime of the Labuan International Business and Financial Centre ("Labuan IBFC") on 25 September 2008. We are of the opinion that the facilities provided by the Labuan IBFC are well suited to our needs and will lend strong support to our new international endeavours. We are confident that this will contribute positively towards creating greater shareholders' value in future.

The current business climate has provided us the opportunity to re-assess our management resources in terms of manpower, financing, capacity as well as planning strategies for the next upswing to deliver our products consistently.

OUTLOOK AND PROSPECTS

After a likely contraction this year, Malaysia's overall economic growth is expected to

expand by 3% to 4% next year. Premised on a mild recovery externally, the overall economy while experiencing a slow down is starting to show encouraging trends in exports. The positive impact on the Government's stimulus package has also encouraged domestic demand and growth. Globally, in the just concluded G8 meeting in Italy, the leaders of the richest countries of the world have pledged US\$20 billion to tackle the mounting insecurity over the world's food supply. The focus on agricultural investments includes providing farmers with suitable seeds, fertilisers, irrigation, infrastructure as well as agricultural education. The spin-offs from such initiatives will likely create a positive impact on Imaspro's export sales in the longer term.

At home, oil palm plantations suffered biological stress after last year's strong harvest and low fertiliser and herbicide use. Under the Government's forest plantation program, an additional 12,000 ha to 15,000 ha of land will be allocated for rubber plantation with the aim to maintain a land area of at least 1 million ha every year for rubber cultivation. There are early signs that fertiliser and herbicide buying from both sectors are picking up and if this slight resumption of trade develops into a modest trade which gathers at a moderate pace, it would provide us an opportunity to participate.

A Confucius saying "Reflect On the Past, In Readiness For the Future", best sums up

Incentive trip

my confidence in the Group's outlook and prospects going forward. Although the Group is still profitable, it experienced its first year of negative growth after growing its profit strongly for four consecutive financial years. The strengths, experiences and success factors which we relied upon to achieve our uninterrupted growth track record in the past have been re-aligned and identified weaknesses rectified, to meet the challenges of the prevailing market conditions. Looking ahead, this foundation we have built in response to the severity of the current global financial crisis will be leveraged upon to search for new agro-business opportunities, both locally and in overseas countries, grow our existing businesses which were temporarily hampered by the financial crisis and improve our services to our customers. All-in-all, despite an uncertain business outlook, I am confident the Group will overcome the difficult market conditions and grow modestly in the coming financial year.

CORPORATE SOCIAL RESPONSIBILITY

The effects of the economic slowdown has definitely affected and encroached into the basic needs of workers, especially those in the lower income as wages are

unable to match the cost of living. While the Government is doing its best to ease the burden of the people by price controls, rebates and so on, we have continued with our Employee Provision of Food Assistance, adjusted periodically to mitigate strenuous circumstances as part of our corporate responsibility model.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I would like to thank everyone for being able to meet their commitments. Our appreciation to the staff in being flexible and committed and a special thanks to our shareholders, customers and other stakeholders for their continued support to the Group.

Last but not least, to my fellow colleagues on the Board, I would like to extend my thanks for their contributions and guidance in steering the Group to overcome a very challenging period and uncertain business environment during the global economic crisis.

MOHD SHAFEK BIN ISA
CHAIRMAN



Mr. Chen Kun Yen, Imaspro's Product Manager (third gentleman from the right) joining our business partners from Malaysia in their incentive trip to Gold Coast, Australia.



Imaspro's business partners from Malaysia enjoying their incentive trip in Ho Chi Minh City, Vietnam.



Imaspro's business partners from Australia and their families enjoying their incentive trip in Ho Chi Minh City, Vietnam.



Corporate Social Responsibility with overseas supplier

Contributing towards the Sichuan earthquake victim's children education fund. MD C.H. Tong presenting a mock cheque to Mr. Liu Xia, Vice General Manager of Zhejiang Wynca Chemical Industry Group Co. Ltd. (formerly known as Zhejiang Xinan Chemical Industrial Group Co. Ltd.), the organiser of disaster fund.



Fogging – local community



Conducting thermal fogging activities to eliminate the adult mosquito population in selected schools in the Klang Valley. This initiative was in collaboration with Media Chinese International Limited (Sin Chew Jit Poh) and Pest Control Operator companies.



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

TAN ENK PURN (MAICSA 7045521)

LEW NYOK KHIM (MAICSA 0792279)

REGISTERED OFFICE

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

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

HEAD/MANAGEMENT OFFICE

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

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

REGISTRAR

Tricor Investor Services Sdn. Bhd.
(Formerly known as Tenaga Koperat
Sdn. Bhd.)
Level 17, The Gardens North Tower
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur

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

AUDITORS

Roger Yue, Tan & Associates
Chartered Accountants

AUDIT COMMITTEE

TAI KEAT CHAI (CHAIRMAN)

DR. LEONG WAN LEONG (MEMBER)

MOHD SHAFEK BIN ISA (MEMBER)

REMUNERATION COMMITTEE

DR. LEONG WAN LEONG (CHAIRMAN)

TAI KEAT CHAI (MEMBER)

MOHD SHAFEK BIN ISA (MEMBER)

NOMINATION COMMITTEE

DR. LEONG WAN LEONG (CHAIRMAN)

TAI KEAT CHAI (MEMBER)

MOHD SHAFEK BIN ISA (MEMBER)

GROUP PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

AmInvestment Bank Berhad

OCBC Bank Berhad

SOLICITORS

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

STOCK EXCHANGE LISTING

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

PROFILE OF DIRECTORS

MOHD SHAFEK BIN ISA

Non-Executive Chairman

Encik Mohd Shafek Bin Isa, a Malaysian, and aged 52, is the Non-Executive Chairman. He was appointed to the Board and elected Chairman since 15 November 2005. In addition, he also serves as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

He holds a Diploma in Statistics from Mara Institute of Technology (currently 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 left as an Investment Manager in 1986. Thereafter, he joined KAB Group as the Corporate Planning Manager. 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. In 2000, he returned to Malaysia and was employed as Head of Islamic Products Unit, a start-up division to participate in the evolving opportunities in Islamic banking, in Melor Permata Capital Management Sdn. Bhd. He left the company in the same year to pursue his personal interest in the investment and securities industry.

He has no directorship in other public companies.

Encik Mohd Shafek Bin Isa holds 150,000 shares directly in the Company and 19,118,704 shares indirectly (deemed interested by virtue of his interest in Sunbina Dunia Sdn. Bhd., a substantial shareholder of the Company, pursuant to Section 6A of the Companies Act, 1965). 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 53, is the Managing Director. He was appointed to the Board as Managing Director since 15 November 2005. He is also a Director of all subsidiary companies of Imaspro Corporation Berhad.

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 with the Pacific Islands markets for the company. He was also the first Ancom employee to initiate the sourcing of critical materials for production directly from suppliers in China to avoid mark-up by middlemen and traders. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of the company to be a leading pesticide player in Malaysia over the last fifteen (15) 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.

He has no directorship in other public companies.

PROFILE OF DIRECTORS (continued)

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 60, is an Executive Director. He was appointed to the Board since 15 November 2005.

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 as a 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. He achieved a Malaysian first in 1987 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 currently an Independent Non-Executive Director of Stone Master Corporation Berhad. He is also a member of its Audit Committee.

Mr. Tong Ah Wah @ Tong Chun Hwi holds 2,671,498 shares directly in 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 59, is an Independent Non-Executive Director. He was appointed to the Board since 15 November 2005. He serves as a Chairman of Remuneration Committee and Nomination Committee. In addition, he is also a member of Audit Committee.

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 Department 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 and also the main assessing officer for PORIM's Certificate of Competency Schemes for palm oil refineries and palm oil mills. In addition, he is also responsible for organising 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 has no directorship in other public companies.

