



IMASPRO CORPORATION BERHAD

(657527-H)

ANNUAL REPORT  
**2010**



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**ACCELERATED**  
global **GROWTH**

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# CHAIRMAN'S STATEMENT



## Dear Valued Shareholders

On behalf of the Board of Directors of Imaspro Corporation Berhad ("ICB"), it is with great pleasure that I present the Fifth Annual Report and Financial Statements of ICB for the year ended 30 June 2010.

### FINANCIAL PERFORMANCE

For the financial year ended 30 June, 2010, the Group achieved a 22.3% increase in net profit to RM8.3 million as against RM6.8 million for the previous financial year despite recording a 7.8% decrease in revenues to RM76.6 million as compared to RM83.0 million recorded in the previous year.

In line with improved financial performance, the Group's earnings per share increased to 10.35 sen per share as compared to 8.46 sen per share of the previous financial year.

### PROPOSED DIVIDENDS

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

### OPERATIONS REVIEW

ICB through its subsidiaries is primarily engaged in the manufacturing and trading of agrochemicals and plant micronutrients.

The second half of 2009, i.e. the first half of our financial year, saw the global economy pulling itself slowly out from the most severe recession since the post-World War II era. This fragile recovery staggered into the first quarter of 2010 with Greece debt/financial crisis looming in the background. Amidst signs of global recovery, crude oil prices crept erratically upwards to test and break the USD80 per barrel mark. As a result, price volatility of our main raw material once again ruled the supply market – a condition which made the sourcing and management of our input costs extremely challenging. During this period, however, our customers who had been operating with near-zero stock began to normalise their order patterns and rebuild their low stockholding positions. Although there were many bouts of price-cutting among competition, our Group managed the variables well to improve on its earnings as compared to the corresponding period of the previous financial year.

In early April 2010, the global financial markets were sent into turmoil once again when the contagion from the Greek crisis hit Portugal (with Spain, Ireland and Italy being put on the "watch list"). In early May, fearing a derailment of a fragile economic recovery, global policymakers installed an emergency financial safety net worth 750 billion Euros (equivalent to more than USD1 trillion) to calm the jitters in the global financial markets and avert further contagion from the Greek crisis. As a result of ensuing very tough market conditions there, our exports to Europe and Russia fell drastically in the final quarter of the current financial year and this partially offset the strong financial performance the Group achieved in the first 9 months of the financial year.

MD C.H. Tong (left), briefing Y.A.B. Tan Sri Dato' Haji Muhyiddin Bin Mohd. Yassin, Deputy Prime Minister Malaysia (right), Y.B. Tan Sri Bernard Giluk Dompok, Minister of Plantation Industries and Commodities Malaysia (centre) and Dato' Sabri Ahmad, previously Chairman of Malaysian Palm Oil Board (MPOB) and now MD of Felda Holdings Bhd (second from right), on our more environmental friendly products using solvents and emulsifiers derived from palm oil at the Malaysia International Commodity Conference Showcase 2009 (MICCOS) held at Malaysia Agro Exposition Park Serdang (MAEPS).



MPOB Director General, Datuk Dr Mohd Basri Wahid (second from right) and MPOB Deputy Director General Dr. Choo Yuen May (far right) and MD C.H. Tong sharing a light moment with the VIPs.

Going forward, we are hopeful that the glyphosate pricing, both at the raw material and finished product levels, can gradually return to normalcy as early signs of supply and demand of our main products moving towards equilibrium are slowly becoming more evident.

Our continued focus on cash flow management has allowed us to further improve on our collections. As a result, the Group's short term investments and cash and bank balances increased further to RM32.6 million as at 30 June 2010. This strong liquidity position provides the Group with tremendous flexibility in our choice of the most ideal capital structure to fund our business expansion, including strategic acquisition(s), to enhance value for our shareholders.

Investment in research and development (R&D) to develop and register new products is an integral part of ICB's growth strategy. We currently hold 275 product registrations comprising 175 for the local market and 100 for overseas markets.

One of our newer products, ENDMOS-Q, deserves my special mention. We utilise bio-degradable palm-based solvents and emulsifiers (instead of derivative products from petroleum) to formulate this water-based insecticide for the control of Aedes mosquito, the most competent vector for dengue fever and chikungunya viruses. ENDMOS-Q is the world's 1st proven-effective water-based mosquito vector control product produced via our patent-pending process. This innovative product is odourless and has significantly lower carbon footprint. Water, instead of kerosene or diesel, can be used as a diluent in the application of ENDMOS-Q. As a result, it greatly reduces the exposure of operators to harmful materials in their work environments as well as in the residential / public areas.

We are actively seeking to register this "more eco-friendly" product in overseas countries where, globally, more than 100 million cases of dengue fever are reported annually.

#### OUTLOOK AND PROSPECTS

The World Bank has estimated Malaysia's gross domestic product (GDP) growth to be slightly lower at 5.3% in 2011 as against the forecast at 5.7% this year.

During the first half of this financial year, Malaysia's economy was characterised by a spurt of growth due to exports, recovery in domestic demand and the low base effects. Growth in



Conducting field experiment to evaluate the effectiveness of our new herbicides formulation on brinjal plant as part of our Research and Development programme.

the second half is expected to moderate to a more sustainable pace as the low base effects dissipate and exports will be affected by the slower growth in the advanced economies.

In a nutshell so long as the human population continues to grow, famines exist and that our human race eats food and vegetables for survival, the demand and markets for approved agrochemicals, either synthetic or organic, and plant micronutrients are likely to grow further.

With a very significant portion of our revenues being derived from overseas sales, we are naturally affected by global events. Although there are signs of global economic recovery, many economists also highlight the high probability (up to 40%) of double-dip global recession given the dramatic slowdown in the US economy as evidenced from the latest economic data. Uncertainties are a reality of business and in the midst of all these conflicting forecasts by leading economists, we will continue to bank on our core competency and experience in global agrochemical business, manage the challenges of inventory adjustments by raw material suppliers and customers, and look for opportunities to grow our business, either through new products, selling to new countries, or via strategic acquisition(s) to increase our market share.

In conclusion, we remain positive on the Group's prospects. Barring unforeseen circumstances, we are confident that the Group's full year earnings in the coming financial year would continue to be favourable.

#### Corporate Governance

The Statement of Corporate Governance is set out on page 9 to page 15. The Board will continue to ensure that all relevant requirements for the Main Market of Bursa Malaysia Securities Berhad are strictly applied and fully adhered to by the Group at all times.

#### Corporate Social Responsibility

As we complete another successful year in increasing value for our shareholders, we remain cognizant of our responsibility to our employees, our business associates and the communities and environment within which we operate our business.

In recognition of our employees being our most valued asset, the Group has continued to provide training to upgrade their skills set. Technical staff were sent for training overseas in specialised fields, while non-technical staff attended local training to improve their delivery effectiveness.

Our industry is a highly regulated one, and the Group adheres strictly to all environmental laws and regulations, notably those spelt out in Factories and Machinery Act, Occupational Safety and Health Act and Environmental Quality Act.

Last but not least are our cash donations to Shepherd's Centre Foundation and Persatuan Warga Emas, both donations of which are meant to help the less fortunate orphans and old folks who live within our community.

#### APPRECIATION AND ACKNOWLEDGEMENT

The Board of Directors appreciates the strong commitment and loyalty of our employees. We hold the belief that our workforce is our greatest asset and we are confident that they will continue to be diligent in discharging their responsibilities.

To our Shareholders, I am grateful for their continued confidence in our company. To our customers, business associates, suppliers and bankers, I render my thanks for your continued support.

I would also like to take this opportunity to thank the Board of Directors for their invaluable contribution and dedication and I look forward to their same enthusiasm as we continue to forge ahead.

**MOHD SHAFEK BIN ISA**  
CHAIRMAN



Mr. L.C. Lee (second from left), Product Manager of Zhejiang Wynca Chemical Industry Group Co. Ltd., introducing new products to our marketing and procurement personnel.



Our management staff and marketing team attending China International Agrochemical and Crop Protection Conference Exhibition (CAC) in Shanghai, in a photo-shot with Mr. L.C. Lee (second from right), Product Manager of Zhejiang Wynca Chemical Industry Group Co. Ltd.



Team building retreat - team members taking time off to enjoy some durians at a durian party held in our research center at Jasin, Melaka.

# 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](mailto:imaspro@imaspro.com)  
Website: <http://www.imaspro.com>

## REGISTRAR

Tricor Investor Services 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

Name	MOHD SHAFEK BIN ISA	TONG CHIN HEN
Age	53	54
Nationality	Malaysian	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Diploma in Statistics from UiTM</li> <li>• Postgraduate Diploma from the Securities Institute of Australia</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Institute of Directors, United Kingdom</li> </ul>
Position on Board	Non-Executive Chairman	Managing Director
Date of Appointment	15 November 2005	15 November 2005
Working Experience	<p>He began his career as an Investment Analyst with Malaysian National Reinsurance Berhad, Kuala Lumpur and left as an Investment Manager in 1986. Thereafter, he joined KAB Group as the Corporate Planning Manager. In 1991, he returned to the investment and securities industry when he joined BBMB Securities Sdn. Bhd. as Manager of Institutional Sales. He left BBMB Securities in 1992 to join UMBC Securities Sdn. Bhd. as Manager, Dealing before assuming the position of Senior Manager, Dealing in MGI Securities Berhad in 1995. He left MGI Securities in 1998 and was based in London as Fund Manager of TRIM Capital Management Ltd. In 2000, he returned to Malaysia and was employed as Head of Islamic Products Unit, a start-up division to participate in the evolving opportunities in Islamic banking, in Melor Permata Capital Management Sdn. Bhd. He left the company in the same year to pursue his personal interest in the investment and securities industry.</p>	<p>His career started in 1975 when he joined Ancom Sdn. Bhd., which went public in 1990, and was the first agrochemical plant to be established in Malaysia. He left the company in end of 1992 while he was the Executive Commercial Manager. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of the company to be a leading pesticide player in Malaysia over the last seventeen (17) years. His ability to lead a Malaysian agrochemical company to break into and increase its overseas presence amidst growing trade protectionism reflects his market-savvy approach to business and the extent of his networking in the international agrochemical business. He has been a regular participant in the Annual British Crop Protection Conference &amp; Exhibition in the United Kingdom, the largest annual gathering of players in the global agrochemical industry since the 1990s.</p>
Other directorships of public companies	Nil	Nil
Family relationship with any director and/or major shareholders of the Company	Nil	The younger brother of Mr. Tong Ah Wah @ Tong Chun Hwi, an executive Director of the Company
Conflict of interest with the Company	Nil	Nil
List of convictions for offences within the past ten (10) years other than traffic offences	Nil	Nil
Committee	<ul style="list-style-type: none"> <li>• Member of the Audit Committee</li> <li>• Member of the Remuneration Committee</li> <li>• Member of the Nomination Committee</li> </ul>	Nil