PROFILE OF DIRECTORS (continued)

Dr. Leong Wan Leong holds 50,000 shares directly in the Company. 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 55, 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 is a member of both the Nomination Committee and the Remuneration Committee.

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 subsequently promoted to Senior Manager (Corporate Finance). In 1988, he returned to PricewaterhouseCoopers Consulting Sdn. Bhd. as Manager for about a year before joining Berjaya Group Berhad as a General Manager (Investment). Subsequently, in 1990, he ventured into the stockbroking industry and has worked in SJ Securities Sdn. Bhd., A.A. Anthony Securities Sdn. Bhd. and ECM Libra Investment Bank Berhad as General Manager, Director and a dealer's representative respectively.

He is presently a Board member of Chuan Huat Resources Berhad, Disccomp Berhad, CUSCAPI Berhad, PECD Berhad, Opensys (M) Berhad, SILK Holdings Berhad, MIDF Amanah Investment Bank Berhad and several other private limited companies.

Mr. Tai Keat Chai holds 50,000 shares directly in the Company. 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 as expressed in the Principles and Best Practices set out in the Malaysian Code of Corporate Governance (“the Code”). 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 Code, the Board has also moved to put in place stringent parameters and measures for adherence by the management.

By promoting integrity and professionalism 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 2009, 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 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 and hence fulfill the prescribed requirements for one-third (1/3) of the membership of the Board to be independent Members.

The Board is a well-balanced Board with an effective mix of Executive 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. This balance enables the Board to provide clear and effective leadership to the Group and to bring informed and independent judgement to many aspects of the Group’s strategies and performances so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained by the Group.

The Executive 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 Independent Directors play a pivotal role in corporate accountability. None of the Non-Executive Directors participate in the day-to-day management of the Group. The presence of the Independent Non-Executive Directors are essential in providing the Group with a wider general experience of strategy formulation, unbiased and independent opinions, advice, judgements, objective view of the performance of the management and professionalism to ensure that adequate systems are used to safeguard the interests, not only to the Group, but also to minority shareholders and stakeholders of the Group.

The division of responsibilities between the Chairman and Managing Directors is clearly defined to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness, 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 has overall responsibility over the operating units, organisational effectiveness and coordinating the development and implementation of business and corporate strategy as well as the implementation of Board policies and decisions.

Board Responsibilities

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

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

CORPORATE GOVERNANCE STATEMENTS (continued)

Board Meetings and Supply of Information

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

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 2009 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 2009, hence complying with Paragraph 15.05 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR").

All Directors are provided with an agenda and a compilation of Board papers prior to each Board Meeting. The Board papers include minutes of the last Board Meeting, agenda for the current meeting and any report and documents pertaining to the issues to be discussed at the Board Meeting. The Board papers are issued 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 explain and clarify matters being tabled.

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

Appointment and Re-election of Board Members

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

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 Main LR.

CORPORATE GOVERNANCE STATEMENTS (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.

Directors' Training

In compliance with the Main LR, all Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") conducted by the Bursatra Sdn. Bhd., an affiliate company of Bursa Malaysia Securities Berhad ("Bursa Securities").

In addition, the Board is constantly encouraged to attend programmes and seminars to keep abreast with the latest developments in the market place as well as the new statutory and regulatory requirements.

During the financial year, all Directors have attended half day course on "Managing Strategic Issues In A Challenging Environment". From time to time, the Directors also receive updates and briefings, particularly on regulatory and legal developments relevant to the Company's business.

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 2009 are as follows:

Aggregate Remuneration by Category	Executive Directors RM	Non-Executive Directors RM
Salaries and bonuses	1,050,000	-
Fees	168,000	84,000
Pension costs – defined contribution plan	178,500	-
Total	1,396,500	84,000

For the financial year ended 30 June 2009, the numbers of Directors whose remuneration fall within the respective bands are as follows:

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
RM50,000 & below	-	3
RM300,001 to RM400,000	1	-
RM950,001 to RM1,050,000	1	-

CORPORATE GOVERNANCE STATEMENTS (continued)

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 Directors' profile 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 operates under a clearly defined terms of reference stating its roles and responsibilities in ensuring the quality and integrity of the practices of the Group.

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

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

The Audit Committee has held a total of four (4) meetings during the course of the financial year ended 30 June 2009. The terms of reference, attendance for the meetings and activities of the Audit Committee are stated in the Audit Committee Report beginning on page 16.

(b) Nomination Committee

The Nomination Committee was established on 17 January 2006. The Nomination 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) Dr. Leong Wan Leong (Independent Non-Executive Director) - Chairman
- ii) Tai Keat Chai (Independent Non-Executive Director)
- iii) Mohd Shafek Bin Isa (Non-Executive Chairman)

During the financial year ended 30 June 2009, 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;

CORPORATE GOVERNANCE STATEMENTS (continued)

- to recommend to the Board the optimum size of the Board, formalise a transparent procedure for proposing new nominees to the Board and Board Committees and ensure that the investment of the minority shareholders are fairly reflected on the Board;
- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors, on an annual basis;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director;
- to ensure that there is an orientation and education programme for newly appointed Directors with respect to the business and management of the Group;
- to consider and recommend training or skills upgrade for Directors in furtherance of their duties as appropriate;
- to provide feedbacks to Directors in respect of their individual performance;
- to provide constructive input to each individual Director as to how he or she may be better contribute to the functioning of the Board; and
- 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 Committee is responsible for carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration policy for Directors and Key Senior Management Officers, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value, and is in tandem with its culture and strategy.

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

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

Meetings of the Remuneration Committee are held as and when required, and at least once a year. During the financial year ended 30 June 2009, the Committee met twice and the meetings were attended by all its members.

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

- to establish and review the terms and conditions of employment and remuneration of Executive Directors and Key Senior Management Officers of the Group to ensure that rewards commensurate with their contributions to the Group's growth and profitability; and supports the Group's objectives and shareholder value and is consistent with the Group's culture and strategy;
- to review annually the performance of the Executive Directors and recommend to the Board specific adjustments in remuneration and/or reward payments if any reflecting their contributions for the year;

CORPORATE GOVERNANCE STATEMENTS (continued)

- to ensure the level of remuneration for Non-Executive Directors and Independent Directors reflects their experience and level of responsibilities undertaken and contribution to the effective functioning of the Board. Reviews and recommends changes to the Board where necessary; and
- to keep abreast of the terms and conditions of service of the Executive Directors including their total remuneration package for market comparability. Reviews and recommends changes to the Board where necessary.

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

INVESTORS RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board 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 performance, strategy and other matters affecting shareholders' interests.

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association. A presentation is given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during the AGM. Shareholders are accorded both the opportunity and time to raise questions or offer constructive criticism pertaining to the operations and financial matters of the Group; whilst the Board and Senior Management will provide the answers and appropriate clarifications to issues raised. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Directors aims to ensure that the financial statements and quarterly announcement are prepared in accordance with the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group. The accounting policies and methods once adopted, are consistently applied and supported by reasonable judgements and estimates.

CORPORATE GOVERNANCE STATEMENTS (continued)

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.

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

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

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 systems of internal controls of the Group is reviewed periodically by the Audit Committee.

The Statement on Internal Control, which provides an overview of the state of the internal control within ICB Group, is set out in page 20 of this Annual Report.

Relationship with Auditors

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

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

The Audit Committee meets with the external auditors to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the external auditors without the presence of the Executive Directors and the Management at least twice a year.

A summary of activities and the role of the Audit Committee in relation to both the internal and external auditors are described in the Audit Committee Report beginning on page 16.

Compliance with the Code

The Board is satisfied that the Group has maintained a high standard of Corporate Governance and has strived to achieve the highest level of integrity and ethical standard, in all its business dealings, complied with the Code throughout the financial year ended 30 June 2009.

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

AUDIT COMMITTEE REPORT

The Board of Directors of Imaspro Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2009.