## PROFILE OF DIRECTORS (continued)

Name	<b>TONG AH WAH @ TONG CHUN HWI</b>	<b>DR. LEONG WAN LEONG</b>
<b>Age</b>	61	60
<b>Nationality</b>	Malaysian	Malaysian
<b>Qualification</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science in Chemical Engineering, National Cheng Kung University, Taiwan</li> <li>• Member of Institute Kimia Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Science Degree in Chemical Engineering, National Cheng Kung University, Taiwan</li> <li>• Master of Science Degree in Process Analysis and Development, University of Aston Birmingham, United Kingdom</li> <li>• Ph. D, University of Malaysia</li> </ul>
<b>Position on Board</b>	Executive Director	Independent Non-Executive Director
<b>Date of Appointment</b>	15 November 2005	15 November 2005
<b>Working Experience</b>	<p>Upon his graduation in 1972, he joined Malaya Acid Works Sdn. Bhd. ("MAWSB") as a Shift Engineer 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 the Senior Chemical Engineer of the company.</p>	<p>He joined the University of Malaya in 1977 where he lectured, tutored and conducted research. Between mid 1980s until 1996, he held various positions at the Palm Oil Research Institute of Malaysia ("PORIM"), currently known as Malaysia Palm Oil Board. He is a trained assessor for the implementation and auditing of ISO 9000 Quality System for the palm oil industry and also the main assessing officer for PORIM's Certificate of Competency Schemes for palm oil refineries and palm oil mills. In addition, he is also responsible for organising the Diploma and other certified training programs for palm oil mill engineers, production supervisors and laboratory conductors.</p>
<b>Other directorships of public companies</b>	Stone Master Corporation Berhad	Nil
<b>Family relationship with any director and/or major shareholders of the Company</b>	The elder brother of Mr. Tong Chin Hen, the Managing Director of the Company	Nil
<b>Conflict of interest with the Company</b>	Nil	Nil
<b>List of convictions for offences within the past ten (10) years other than traffic offences</b>	Nil	Nil
<b>Committee</b>	Nil	<ul style="list-style-type: none"> <li>• Chairman of the Remuneration Committee</li> <li>• Chairman of the Nomination Committee</li> <li>• Member of the Audit Committee</li> </ul>



## PROFILE OF DIRECTORS (continued)

<b>Name</b>	<b>TAI KEAT CHAI</b>
<b>Age</b>	56
<b>Nationality</b>	Malaysian
<b>Qualification</b>	<ul style="list-style-type: none"> <li>• Fellow of the Institute of Chartered Accountants in England &amp; Wales</li> <li>• Member of the Malaysian Institute of Accountants</li> </ul>
<b>Position on Board</b>	Independent Non-Executive Director
<b>Date of Appointment</b>	15 November 2005
<b>Working Experience</b>	<p>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.</p>
<b>Other directorships of public companies</b>	<ul style="list-style-type: none"> <li>• Chuan Huat Resources Berhad</li> <li>• Disccomp Berhad</li> <li>• CUSCAPI Berhad</li> <li>• Opensys (M) Berhad</li> <li>• MIDF Amanah Investment Bank Berhad</li> <li>• Silk Holdings Berhad</li> </ul>
<b>Family relationship with any director and/or major shareholders of the Company</b>	Nil
<b>Conflict of interest with the Company</b>	Nil
<b>List of convictions for offences within the past ten (10) years other than traffic offences</b>	Nil
<b>Committee</b>	<ul style="list-style-type: none"> <li>• Chairman of the Audit Committee</li> <li>• Member of the Nomination Committee</li> <li>• Member of the Remuneration Committee</li> </ul>

# CORPORATE GOVERNANCE STATEMENTS

The Board of Directors of Imaspro Corporation Berhad (“the Board”) is committed to ensuring that the highest standards of Corporate Governance within the Group as expressed in the Principles and Best Practices set out in the Malaysian Code on Corporate Governance (“the Code”). The Code has served as a fundamental guide to the Board in discharging its principal duty to act in the best interests of the Company as well as managing the business and affairs of the Group efficiently.

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

The Board is therefore pleased to share the manner in which the Principles of the Code have been applied in the Group and the extent to which the Group has complied with the Best Practices recommended by the Code during the financial year ended 30 June 2010.

## 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 is essential in providing unbiased and independent opinions, advice and judgements to ensure that the interests, not only of the Group, but also of shareholders, stakeholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented and taken into account.

The division of responsibilities between the Chairman and Managing Director is clearly defined to ensure that there is a balance of power and authority. The Chairman’s main responsibility is to ensure effective conduct of the Board and that all the Directors, Executive and Non-Executive have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages participation and deliberation by Board members to tap the wisdom of all the Board and promoting consensus building as much as possible. The Managing Director has the overall responsibility over the operating units, organisational effectiveness and coordinating the development and implementation of business and corporate strategy as well as the implementation of Board’s policies and decisions.