MEMBERSHIP AND MEETINGS

The Audit Committee presently comprises three (3) members of the Board, of which two (2) are Independent Non-Executive Directors and one (1) is the Non-Executive Chairman. During the financial year under review, the Audit Committee held four (4) meetings. In addition to the above meetings, the Audit Committee also met with the external auditors in separate private sessions twice during the financial year without the presence of management.

The members of the Committee and the attendance at the meetings during the financial year ended 30 June 2009 are stated below:

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

TERMS OF REFERENCE

1. 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, all of whom must be Non-Executive Directors, with majority of them being Independent. 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 term of office 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.

AUDIT COMMITTEE REPORT (continued)

The chief executive officer, the chief financial officer and the Company Secretary shall 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 Audit Committee shall meet the external auditors without the presence of the Executive Directors and employees at least twice a year.

The Company Secretary shall act as Secretary of the Audit Committee responsible for drawing up the agenda for each meeting in consultation with the Chairman of the 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;
- direct the internal audit function in the Group;
- approve the appointment of the head of internal audit;
- engage independent professional advisors and to secure the attendance of outsiders with relevant experience and expertise if necessary;
- to review the adequacy of the structure and Terms of Reference of the Board Audit Committees; and
- convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

4. Responsibilities and Duties

The responsibilities and duties of the Audit Committee shall include the following:

Corporate Financial Reporting

- i) to review and recommend acceptance or otherwise of accounting policies, principles and practices;
- ii) 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, the Main LR and other legal and statutory requirements.
- iii) to review with management and the external auditors the results of the audit, including any difficulties encountered.

AUDIT COMMITTEE REPORT (continued)

Enterprise-wide Risk Management

- i) to review the adequacy of and to provide independent assurance to the Board of the effectiveness of risk management functions of the Group; and
- ii) to ensure that the principal and requirements of managing risk are consistently adopted throughout the Group.

Internal Control

- i) to assess the quality and effectiveness of the systems of the internal control and the efficiency of the Group's operations;
- ii) to review the findings on the internal control in the Group by internal and external auditors; and
- iii) to review and approve the Statement on Internal Control for the annual report as required under the Main LR.

Internal Audit

- i) to approve the corporate audit charters of internal audit functions in the Group;
- ii) to ensure that the internal audit functions have appropriate standing in the Group and have the necessary authority and resources to carry out their work. This includes a review of the organisational structure, resources, budgets and qualifications of the internal audit personnel;
- iii) to review internal audit reports and management's response and actions taken in respect of these and report to the Board accordingly;
- iv) to review the adequacy of internal audit plans and the scope of audits, functions, competency and resources of the internal audit functions and ensure that they are carried out without any hindrance;
- v) to be informed of resignations and transfers of senior internal audit staff and providing resigning/transferred staff an opportunity in expressing their views; and
- vi) to direct any special investigation to be carried out by internal audit.

External Audit

- i) to consider the appointment, resignation and dismissal of external auditors and their audit fee;
- ii) to review external audit reports, 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; and
- iii) to review external audit plans and scope of the audit work.

Corporate Governance

- i) 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;
- ii) to review the findings of any examinations by regulatory authorities;
- iii) 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;
- iv) to review and approve the Statement of Corporate Governance for the annual report as required under the Main LR;
- v) to review the investor relations programme and shareholder communications policy for the Company;
- vi) to examine instances and matters that may have compromised the Principles of Corporate Governance and report back to the Board;
- vii) to develop and regularly review the Group's Code of Corporate Governance and Business Ethics; and
- viii) where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the Main LR, the Audit Committee must promptly report such matters to Bursa Securities.

AUDIT COMMITTEE REPORT (continued)

SUMMARY OF ACTIVITIES

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

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

- a) reviewed the interim financial reports relating to the quarterly reporting of the Group to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval for the release of the said quarterly reporting;
- b) reviewed the audited financial statements before submitting them to the Board, ensuring that the financial statements were prepared in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 1965. Any significant issues resulting from the audit of the financial statements by the external auditors were deliberated;
- c) evaluated the performance of the external auditors, reviewed the external auditors' scope of work, audit plan and their audit fees and recommending the appointment of external auditors at the Annual General Meeting;
- d) reviewed with the external auditors the results of the audit 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 Main LR; 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.

STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal controls to safeguard shareholders' investment and the companies' assets.

In accordance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Main LR"), the Board of Directors of Imaspro Corporation Berhad is pleased to provide the following statement on the state of internal control of the Group for the financial year ended 30 June 2009. The statement has been prepared in accordance with the "Statement on Internal Control – Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities Berhad.

Directors' Responsibilities

The Board acknowledges its responsibilities for maintaining a sound system of internal controls to safeguard shareholders' investment and the assets of the Group and for reviewing the adequacy and integrity of the system. The system of internal controls covers not only financial controls but operational and compliance controls. However, the Board recognises that reviewing of the Group's system of internal controls is a concerted and continuing process, designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the Group's system of internal controls can only provide reasonable but not absolute assurance against material misstatement, fraud or losses. Furthermore, because of changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The system of internal controls is to enable the Group to achieve its corporate objectives within an acceptable risk profile and cannot be expected to eliminate all the risks identified.

Current Risk Management Framework

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

The Audit Committee and Internal Audit Function

The Audit Committee reviews internal control issues identified by internal auditors, external auditors and Management and evaluates the adequacy and effectiveness of the Group's internal control systems.

During the financial year, the Group outsourced its internal audit function to an independent firm of consultants. The costs incurred for the internal audit function in respect of the current financial year was RM 22,498.

The internal audit team assists the Audit Committee in discharging internal control function in which to assess the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Group. The internal audit team independently reports to the Audit Committee its activities, significant results, findings and the necessary recommendations or changes. The Board further reviews the minutes of the Audit Committee Report and Internal Audit Progress Report to gain assurance on the effectiveness, adequacy and integrity of the system of internal controls in operations. At the onset, the annual audit programme is presented to the Audit Committee for its approval before commencement of the following financial year. 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.

STATEMENT ON INTERNAL CONTROL (continued)

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 risks affecting their unit and the overall Group's business as a whole. They are also charged with instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.
- Operating policies and procedures that serve as general management guide for daily operation. These policies and procedures are reviewed on a regularly basis to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.
- As part of the performance monitoring process, management information in the form of forecasts and quarterly management accounts and reports are provided to the Board for review and approval.
- 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.
- Training and development programmes are established to ensure that staff is constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

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 Main LR, the external auditors have reviewed this Statement on Internal Control for inclusion in the annual report for the financial year ended 30 June 2009. This review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by Malaysian Institute of Accountants. Based on the 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.

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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 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	6,766,206	3,210,034
Attributable to:		
Equity holders of the Company	6,766,206	3,210,034
Minority interest	-	-
	<u>6,766,206</u>	<u>3,210,034</u>

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 2008 was as follows:

In respect of the financial year ended 30 June 2008:

	RM
A first and final single tier dividend of 3.5 sen per share, paid on 23 January 2009	<u>2,800,000</u>

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2009 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profit in the financial year ending 30 June 2010.

DIRECTORS' REPORT (continued)

DIRECTORS

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

Mohd Shafek Bin Isa
Tong Chin Hen
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 Chin Hen 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			
	At 1.7.2008	Acquired	Disposed	At 30.6.2009
Shareholdings in the name of the Director:				
Mohd Shafek Bin Isa	150,000	-	-	150,000
Tong Chin Hen	150,000	-	-	150,000
Tong Ah Wah @ Tong Chun Hwi	2,671,498	-	-	2,671,498
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 **

Notes:

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

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

DIRECTORS' REPORT (continued)

ISSUE OF SHARES

There were no changes in the issued and paid-up share capital of the Company during the financial year ended 30 June 2009.