### Board Responsibilities

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

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

# CORPORATE GOVERNANCE STATEMENTS (continued)

## Board Meetings and Supply of Information

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

During the financial year, there were four (4) Board meetings. Details of the attendance of the Directors at the Board meetings held in the financial year ended 30 June 2010 are as follows:

Name of Director	No. of meetings attended
Mohd Shafek Bin Isa	4/4
Tong Chin Hen	4/4
Tong Ah Wah @ Tong Chun Hwi	4/4
Dr. Leong Wan Leong	4/4
Tai Keat Chai	4/4

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 2010. Hence, they comply with Paragraph 15.05 of the Listing Requirements for the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

All the Directors are provided with an agenda and a compilation of Board papers prior to each Board meeting. The Board papers include minutes of the last Board meeting, agenda for the current meeting and any report and documents pertaining to the issues to be discussed at the Board meeting. The Board papers are issued with sufficient time to enable the Directors to obtain a comprehensive understanding of the issues to be deliberated upon to enable them to arrive at an informed decision. The Chairman of the Board chairs the Board meetings while the Managing Director leads the presentation and provides explanations on the Board Reports. Senior Management staff may be invited to attend the Board meetings to explain and clarify the matters being tabled.

The Board is supplied with and assured of full and timely access to all relevant information to discharge its duties effectively. All Directors also have direct access to the advice and the services of the Group's Company Secretary. The Directors are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements and their impact and the implication on the Company and Directors in carrying out their fiduciary duties and responsibilities. In addition, the Board may also seek professional opinion and independent advice from external consultants in the course of fulfilling their responsibilities, if necessary, at the Company's expense.

## Appointment and Re-election of Board Members

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

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

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

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

# CORPORATE GOVERNANCE STATEMENTS (continued)

## Directors' Training

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

During the financial year under review, all Directors have attended one day course on "Financial Reporting Standards – Recent Developments and Updates". On top of this, the Independent Non-Executive Director, Tai Keat Chai also attended the following seminars conducted by the Financial Institutions Directors' Education Programme:

- i) "Building Audit Committees for Tomorrow"
- ii) "Banking Insight"

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 2010 are as follows:

<b>Aggregate Remuneration by Category</b>	<b>Executive Directors RM</b>	<b>Non-Executive Directors RM</b>
Salaries and bonuses	1,000,000	-
Fees	168,000	84,000
Pension costs – defined contribution plan	170,000	-
<b>Total</b>	<b>1,338,000</b>	<b>84,000</b>

For the financial year ended 30 June 2010, the numbers of Directors whose remuneration fall within the respective bands are as follows:

<b>Range of Remuneration</b>	<b>Number of Directors</b>	
	<b>Executive Directors</b>	<b>Non-Executive Directors</b>
RM50,000 & below	-	3
RM200,001 to RM300,000	1	-
RM1,000,001 to RM1,100,000	1	-

# CORPORATE GOVERNANCE STATEMENTS (continued)

## Board Committees

The Board delegates certain responsibilities to the respective Committees of the Board which operate with specific terms of references to support and assist the Board in discharging its fiduciary responsibilities. These Committees have the authority to examine particular issues and report to the Board with their proceedings and deliberations. Where Committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted to the Board for approval.

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

### (a) Audit Committee

The composition, terms of reference, attendance for the meetings and summary of activities of the Audit Committee are set out in the Audit Committee Report on pages 16 to 19 of this Annual Report.

### (b) Nomination Committee

The Nomination Committee has been entrusted with the responsibility of proposing and recommending new nominees to the Board and of assessing Directors on an on-going basis.

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

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

During the financial year ended 30 June 2010, the Committee met once and the meeting was attended by all its members.

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

- to review, recommend and consider suitable candidates to the Board of the Company and subsidiaries of the Group, including committees of the Board;
- to recommend to the Board the optimum size of the Board, formalise a transparent procedure for proposing new nominees to the Board and Board Committees and ensure that the investment of the minority shareholders are fairly reflected on the Board;
- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors, on an annual basis;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director;
- to ensure that there is an orientation and education programme for newly appointed Directors with respect to the business and management of the Group;
- to consider and recommend training or skills upgrade for Directors in furtherance of their duties as appropriate;
- to provide feedbacks to Directors in respect of their individual performance;

## CORPORATE GOVERNANCE STATEMENTS (continued)

- 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 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 2010, the Committee met twice and the meetings were attended by all its members.

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

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

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

### **INVESTORS RELATIONS AND SHAREHOLDERS COMMUNICATION**

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

# CORPORATE GOVERNANCE STATEMENTS (continued)

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

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

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association. A presentation is given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during the AGM. Shareholders are encouraged to participate in the Question and Answer session on the proposed resolutions or about the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Articles to attend and vote on their behalf. The Board and Senior Management are present to provide clarification on the shareholders' queries. The external auditors will also 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](http://www.imaspro.com) as a channel of communication and information dissemination. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

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

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Directors are primarily responsible for ensuring that all applicable accounting and regulatory standards have been complied with. The Board is assisted by the Audit Committee in scrutinising the financial statements and information for disclosure to ensure accuracy, adequacy and completeness.

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

A Statement of Directors' Responsibilities in respect of the audited financial statements is presented on page 22 of this Annual Report.

### Internal Control

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

# CORPORATE GOVERNANCE STATEMENTS (continued)

## **Relationship with Auditors**

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

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

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

A summary of activities and the role of the Audit Committee in relation to both the internal and external auditors are described in the Audit Committee Report on pages 16 to 19 of this Annual Report.