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 all known bad debts had been written off 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) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year, except for as disclosed in the notes to the financial statements.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (continued)

SIGNIFICANT EVENT

Details of the significant event 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 : 26 August 2009

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 MASB Approved Accounting Standards for Entities Other Than Private Entities and the Companies Act, 1965 in Malaysia 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 2009 and of the results and cash flows of the Group and of the Company for the financial year then ended.

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

TONG CHIN HEN

Director

Petaling Jaya

Date : 26 August 2009

MOHD SHAFEK BIN ISA

Director

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)

on 26 August 2009)

Before me

Commissioner for Oaths

S. Selvarajah

Petaling Jaya

Selangor Darul Ehsan

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of IMASPRO CORPORATION BERHAD, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 62.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards for Entities Other Than Private Entities and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards for Entities Other Than Private Entities and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2009 and of its financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of the subsidiary company of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.
- c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

- d) The audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ROGER YUE, TAN & ASSOCIATES

AF : 0134
Chartered Accountants

Petaling Jaya

Date : 26 August 2009

ROGER YUE SAU YIN

M.B.A., C.A. (M), F.C.A.
Partner of Firm
838/3/10 (J)

BALANCE SHEETS AS AT 30 JUNE 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	17,192,610	17,344,486	-	-
Investment properties	5	155,042	157,633	-	-
Prepaid lease payments	6	3,141,224	3,182,019	-	-
Investment in subsidiary companies	7	-	-	31,467,619	31,467,619
		<u>20,488,876</u>	<u>20,684,138</u>	<u>31,467,619</u>	<u>31,467,619</u>
Current assets					
Inventories	8	14,218,525	20,296,547	-	-
Trade receivables	9	32,493,955	48,930,816	-	-
Other receivables	10	3,008,851	1,410,130	3,750	18,750
Amount due from subsidiary companies	11	-	-	10,954,750	11,045,722
Short term investments	12	12,205,687	9,862,872	3,853,722	3,460,933
Cash and bank balances	13	10,017,759	3,342,567	7,567	6,600
Tax recoverable		857,912	101,363	169,693	55,000
		<u>72,802,689</u>	<u>83,944,295</u>	<u>14,989,482</u>	<u>14,587,005</u>
TOTAL ASSETS		<u>93,291,565</u>	<u>104,628,433</u>	<u>46,457,101</u>	<u>46,054,624</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	14	40,000,000	40,000,000	40,000,000	40,000,000
Share premium		2,857,032	2,857,032	2,857,032	2,857,032
Foreign currency translation reserve		(16,369)	-	-	-
Unappropriated profit	15	43,294,586	39,328,380	3,575,386	3,165,352
Total equity		<u>86,135,249</u>	<u>82,185,412</u>	<u>46,432,418</u>	<u>46,022,384</u>
Non – current liability					
Deferred tax liabilities	16	1,239,337	1,033,218	-	-
Current liabilities					
Bills payable	17	70,370	838,097	-	-
Trade payables	18	3,147,675	16,298,662	-	-
Other payables	19	2,698,758	3,314,711	24,683	32,240
Tax payable		176	958,333	-	-
		<u>5,916,979</u>	<u>21,409,803</u>	<u>24,683</u>	<u>32,240</u>
Total liabilities		<u>7,156,316</u>	<u>22,443,021</u>	<u>24,683</u>	<u>32,240</u>
TOTAL EQUITY AND LIABILITIES		<u>93,291,565</u>	<u>104,628,433</u>	<u>46,457,101</u>	<u>46,054,624</u>

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

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Continuing Operations					
Revenue	20	83,017,443	150,678,784	4,500,000	4,500,000
Cost of sales		(68,847,137)	(121,770,695)	-	-
Gross profit		14,170,306	28,908,089	4,500,000	4,500,000
Other operating income	21	2,261,914	649,987	5,817	34,594
Distribution cost		(73,818)	(215,076)	-	-
Administration expenses		(6,216,499)	(6,722,495)	(263,476)	(282,926)
Other operating expenses		(1,574,145)	(801,545)	-	-
Operating profit		8,567,758	21,818,960	4,242,341	4,251,668
Finance cost	22	(39,561)	(130,099)	-	-
Profit before tax	23	8,528,197	21,688,861	4,242,341	4,251,668
Income tax expense	26	(1,761,991)	(5,366,470)	(1,032,307)	(1,179,750)
Profit for the year		6,766,206	16,322,391	3,210,034	3,071,918
Attributable to:					
Equity holders of the Company		6,766,206	16,322,391	3,210,034	3,071,918
Minority interest		-	-	-	-
		6,766,206	16,322,391	3,210,034	3,071,918
Earnings per share					
Basic (sen)	27	8.46	20.40		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Group	Note	Attributable to equity holders of the Company				Total RM
		Non - Distributable		Distributable		
		Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Unappropriated Profit RM	
At 1 July 2007		40,000,000	2,857,032	-	25,493,989	68,351,021
Profit for the year		-	-	-	16,322,391	16,322,391
Dividend	28	-	-	-	(2,488,000)	(2,488,000)
At 30 June 2008		40,000,000	2,857,032	-	39,328,380	82,185,412
At 1 July 2008		40,000,000	2,857,032	-	39,328,380	82,185,412
Foreign currency translation reserve		-	-	(16,369)	-	(16,369)
Profit for the year		-	-	-	6,766,206	6,766,206
Dividend	28	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2009		40,000,000	2,857,032	(16,369)	43,294,586	86,135,249

Company	Note	Non - Distributable		Distributable		Total RM
		Share Capital RM	Share Premium RM	Share Capital RM	Unappropriated Profit RM	
		At 1 July 2007		40,000,000	2,857,032	
Profit for the year		-	-	-	3,071,918	3,071,918
Dividend	28	-	-	-	(2,488,000)	(2,488,000)
At 30 June 2008		40,000,000	2,857,032	-	3,165,352	46,022,384
At 1 July 2008		40,000,000	2,857,032	-	3,165,352	46,022,384
Profit for the year		-	-	-	3,210,034	3,210,034
Dividend	28	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2009		40,000,000	2,857,032	-	3,575,386	46,432,418

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	8,528,197	21,688,861	4,242,341	4,251,668
Adjustments for:				
Gain on disposal of property, plant and equipment	(8,646)	(29,796)	-	-
Interest expenses	39,561	130,099	-	-
Interest income	(228,582)	(234,189)	(5,817)	(34,594)
Gain on foreign exchange - unrealised	(753,325)	(76,087)	-	-
Allowance for doubtful debts	950,172	324,482	-	-
Allowance for doubtful debts no longer required	(422,875)	(29,739)	-	-
Depreciation for property, plant and equipment	1,477,961	1,261,093	-	-
Depreciation for investment properties	2,591	2,591	-	-
Amortisation of prepaid lease payments	40,795	40,218	-	-
Property, plant and equipment written off	-	13,773	-	-
Deposit forfeited	(7,000)	-	-	-
Bad debts written off	54,871	-	-	-
Dividend income	-	-	(4,500,000)	(4,500,000)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES				
Decrease/(increase) in inventories	6,078,022	(9,857,240)	-	-
Decrease/(increase) in receivables	14,888,869	(12,448,740)	15,000	(18,750)
(Decrease)/increase in payables	(13,766,461)	10,485,445	(7,557)	18,560
CASH GENERATED FROM/(DEPLETED IN) OPERATIONS				
Interest paid	(39,561)	(130,099)	-	-
Interest received	228,582	234,189	5,817	34,594
Taxes paid	(3,270,578)	(3,276,393)	(22,000)	(32,500)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES				
	13,792,593	8,098,468	(272,216)	(281,022)
CASH FLOWS FROM INVESTING ACTIVITIES				
Prepayment of land lease (Note 6)	-	(2,002,301)	-	-
Purchase of property, plant and equipment	(1,332,939)	(6,316,081)	-	-
Proceeds from disposal of property, plant and equipment	15,500	29,800	-	-
Repayment from/(advances to) subsidiary companies	-	-	90,972	(6,155,722)
Dividend received	-	-	3,375,000	5,422,750
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES				
	(1,317,439)	(8,288,582)	3,465,972	(732,972)

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

CASH FLOW STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	-	(134,131)	-	-
Net (repayment)/proceeds of bills payable	(766,097)	238,331	-	-
Dividend paid	(2,800,000)	(2,488,000)	(2,800,000)	(2,488,000)
NET CASH USED IN FINANCING ACTIVITIES	(3,566,097)	(2,383,800)	(2,800,000)	(2,488,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,909,057	(2,573,914)	393,756	(3,501,994)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	108,950	13,665	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,205,439	15,765,688	3,467,533	6,969,527
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)	22,223,446	13,205,439	3,861,289	3,467,533

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

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

The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur and the principal place of business of the Company is located at 37 Jalan 5, Kawasan 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 August 2009.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements comply with MASB Approved Accounting Standards for Entities Other Than Private Entities and the Companies Act, 1965 in Malaysia.