## **Compliance with the Code**

The Board is satisfied that the Group has maintained a high standard of Corporate Governance and has strived to achieve the highest level of integrity and ethical standard, in all its business dealings, complied with the Code throughout the financial year ended 30 June 2010.

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 2010.

## 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 2010 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 at least three (3) Non-Executive Board members, with majority of them being Independent. The Chairman, who shall be elected by the Audit Committee, shall be an Independent Non-Executive Director. Alternate Director shall not 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.

The Board of Directors must review the term of office and performance of the Audit Committee at least once in every three (3) years 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 Market Listing Requirements of Bursa Securities and other legal and statutory requirements.
- iii) to review with management and the external auditors the results of the audit, including any difficulties encountered.

#### 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.

# AUDIT COMMITTEE REPORT (continued)

## 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 Listing Requirements for the Main Market of Bursa Securities.

## 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 to express 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 Listing Requirements for the Main Market of Bursa Securities;
- 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 Listing Requirements for the Main Market of Bursa Securities, 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, the audit report and the management letter (if any), including management's response;
- e) reviewed the independence and objectivity of the external auditors and the services provided;
- f) discussed the internal audit plan, programmes and resources requirement and skill levels of the internal auditors for the year and assessed the performance of the internal audit function;
- g) reviewed the internal auditor's report, which highlighted the audit issues, recommendations and management's response. Discussed with Management, actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports;
- h) reviewed the application of Corporate Governance principles and the extent of the Group's compliance with the Best Practices set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statements and Statement on Internal Control pursuant to the Listing Requirements for the Main Market of Bursa Securities; and
- i) reviewed and discussed Related Party Transaction ("RPT") and Recurrent Related Party Transactions ("RRPT") to ascertain if the transactions are conducted at arm's length and on normal commercial terms, and that the internal control procedures with regards to such transactions are sufficient.

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

# STATEMENT ON INTERNAL CONTROL

## Introduction

The Malaysian Code on Corporate Governance (“the Code”) stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders’ investment and the Group’s assets.

In accordance with the Listing Requirements for the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), 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 2010. 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 Securities.

## Directors’ Responsibilities

The Board in discharging its responsibilities is fully committed to the maintenance of a sound system of internal control to safeguard shareholders’ investment and the assets of the Group and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls. However, the Board recognises that reviewing of the Group’s systems of internal control is a concerted and continuing process, designed to manage risks that may impede the achievement of the Group’s business objectives rather than to eliminate the risk. Accordingly, the Group’s system of internal control 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.

The Group outsourced its internal audit function to an independent firm of consultants. During the financial year, the internal audit reviewed the Procurement, Logistic, Sales Support, Overseas and Local Sales and Marketing functions of the major subsidiaries. The costs incurred for the internal audit function in respect of the current financial year was RM30,923.

The internal audit team will assist 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 reported to the Audit Committee its activities, significant results, findings and the necessary recommendations or changes. The Board will further review 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 will be presented to the Audit Committee for 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 risk affecting their unit and the overall Group's business as a whole. They are also charged with instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.
- Operating policies and procedures that serve as general management guide for daily operation. These policies and procedures are reviewed on a regular basis to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.
- As part of the performance monitoring process, management information in the form of forecasts and quarterly management accounts and reports are provided to the Board for review and approval.
- There has been active participation by the Executive Directors in the day-to-day running of business operations, and regular dialogue with senior management of the respective operating units. Management meetings attended by the Managing Director, Executive Director and respective Head of the operating units are held to identify, discuss and report on operational performance, business strategy, financial and key management issue of each operating units.
- Adequate insurance provision and security measures on major assets of the Group are provided to ensure that it sufficiently safeguards against any mishap that will result in material losses to the Group.
- Training and development programmes are established to ensure that staff is 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 15.23 of the Listing Requirements for the Main Market of Bursa Securities, the external auditors have reviewed this Statement on Internal Control for inclusion in the annual report for the financial year ended 30 June 2010. 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 the Board has adopted in the review of the adequacy and integrity of the system of internal controls within the Group.

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

## DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required by the Companies Act, 1965 ("the Act") to ensure that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and the results of their financial position and cash flows of the Group and the Company for the financial year then ended.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records to enable the Group and the Company to disclose, with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act, Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other Than Private Entities in Malaysia and also the Listing Requirements for the Main Market of Bursa Securities. In addition, the Directors are also responsible for the assets of the Group and of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements for the year ended 30 June 2010, the Directors have:

- a) adopted suitable accounting policies and then applied them consistently;
- b) made judgement and estimates that are reasonable and prudent;
- c) ensure applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements; and
- d) prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

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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 2010.

### 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

	<b>Group RM</b>	<b>Company RM</b>
Profit for the year	8,277,741	2,888,285
Attributable to:		
Equity holders of the Company	8,277,741	2,888,285
Minority interest	-	-
	<u>8,277,741</u>	<u>2,888,285</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 2009 was as follows:

In respect of the financial year ended 30 June 2009:

	<b>RM</b>
A first and final single tier dividend of 3.5 sen per share paid on 25 January 2010	<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 2010 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 2011.