The Group has not adopted the following new and revised Financial Reporting Standards ("FRSs") and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

(i) FRS 4	Insurance Contracts
(ii) FRS 7	Financial Instruments: Disclosures
(iii) FRS 8	Operating Segments
(iv) FRS 123	Borrowing Costs
(v) FRS 139	Financial Instruments: Recognition and Measurement
(vi) Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
(vii) Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
(viii) Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
(ix) IC Interpretation 9	Reassessment of Embedded Derivatives
(x) IC Interpretation 10	Interim Financial Reporting and Impairment
(xi) IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
(xii) IC Interpretation 13	Customer Loyalty Programmes
(xiii) IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (Continued)

All the new and revised FRSs and IC Interpretations above are effective from 1 January 2010 with the exception of FRS 8, which is effective from 1 July 2009.

FRS 4, Amendments to FRS 1, Amendments to FRS 2, IC Interpretation 9, IC Interpretation 11, IC Interpretation 13 and IC Interpretation 14 are expected to have no application to the Group's operations.

The adoption of FRS 8, FRS 123, Amendments to FRS 127 and IC Interpretation 10 are expected to have no significant impact on the financial statements of the Group upon their initial application.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 7 and FRS 139.

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

(d) Use of Estimates and Judgements

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

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

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

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

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

(ii) Allowance for doubtful debts

The Group made allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (Continued)

(d) Use of Estimates and Judgements (continued)

(iii) Income taxes

Significant estimation is involved in determining the Group provision for income tax. There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimates. The Group recognised tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts initially recognised, the difference will impact the tax provision in the period in which the outcome is determined.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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

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

The 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 transaction 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) Prepaid Lease Payments

Leasehold land that normally has a finite useful life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payments made on entering into or acquiring leasehold land is accounted as prepaid lease payments.

Prepaid lease payments for land use rights is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

(f) 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.

(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) 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.

(iii) Trade payables

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

(iv) 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.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 an 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

All 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Revenue Recognition (continued)

(ii) Interest income

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

(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 Company'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.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of this cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Foreign Currencies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed off or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

(m) Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(n) Impairment of Assets

The carrying amounts of assets other than inventories 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of Assets (continued)

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.

(o) Segment Reporting

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Total RM
30 June 2009								
Cost								
At 1 July 2008	2,762,726	7,403,801	514,162	408,811	351,387	1,282,767	9,382,985	22,106,639
Additions	-	93,541	83,883	42,286	132,278	583,100	397,851	1,332,939
Disposals	-	-	(8,600)	-	-	(118,813)	-	(127,413)
At 30 June 2009	2,762,726	7,497,342	589,445	451,097	483,665	1,747,054	9,780,836	23,312,165
Accumulated depreciation								
At 1 July 2008	-	274,167	282,455	349,127	182,257	652,602	3,021,545	4,762,153
Depreciation charge for the year	-	105,446	111,022	18,150	91,510	199,588	952,245	1,477,961
Disposals	-	-	(6,163)	-	-	(114,396)	-	(120,559)
At 30 June 2009	-	379,613	387,314	367,277	273,767	737,794	3,973,790	6,119,555
Net carrying amount								
At 30 June 2009	2,762,726	7,117,729	202,131	83,820	209,898	1,009,260	5,807,046	17,192,610

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group	Freehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Total RM
30 June 2008								
Cost								
At 1 July 2007	2,730,326	3,753,130	696,249	504,199	587,360	971,149	7,324,662	16,567,075
Additions	-	3,572,946	70,470	1,800	79,671	472,091	2,119,103	6,316,081
Disposals	-	-	(4,800)	-	-	(160,473)	-	(165,273)
Written off	-	-	(247,757)	(97,188)	(315,644)	-	(60,780)	(721,369)
Transfer from investment properties (Note 5)	32,400	77,725	-	-	-	-	-	110,125
At 30 June 2008	2,762,726	7,403,801	514,162	408,811	351,387	1,282,767	9,382,985	22,106,639
Accumulated depreciation								
At 1 July 2007	-	156,908	421,522	428,688	413,919	698,996	2,239,901	4,359,934
Depreciation charge for the year	-	103,268	101,708	17,469	83,960	114,076	840,612	1,261,093
Disposals	-	-	(4,799)	-	-	(160,470)	-	(165,269)
Written off	-	-	(235,976)	(97,030)	(315,622)	-	(58,968)	(707,596)
Transfer from investment properties (Note 5)	-	13,991	-	-	-	-	-	13,991
At 30 June 2008	-	274,167	282,455	349,127	182,257	652,602	3,021,545	4,762,153
Net carrying amount								
At 30 June 2008	2,762,726	7,129,634	231,707	59,684	169,130	630,165	6,361,440	17,344,486

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES

	Group	
	2009	2008
	RM	RM
Cost		
At 1 July	183,541	293,666
Transfer to property, plant and equipment (Note 4)	-	(110,125)
At 30 June	183,541	183,541
Accumulated depreciation		
At 1 July	25,908	37,308
Depreciation charge for the year	2,591	2,591
Transfer to property, plant and equipment (Note 4)	-	(13,991)
At 30 June	28,499	25,908
Net carrying amount		
At 30 June	155,042	157,633

In year 2009, the fair values on the above investment properties stated at cost approximated RM193,333 (2008: RM216,667). These fair values were obtained based on Directors' informal enquiries made with registered valuers.

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

6. PREPAID LEASE PAYMENTS

	Group	
	2009	2008
	RM	RM
At 1 July	3,182,019	1,219,936
Additions	-	2,002,301
Amortisation for the year	(40,795)	(40,218)
At 30 June	3,141,224	3,182,019
Analysed as:		
Long term leasehold land with unexpired lease period of more than 50 years	3,141,224	3,182,019

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2009	2008
	RM	RM
Unquoted shares – at cost	31,467,619	31,467,619

Details of the subsidiary companies are as follows:-

Name of Companies	Country of Incorporation	Effective Ownership Interest		Principal Activities
		2009 (%)	2008 (%)	
Direct subsidiary companies of the Company				
Imaspro Resources Sdn. Bhd. ("IRSB") *	Malaysia	100	100	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
Ideal Command Sdn. Bhd.*	Malaysia	100	100	Investment holding
Direct subsidiary companies of IRSB				
Imaspro Biotech Sdn. Bhd.*	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated **	Labuan, Malaysia	100	-	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

* Audited by Roger Yue, Tan & Associates

** Audited by firm other than Roger Yue, Tan & Associates

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(a) Acquisition of subsidiary company

On 25 September 2008, a wholly-owned subsidiary company of the Company, IRSB acquired 10,000 ordinary shares of USD1 each representing 100% equity interest in Imaspro Resources Incorporated, a newly incorporated company in the Federal Territory of Labuan, Malaysia under the Offshore Companies Act, 1990 for a total cash consideration of USD10,000, equivalent to RM34,200.

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

	RM
Revenue	14,498,806
Profit before tax	1,479,644
Profit for the year	<u>1,459,169</u>

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

	RM
Trade and other receivables	5,492,505
Cash and bank balances	3,988,041
Trade and other payables	(556,880)
Tax payable	(176)
Foreign currency translation reserve	17,354
	<u>8,940,844</u>

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

	At date of acquisition RM
Cash and cash equivalent	<u>34,200</u>
Fair value of total net assets	34,200
Goodwill on consolidation	-
Total purchase consideration	<u>34,200</u>
Cash and cash equivalent of subsidiary company acquired	<u>34,200</u>
Net cash inflow to the Group	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVENTORIES

	Group	
	2009	2008
	RM	RM
At cost:		
Raw materials	7,865,563	12,056,959
Finished goods	4,752,517	6,580,965
Packaging materials	895,408	918,814
Work-in-progress	705,037	739,809
	14,218,525	20,296,547

9. TRADE RECEIVABLES

	Group	
	2009	2008
	RM	RM
Trade receivables	33,790,041	49,699,605
Less : Allowance for doubtful debts	(1,296,086)	(768,789)
	32,493,955	48,930,816

The Group's normal trade credit terms ranges from 30 days to 180 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.

10. OTHER RECEIVABLES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Deposits	607,144	46,370	-	-
Prepayments	1,018,137	1,363,279	3,750	18,750
Sundry receivables	1,383,570	481	-	-
	3,008,851	1,410,130	3,750	18,750

Credit risk with respect to sundry receivables for the Group is concentrated on one company, which accounted for approximately 99% (2008: Nil) of sundry receivables.

11. AMOUNT DUE FROM SUBSIDIARY COMPANIES

These are unsecured, interest free and there is no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. SHORT TERM INVESTMENTS

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 investments are highly liquid which have an insignificant risk of changes in value which bore weighted average effective interest rates at the balance sheet date of 2.12% and 1.71% (2008: 2.42% and 2.42%) for the Group and the Company respectively.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash on hand and at banks	9,515,568	3,331,567	7,567	6,600
Deposits with licensed banks	502,191	11,000	-	-
Cash and bank balances	10,017,759	3,342,567	7,567	6,600
Short term investments (Note 12)	12,205,687	9,862,872	3,853,722	3,460,933
Cash and cash equivalents	22,223,446	13,205,439	3,861,289	3,467,533

One of the deposits with licensed banks in respect of a subsidiary company amounting to RM12,721 (2008: 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 for the Group was 2.50% (2008: 3.70%).

The average maturity of deposits with licensed banks as at the end of the financial year for the Group was 365 days (2008: 365 days).

14. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM0.50 Each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised:				
At 1 July/30 June	200,000,000	200,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 July/30 June	80,000,000	80,000,000	40,000,000	40,000,000

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. UNAPPROPRIATED PROFIT

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

The Company has made an irrevocable election to move to a single tier system to frank tax exempt dividend up to maximum amount of unappropriated profit. As a result, there are no longer restrictions on the Company to frank the payment of dividends out of its entire unappropriated profit as at the balance sheet date.

16. DEFERRED TAX LIABILITIES

	2009 RM	Group 2008 RM
At 1 July	1,033,218	749,649
Recognised in income statement (Note 26)	206,119	283,569
At 30 June	1,239,337	1,033,218
Presented after appropriate offsetting as follows:		
Deferred tax assets	(32,852)	(85,986)
Deferred tax liabilities	1,272,189	1,119,204
	1,239,337	1,033,218

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

Deferred tax assets of the Group

	Property, plant and equipment RM	Others RM	Total RM
At 1 July 2008	(989)	(84,997)	(85,986)
Recognised in income statement	(3,244)	56,378	53,134
At 30 June 2009	(4,233)	(28,619)	(32,852)
At 1 July 2007	-	(11,739)	(11,739)
Recognised in income statement	(989)	(73,258)	(74,247)
At 30 June 2008	(989)	(84,997)	(85,986)

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. DEFERRED TAX LIABILITIES (Continued)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Others RM	Total RM
At 1 July 2008	1,015,185	104,019	1,119,204
Recognised in income statement	40,055	112,930	152,985
At 30 June 2009	1,055,240	216,949	1,272,189
At 1 July 2007	746,954	14,434	761,388
Recognised in income statement	268,231	89,585	357,816
At 30 June 2008	1,015,185	104,019	1,119,204

17. BILLS PAYABLE

	2009 RM	Group 2008 RM
Repayable:		
Within one year	70,370	838,097

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

The bills payable are secured by the following:

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

18. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits received	567,500	14,500	-	-
Accruals	1,970,742	3,141,870	17,200	17,200
Sundry payables	160,516	158,341	7,483	15,040
	<u>2,698,758</u>	<u>3,314,711</u>	<u>24,683</u>	<u>32,240</u>

20. REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sale of goods	83,017,443	150,678,784	-	-
Dividend income	-	-	4,500,000	4,500,000
	<u>83,017,443</u>	<u>150,678,784</u>	<u>4,500,000</u>	<u>4,500,000</u>

21. OTHER OPERATING INCOME

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Allowance for doubtful debts no longer required	422,875	29,739	-	-
Interest income	228,582	234,189	5,817	34,594
Rental income	24,000	30,600	-	-
Insurance claim	-	66,728	-	-
Gain on disposal of property, plant and equipment	8,646	29,796	-	-
Gain on foreign exchange				
- realised	512,388	182,848	-	-
- unrealised	753,325	76,087	-	-
Deposit forfeited	7,000	-	-	-
Net income from other source	162,500	-	-	-
Over provision of commission in prior year	142,598	-	-	-
	<u>2,261,914</u>	<u>649,987</u>	<u>5,817</u>	<u>34,594</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. FINANCE COST

	Group	
	2009 RM	2008 RM
Interest expenses on:		
Term loan	-	3,078
Bills payable	39,561	127,021
	39,561	130,099

23. PROFIT BEFORE TAX

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Employee benefits expense (Note 24)	2,762,687	4,416,823	48,000	48,000
Non-Executive Directors' remuneration (Note 25)	84,000	84,000	84,000	84,000
Auditors' remuneration				
- statutory audit	45,322	38,200	17,200	17,200
- other services	-	14,600	-	14,100
Allowance for doubtful debts	950,172	324,482	-	-
Depreciation of property, plant and equipment (Note 4)	1,477,961	1,261,093	-	-
Depreciation of investment properties (Note 5)	2,591	2,591	-	-
Amortisation of prepaid lease payments (Note 6)	40,795	40,218	-	-
Property, plant and equipment written off	-	13,773	-	-
Rental of premises	6,410	-	-	-
Bad debts written off	54,871	-	-	-

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages, salaries, bonuses and allowances	2,281,832	4,041,511	48,000	48,000
Social security contribution	21,993	19,899	-	-
Contributions to defined contribution plan	458,862	355,413	-	-
	2,762,687	4,416,823	48,000	48,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,396,500 (2008: RM1,783,900) and RM48,000 (2008: RM48,000) respectively as further disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive:				
- Salaries and other emoluments	1,050,000	1,420,000	-	-
- Fees	168,000	168,000	48,000	48,000
- Contributions to defined contribution plan	178,500	195,900	-	-
	1,396,500	1,783,900	48,000	48,000
Non-Executive:				
- Fees	84,000	84,000	84,000	84,000
TOTAL	1,480,500	1,867,900	132,000	132,000

26. INCOME TAX EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Income tax:				
Malaysian income tax	(1,506,725)	(5,018,290)	(1,087,000)	(1,140,000)
(Under)/overprovided in prior year	(49,147)	(64,611)	54,693	(39,750)
	(1,555,872)	(5,082,901)	(1,032,307)	(1,179,750)
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(210,483)	(333,238)	-	-
Effect to changes in tax rate	-	41,329	-	-
Overprovided in prior year	4,364	8,340	-	-
	(206,119)	(283,569)	-	-
TOTAL	(1,761,991)	(5,366,470)	(1,032,307)	(1,179,750)

Domestic current income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. The computation of deferred tax as at 30 June 2009 has reflected these changes.