# 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 Ah Wah @ Tong Chun Hwi and Tai Keat Chai 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 1.7.2009	Acquired	Disposed	At 30.6.2010
<b>Shareholdings in the name of the Director:</b>				
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
<b>Shareholdings in which the Director is deemed to have an interest:</b>				
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 2010.

## 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)

### AUDITORS

The auditors, Roger Yue, Tan & Associates do not wish to seek re-appointment.

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 2010

## 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 2010 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

**MOHD SHAFEK BIN ISA**  
Director

Petaling Jaya

Date : 26 August 2010

## 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 2010 )

Before me

Commissioner for Oaths

**Lim Boon Ka**  
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 2010 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 2010 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 2010

#### **ROGER YUE SAU YIN**

M.B.A., C.A. (M), F.C.A.

Partner of Firm

838/3/12 (J)

## BALANCE SHEETS AS AT 30 JUNE 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
<b>ASSETS</b>					
<b>Non – current assets</b>					
Property, plant and equipment	4	17,162,604	17,192,610	-	-
Investment properties	5	152,451	155,042	-	-
Prepaid lease payments	6	3,100,429	3,141,224	-	-
Investment in subsidiary companies	7	-	-	31,467,619	31,467,619
		<u>20,415,484</u>	<u>20,488,876</u>	<u>31,467,619</u>	<u>31,467,619</u>
<b>Current assets</b>					
Inventories	8	16,168,655	14,218,525	-	-
Trade receivables	9	25,849,402	32,493,955	-	-
Other receivables	10	3,616,543	3,008,851	-	3,750
Amount due from subsidiary companies	11	-	-	7,800,000	10,954,750
Short term investments	12	26,376,191	12,205,687	7,037,172	3,853,722
Cash and bank balances	13	6,185,856	10,017,759	4,491	7,567
Tax recoverable		338,006	857,912	232,621	169,693
		<u>78,534,653</u>	<u>72,802,689</u>	<u>15,074,284</u>	<u>14,989,482</u>
<b>TOTAL ASSETS</b>		<u>98,950,137</u>	<u>93,291,565</u>	<u>46,541,903</u>	<u>46,457,101</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
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		(453,229)	(16,369)	-	-
Unappropriated profit	15	48,772,327	43,294,586	3,663,671	3,575,386
<b>Total equity</b>		<u>91,176,130</u>	<u>86,135,249</u>	<u>46,520,703</u>	<u>46,432,418</u>
<b>Non – current liability</b>					
Deferred tax liabilities	16	1,006,000	1,239,337	-	-
<b>Current liabilities</b>					
Bills payable	17	158,588	70,370	-	-
Trade payables	18	5,037,827	3,147,675	-	-
Other payables	19	1,260,023	2,698,758	21,200	24,683
Tax payable		311,569	176	-	-
		<u>6,768,007</u>	<u>5,916,979</u>	<u>21,200</u>	<u>24,683</u>
<b>Total liabilities</b>		<u>7,774,007</u>	<u>7,156,316</u>	<u>21,200</u>	<u>24,683</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>98,950,137</u>	<u>93,291,565</u>	<u>46,541,903</u>	<u>46,457,101</u>

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



# INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
<b>Continuing Operations</b>					
Revenue	20	76,566,557	83,017,443	4,050,000	4,500,000
Cost of sales		(59,882,607)	(68,847,137)	-	-
<b>Gross profit</b>		16,683,950	14,170,306	4,050,000	4,500,000
Other operating income	21	1,429,021	2,261,914	76,504	5,817
Distribution cost		(52,521)	(73,818)	-	-
Administration expenses		(5,891,756)	(6,216,499)	(268,647)	(263,476)
Other operating expenses		(1,810,967)	(1,574,145)	-	-
<b>Operating profit</b>		10,357,727	8,567,758	3,857,857	4,242,341
Finance cost	22	(48,099)	(39,561)	-	-
<b>Profit before tax</b>	23	10,309,628	8,528,197	3,857,857	4,242,341
Income tax expense	26	(2,031,887)	(1,761,991)	(969,572)	(1,032,307)
<b>Profit for the year</b>		8,277,741	6,766,206	2,888,285	3,210,034
Attributable to:					
Equity holders of the Company		8,277,741	6,766,206	2,888,285	3,210,034
Minority interest		-	-	-	-
		8,277,741	6,766,206	2,888,285	3,210,034
<b>Earnings per share</b>					
Basic (sen)	27	10.35	8.46		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

Group	Note	Attributable to equity holders of the Company				Total RM
		Share Capital RM	Non - Distributable		Distributable	
			Share Premium RM	Foreign Currency Translation Reserve RM	Unappropriated Profit RM	
<b>At 1 July 2008</b>		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)
<b>At 30 June 2009</b>		40,000,000	2,857,032	(16,369)	43,294,586	86,135,249
<b>At 1 July 2009</b>		40,000,000	2,857,032	(16,369)	43,294,586	86,135,249
Foreign currency translation reserve		-	-	(436,860)	-	(436,860)
Profit for the year		-	-	-	8,277,741	8,277,741
Dividend	28	-	-	-	(2,800,000)	(2,800,000)
<b>At 30 June 2010</b>		40,000,000	2,857,032	(453,229)	48,772,327	91,176,130

  