In prior year, one of the subsidiary companies of the Group, being a Malaysian resident company with paid-up capital not exceeding RM2.5 million qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income	: 20%
In excess of RM500,000 of chargeable income	: 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, the said subsidiary company no longer qualifies for the above preferential tax rates.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. INCOME TAX EXPENSE (Continued)

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax	8,528,197	21,688,861	4,242,341	4,251,668
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(2,132,049)	(5,639,104)	(1,060,585)	(1,105,434)
Tax benefits for small and medium companies in Malaysia	-	4,003	-	-
Effect of changes in tax rates on opening balance of deferred tax	-	28,512	-	-
Deferred tax recognised at different tax rates	-	12,817	-	-
Effect of different tax rate in other jurisdiction	349,436	-	-	-
Expenses not deductible for tax purposes	(84,851)	(136,089)	(27,869)	(34,566)
Income not subject to tax	44,112	33,007	1,454	-
Expenditure qualified for double deduction	66,190	92,787	-	-
Utilisation of reinvestment allowances	59,678	311,511	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	(39,378)	(138,080)	-	-
Temporary differences in respect of property, plant and equipment not recognised	19,654	120,437	-	-
(Under)/over provision of tax expense in prior year	(49,147)	(64,611)	54,693	(39,750)
Over provision of deferred tax in prior year	4,364	8,340	-	-
Tax expense for the year	(1,761,991)	(5,366,470)	(1,032,307)	(1,179,750)

27. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated based on the 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 issue during the financial year held by the Company.

	Group	
	2009	2008
Profit attributable to ordinary equity holders of the Company (RM)	6,766,206	16,322,391
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per share (sen)	8.46	20.40

(b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. DIVIDEND

	Group and Company	
	2009	2008
	RM	RM
For financial year ended 30 June 2008:		
- A first and final single tier dividend of 3.5 sen per share paid on 23 January 2009	2,800,000	-
For financial year ended 30 June 2007:		
- 2.0 sen per share tax exempt on 80,000,000 ordinary shares paid on 23 January 2008	-	1,600,000
- 1.5 sen per share less 26% income tax on 80,000,000 ordinary shares paid on 23 January 2008	-	888,000
	2,800,000	2,488,000

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen in respect of the financial year ended 30 June 2009 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profit in the financial year ending 30 June 2010.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,500,000	4,500,000

Information regarding outstanding balances arising from related party transactions as at 30 June 2009 is disclosed in Note 11.

(b) Transactions with other related parties

	Group	
	2009	2008
	RM	RM
Sales to Hap Seng Chemicals Sdn. Bhd., a company in which a Director, Tong Chin Hen has equity interest via his shareholding in Imaspro Process Technology Sdn. Bhd.	34,090	33,550
Sales to Hap Seng Fertiliser Sdn. Bhd., a holding company of Hap Seng Chemicals Sdn. Bhd.	7,500	7,750
Salaries and other related expenses paid/payable to persons related to certain Directors	78,400	89,600

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. 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	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	1,920,157	2,309,629	132,000	132,000
Post-employment benefits:				
- Defined contribution plan	250,614	272,094	-	-
	<u>2,170,771</u>	<u>2,581,723</u>	<u>132,000</u>	<u>132,000</u>

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

Included in the total key management personnel are:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors' remuneration (Note 25)	<u>1,480,500</u>	<u>1,867,900</u>	<u>132,000</u>	<u>132,000</u>

30. CONTINGENT LIABILITIES

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

	Company	
	2009 RM	2008 RM
Unsecured:		
- Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary company	<u>29,600,000</u>	<u>4,850,000</u>

31. SIGNIFICANT EVENT

On 25 September 2008, one of the subsidiary companies of the Company, Imaspro Resources Sdn. Bhd. acquired 10,000 ordinary shares of USD1 each representing 100% equity interest in Imaspro Resources Incorporated, a newly incorporated company in the Federal Territory of Labuan, Malaysia under the Offshore Companies Act, 1990 for a total cash consideration of USD10,000, equivalent to RM34,200.

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. SEGMENT INFORMATION

(a) Geographical Segments

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

	2009 RM	Group 2008 RM
Revenue (from external customers)		
Malaysia	40,154,620	55,565,955
Overseas countries	42,862,823	95,112,829
	83,017,443	150,678,784

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

(b) Business Segments

No business segment information has been presented as the Group is solely involved in the manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals and trading of pesticides and other agrochemicals which are substantially within a single business segment.

33. 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.

(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 2009. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. FINANCIAL INSTRUMENTS (Continued)

(c) Foreign Currency Risk

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

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

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

Functional currency of the Group	Net Financial Assets Held in Non-Functional Currency				Total RM
	United States Dollar RM	Australian Dollar RM	Euro RM	Singapore Dollar RM	
At 30 June 2009					
Ringgit Malaysia	15,946,475	2,248,766	-	26,740	18,221,981
At 30 June 2008					
Ringgit Malaysia	16,070,373	3,435,375	(17,204)	-	19,488,544

(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.

(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 except for as disclosed in notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. FINANCIAL INSTRUMENTS (Continued)

(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:

Financial Assets	Note	Group		Company	
		Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
At 30 June 2009:					
Amount due from subsidiary companies	11	-	-	10,954,750	*
Short term investments	12	12,205,687	12,205,687	3,853,722	3,853,722
At 30 June 2008:					
Amount due from subsidiary companies	11	-	-	11,045,722	*
Short term investments	12	9,862,872	9,862,872	3,460,933	3,460,933

* It is not practical to estimate the fair values of amount due from 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 the Company as at the end of the financial year are:

	Note	30 June 2009		30 June 2008	
		Nominal/ Notional Amount RM	Net Fair Value RM	Nominal/ Notional Amount RM	Net Fair Value RM
Contingent liabilities	30	29,600,000	70,370 #	4,850,000	838,097 #

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

The following methods and assumptions are used to estimate the fair value of the following class of financial instruments:

(i) Short Term Investments

The fair value of quoted short term investments are determined by reference to quoted market bid prices at the close of the business on the balance sheet date.

(ii) Borrowings

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending and borrowing arrangements.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR") for the financial year ended 30 June 2009:

Material Contracts Involving Directors and Substantial Shareholders

Save as otherwise disclosed in Note 29 Significant Related Party Transactions to 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 2009.

Share Buy-Backs

The Company did not make any share buy-back during the financial year ended 30 June 2009.

Non-Audit Fees

There were no non-audit fees paid to external auditors during the financial year ended 30 June 2009.

Options or Convertible Securities Exercised

No options or convertible securities were issued during the financial year ended 30 June 2009.

Variation in Results for the Financial Year

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

Depository Receipt Programme ("DRP")

The Company did not sponsor any DRP during the financial year ended 30 June 2009.

Profit Estimate, Forecast or Projection

The Company has not provided a profit forecast for the financial year ended 30 June 2009.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year ended 30 June 2009.

Revaluation of Properties

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

Utilisation of Proceeds

The Company did not raise any funds from any corporate proposals during the financial year ended 30 June 2009.

PROPERTIES OF THE GROUP

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Imaspro Resources Sdn. Bhd.						
H.S.(D) 13013 Lot No. P.T. 11539 Mukim of Kapar District of Klang State of Selangor 33, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Rented out	Land area: 1,540 Built-up area: 4,386	Freehold	25	155	1 March 1990
H.S. (D) 13012 Lot No. P.T. 11538 Mukim of Kapar District of Klang State of Selangor 35, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Administrative head office	Land area: 1,540 Built-up area: 4,386	Freehold	25	155	10 April 1990
H.S. (D) 13011 Lot No. P.T. 11537 Mukim of Kapar District of Klang State of Selangor 37, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Administrative head office	Land area: 1,540 Built-up area: 4,386	Freehold	25	633	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	7	1,976	8 November 2004

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd.						
H.S.(M) 6289, No. P.T. 4258 Mukim of Kapar District of Klang State of Selangor	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 73,378	Leasehold interest for 99 years expiring on 9 June 2086 leaving an unexpired term of 77 years	21	3,366	15 November 1996
Lot 2, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara 42000 Port Klang Selangor Darul Ehsan		Built-up area: 31,621				
H.S.(M) 6288, No. P.T. 4257 Mukim of Kapar District of Klang State of Selangor	Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals	Land area: 88,146	Leasehold interest for 99 years expiring on 9 June 2086 leaving an unexpired term of 77 years	27	5,462	17 January 2007
Lot 4, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara 42000 Port Klang Selangor Darul Ehsan		Built-up area: 44,000				
Imaspro Biotech Sdn. Bhd.						
H.S.(D) 60122, No. P.T. 60621 Mukim and District of Klang State of Selangor	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 11,016	Freehold	11	841	17 November 2006
No. 24, Lorong Seri Gambut 1 Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan		Built-up area: 3,290				
H.S.(D) 60123, No. P.T. 60622 Mukim and District of Klang State of Selangor	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 7,800	Freehold	11	589	17 November 2006
No. 22, Lorong Seri Gambut 1 Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan		Built-up area: 3,290				

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 24 SEPTEMBER 2009

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

DISTRIBUTION OF SHAREHOLDINGS AS AT 24 SEPTEMBER 2009

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	4	0.62	150	0.00
100 – 1,000	306	47.66	95,900	0.12
1,001 – 10,000	226	35.20	1,015,250	1.27
10,001 – 100,000	74	11.53	2,551,600	3.19
100,001 to less than 5% of issued shares	29	4.52	18,700,432	23.38
5% and above of issued shares	3	0.47	57,636,668	72.04
Grand total	642	100.00	80,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 24 SEPTEMBER 2009

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

Deemed interest through Swiss Revenue Sdn. Bhd.

* Deemed interest through Sunbina Dunia Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS AS AT 24 SEPTEMBER 2009

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

Deemed interest through Swiss Revenue Sdn. Bhd.

* Deemed interest through Sunbina Dunia Sdn. Bhd.

SHAREHOLDERS' INFORMATION (continued)

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 24 SEPTEMBER 2009

No.	Name of Shareholders	No. of shares held	%
1.	Swiss Revenue Sdn. Bhd.	33,947,064	42.43
2.	Sunbina Dunia Sdn. Bhd.	19,118,704	23.90
3.	Lembaga Tabung Haji	4,570,900	5.71
4.	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 - CIMB - Principal Small Cap Fund 2	1,412,000	1.77
9.	Agrimart Sdn. Bhd.	940,000	1.18
10.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt AN for UBS AG	850,000	1.06
11.	M & A Nominee (Asing) Sdn. Bhd. - Lewey Marketing Aktiengesellschaft	806,000	1.01
12.	Universal Trustee (Malaysia) Berhad - CIMB Islamic Small Cap Fund	719,800	0.90
13.	HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd for Prudential Dana Al-Ilham	680,000	0.85
14.	Ku Kooi Khang	630,838	0.79
15.	Wong Klin Chai @ Wong Kum Heng	499,000	0.62
16.	Neo Khoon Seng	350,700	0.44
17.	Stephen Kuek Hock Eng	256,604	0.32
18.	M & A Nominee (Asing) Sdn. Bhd. - Multivers Aktiengesellschaft	234,300	0.29
19.	Lim Boon Liat	210,000	0.26
20.	Sabah Development Bank Berhad - As Beneficial Owner	207,000	0.26
21.	Cimsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Khoo Nee Meng	195,000	0.24
22.	Mohd Shafek Bin Isa	150,000	0.19
23.	Tong Chin Hen	150,000	0.19
24.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Chong Seng	144,800	0.18
25.	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Pang Sar	143,500	0.18
26.	Lee Tan Yan	142,000	0.18
27.	Teh Kiat Hock	140,300	0.18
28.	Lee Kim Heage	134,000	0.17
29.	Yap Kim Yok	119,000	0.15
30.	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Foo Ah Sian	112,400	0.14
TOTAL		76,129,100	95.18

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth 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 Monday, 23 November 2009 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | |
|---|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2009 and the Reports of the Directors and Auditors thereon. | |
| 2. To approve the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2009. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2009. | Ordinary Resolution 2 |
| 4. To re-elect Mr. Tong Chin Hen 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 remuneration. | Ordinary Resolution 5 |

As Special Business

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

- | | |
|--|------------------------------|
| 7. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965 | Ordinary Resolution 6 |
|--|------------------------------|

"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."

NOTICE OF ANNUAL GENERAL MEETING (continued)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifth Annual General Meeting of the Company, a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2009 will be paid to the shareholders on 25 January 2010. The entitlement date for the said dividend shall be 11 January 2010.

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 11 January 2010 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

TAN ENK PURN (MAICSA 7045521)
LEW NYOK KHIM (MAICSA 0792279)
Secretaries

Kuala Lumpur

Date: 30 October 2009

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. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
3. 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.
4. 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.
5. To be valid, the instrument appointing a proxy, duly completed must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn. Bhd. (formerly known as Tenaga Koperat Sdn. Bhd.), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting 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).

NOTICE OF 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 for the purpose of granting a renewed general mandate (“General Mandate”) and if passed, will empower the Directors of the Company pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to this General Mandate does not exceed 10% of the issued share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares had been issued by the Company pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 18 December 2008 and which will lapse at the conclusion of the Fifth Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF FIFTH ANNUAL GENERAL MEETING

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

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

- a. Mr. Tong Chin Hen
- 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 pages 6 to 8 of this Annual Report.



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

(657527-H)

FORM OF PROXY

CDS account no.

No. of shares held

I/We _____ I.C./Passport/Company No. _____
of _____ being a member/members of IMASPRO CORPORATION BERHAD,
hereby appoint _____ NRIC No. _____ of
_____ or failing him, _____

NRIC No. _____ of _____ or failing
him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifth 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 Monday, 23 November 2009 at 10:00 a.m.** and at any adjournment thereof.

AGENDA 1

Receipt of the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2009.

My/our proxy is to vote as indicated below:

AGENDA 2-7

NO	ORDINARY RESOLUTIONS	FOR	AGAINST
	Ordinary Business		
1.	Approval on the payment of a first and final dividend.		
2.	Approval on the payment of Directors' fees.		
3.	Re-election of Mr. Tong Chin Hen as Director.		
4.	Re-election of Dr. Leong Wan Leong as Director.		
5.	Re-appointment of Messrs. Roger Yue, Tan & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
6.	Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965.		

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

Dated this _____ day of _____ 2009

Signature / Common Seal of Shareholder(s)

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

	<u>No. of Shares</u>	<u>Percentage</u>
Proxy 1		%
Proxy 2		%
Total		100%

NOTES:

- 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.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- Where a member appoints 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.
- Where a member of the Company is an authorised nominee as defined under the Security Industries (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- To be valid, the instrument appointing a proxy, duly completed must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn. Bhd. (formerly known as Tenaga Koperat Sdn. Bhd.), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).

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AFFIX
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The Company

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

TRICOR INVESTOR SERVICES SDN. BHD.
(FORMERLY KNOWN AS TENAGA KOPERAT SDN. BHD.)

LEVEL 17, THE GARDENS NORTH TOWER
MID VALLEY CITY, LINGKARAN SYED PUTRA
59200 KUALA LUMPUR

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poised for
ACCELERATED
global **GROWTH**

IMASPRO CORPORATION BERHAD (657527-H)

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