Company	Note	Share Capital RM	Non -	Distributable	Total RM
			Share Premium RM	Unappropriated Profit RM	
		<b>At 1 July 2008</b>		40,000,000	2,857,032
Profit for the year		-	-	3,210,034	3,210,034
Dividend	28	-	-	(2,800,000)	(2,800,000)
<b>At 30 June 2009</b>		40,000,000	2,857,032	3,575,386	46,432,418
<b>At 1 July 2009</b>		40,000,000	2,857,032	3,575,386	46,432,418
Profit for the year		-	-	2,888,285	2,888,285
Dividend	28	-	-	(2,800,000)	(2,800,000)
<b>At 30 June 2010</b>		40,000,000	2,857,032	3,663,671	46,520,703

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

# CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	10,309,628	8,528,197	3,857,857	4,242,341
Adjustments for:				
Gain on disposal of property, plant and equipment	(15,981)	(8,646)	-	-
Interest expenses	48,099	39,561	-	-
Interest income	(478,119)	(228,582)	(76,504)	(5,817)
Loss/(gain) on foreign exchange - unrealised	421,849	(753,325)	-	-
Allowance for doubtful debts	415,920	950,172	-	-
Allowance for doubtful debts no longer required	(593,927)	(422,875)	-	-
Depreciation for property, plant and equipment	1,582,377	1,477,961	-	-
Depreciation for investment properties	2,591	2,591	-	-
Amortisation of prepaid lease payments	40,795	40,795	-	-
Property, plant and equipment written off	2,659	-	-	-
Deposit forfeited	-	(7,000)	-	-
Bad debts written off	-	54,871	-	-
Dividend income	-	-	(4,050,000)	(4,500,000)
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>11,735,891</b>	<b>9,673,720</b>	<b>(268,647)</b>	<b>(263,476)</b>
(Increase)/decrease in inventories	(1,950,130)	6,078,022	-	-
Decrease in receivables	5,795,226	14,888,869	3,750	15,000
Increase/(decrease) in payables	471,955	(13,766,461)	(3,483)	(7,557)
<b>CASH GENERATED FROM/(DEPLETED IN) OPERATIONS</b>	<b>16,052,942</b>	<b>16,874,150</b>	<b>(268,380)</b>	<b>(256,033)</b>
Interest paid	(48,099)	(39,561)	-	-
Interest received	478,119	228,582	76,504	5,817
Taxes paid	(1,433,924)	(3,270,578)	(20,000)	(22,000)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>15,049,038</b>	<b>13,792,593</b>	<b>(211,876)</b>	<b>(272,216)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(1,558,549)	(1,332,939)	-	-
Proceeds from disposal of property, plant and equipment	19,500	15,500	-	-
Repayment from subsidiary companies	-	-	3,154,750	90,972
Dividend received	-	-	3,037,500	3,375,000
<b>NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES</b>	<b>(1,539,049)</b>	<b>(1,317,439)</b>	<b>6,192,250</b>	<b>3,465,972</b>

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

## CASH FLOW STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net proceeds/(repayment) of bills payable	90,350	(766,097)	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET CASH USED IN FINANCING ACTIVITIES	(2,709,650)	(3,566,097)	(2,800,000)	(2,800,000)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,800,339	8,909,057	3,180,374	393,756
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(461,738)	108,950	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22,223,446	13,205,439	3,861,289	3,467,533
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)</b>	32,562,047	22,223,446	7,041,663	3,861,289

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 2010

## 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.

There are no new accounting standards, amendments to published standards and interpretations to existing standards effective for the Group's financial year ended 30 June 2010 and applicable to the Group except for FRS 8 Operating Segments.

FRS 8 (effective for financial periods beginning on or after 1 July 2010) replaces FRS 114<sub>2004</sub>: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

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) Effective for financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101 (Revised)	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment Vesting Conditions and Cancellations
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. BASIS OF PREPARATION (Continued)

### (a) Statement of Compliance (continued)

Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures and Reassessment of Embedded Derivatives
Amendment to FRS 140	Investment Property
Amendment to FRSs IC Interpretation 9	'Improvements to FRSs (2009)' Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

#### (ii) Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation
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#### (iii) Effective for financial periods beginning on or after 1 July 2010

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

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

Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for first-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. BASIS OF PREPARATION (Continued)

### (a) Statement of Compliance (continued)

The Directors anticipate that the abovementioned FRSs, Amendments and IC Interpretations will be adopted when they become effective and that the adoption of these FRSs, Amendments and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application except for the followings:

#### **FRS 101 (Revised): Presentation of Financial Statements**

FRS 101 (Revised) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised FRS will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

#### **FRS 7: Financial Instruments – Disclosures, FRS 139: Financial Instruments – Recognition and Measurement and Subsequent Amendments**

The new standard on FRS 139: Financial Instruments: Recognition and Measurement established principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

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

The possible impacts of FRS 7 (including the subsequent amendments) and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. BASIS OF PREPARATION (Continued)

### (d) Use of Estimates and Judgements (continued)

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.

#### (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.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Subsidiary Companies and Basis of Consolidation (continued)

##### (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 the income statement.

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

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

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year 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%

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 the income statement.

#### (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 the income statement 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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (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) Receivables

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) Payables

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.

### (g) Income Tax

Income tax on the income statement 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Income Tax (continued)

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 income statement 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 the income statement 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 income statement as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

#### (j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Sale of goods

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

##### (ii) Interest income

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

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Revenue Recognition (continued)

#### (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 the income statement 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (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.

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
<b>30 June 2010</b>								
<b>Cost</b>								
At 1 July 2009	2,762,726	7,497,342	589,445	451,097	483,665	1,747,054	9,780,836	23,312,165
Additions	-	144,310	65,418	9,560	-	520,275	818,986	1,558,549
Disposals	-	-	(3,738)	-	-	-	(60,000)	(63,738)
Written off	-	-	(2,799)	-	-	-	-	(2,799)
At 30 June 2010	2,762,726	7,641,652	648,326	460,657	483,665	2,267,329	10,539,822	24,804,177
<b>Accumulated depreciation</b>								
At 1 July 2009	-	379,613	387,314	367,277	273,767	737,794	3,973,790	6,119,555
Depreciation charge for the year	-	107,219	90,582	21,637	81,497	309,502	971,940	1,582,377
Disposals	-	-	(2,620)	-	-	-	(57,599)	(60,219)
Written off	-	-	(140)	-	-	-	-	(140)
At 30 June 2010	-	486,832	475,136	388,914	355,264	1,047,296	4,888,131	7,641,573
<b>Net carrying amount</b>								
At 30 June 2010	2,762,726	7,154,820	173,190	71,743	128,401	1,220,033	5,651,691	17,162,604

# 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
<b>30 June 2009</b>								
<b>Cost</b>								
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
<b>Accumulated depreciation</b>								
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
<b>Net carrying amount</b>								
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)

### 5. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>2010 RM</b>	<b>2009 RM</b>
<b>Cost</b>		
At 1 July/30 June	183,541	183,541
<b>Accumulated depreciation</b>		
At 1 July	28,499	25,908
Depreciation charge for the year	2,591	2,591
At 30 June	31,090	28,499
<b>Net carrying amount</b>		
At 30 June	152,451	155,042

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

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

### 6. PREPAID LEASE PAYMENTS

	<b>Group</b>	
	<b>2010 RM</b>	<b>2009 RM</b>
At 1 July	3,141,224	3,182,019
Amortisation for the year	(40,795)	(40,795)
At 30 June	3,100,429	3,141,224
Analysed as:		
Long term leasehold land with unexpired lease period of more than 50 years	3,100,429	3,141,224

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010 RM	2009 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
		2010 (%)	2009 (%)	
<b>Direct subsidiary companies of the Company</b>				
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
<b>Direct subsidiary companies of IRSB</b>				
Imaspro Biotech Sdn. Bhd.*	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated **	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

\* Audited by Roger Yue, Tan & Associates

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. INVENTORIES

	Group	
	2010 RM	2009 RM
<b>At cost:</b>		
Raw materials	10,159,198	7,865,563
Finished goods	4,561,142	4,752,517
Packaging materials	834,715	895,408
Work-in-progress	613,600	705,037
	16,168,655	14,218,525

### 9. TRADE RECEIVABLES

	Group	
	2010 RM	2009 RM
Trade receivables	26,967,481	33,790,041
Less : Allowance for doubtful debts	(1,118,079)	(1,296,086)
	25,849,402	32,493,955

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	
	2010 RM	2009 RM	2010 RM	2009 RM
Deposits	609,931	607,144	-	-
Prepayments	965,907	1,018,137	-	3,750
Sundry receivables	2,040,705	1,383,570	-	-
	3,616,543	3,008,851	-	3,750

Credit risk with respect to sundry receivables for the Group is concentrated on one company, which accounted for approximately 99% (2009:99%) 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 1.52% and 1.71% (2009: 2.12% and 1.71%) for the Group and the Company respectively.

### 13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash on hand and at banks	1,736,383	9,515,568	4,491	7,567
Deposits with licensed banks	4,449,473	502,191	-	-
Cash and bank balances	6,185,856	10,017,759	4,491	7,567
Short term investments (Note 12)	26,376,191	12,205,687	7,037,172	3,853,722
Cash and cash equivalents	32,562,047	22,223,446	7,041,663	3,861,289

One of the deposits with licensed banks in respect of a subsidiary company amounting to RM12,721 (2009: RM12,721) is held under lien with a licensed bank as security for a bank guarantee issued in favour of Tenaga Nasional Berhad.

The interest rates of deposits with licensed banks at the balance sheet date for the Group were from 0.07% to 2.50% (2009: 2.50%) per annum.

The maturities of deposits with licensed banks as at the end of the financial year for the Group were from 2 days to 365 days (2009: 365 days).

### 14. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM0.50 Each		Amount	
	2010	2009	2010 RM	2009 RM
<b>Authorised:</b>				
At 1 July/30 June	200,000,000	200,000,000	100,000,000	100,000,000
<b>Issued and fully paid:</b>				
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

	2010 RM	Group 2009 RM
At 1 July	1,239,337	1,033,218
Recognised in income statement (Note 26)	(233,337)	206,119
At 30 June	1,006,000	1,239,337
Presented after appropriate offsetting as follows:		
Deferred tax assets	(122,000)	(32,852)
Deferred tax liabilities	1,128,000	1,272,189
	1,006,000	1,239,337

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 2009	(4,233)	(28,619)	(32,852)
Recognised in income statement	(6,767)	(82,381)	(89,148)
At 30 June 2010	(11,000)	(111,000)	(122,000)
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)

## 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 2009	1,055,240	216,949	1,272,189
Recognised in income statement	66,760	(210,949)	(144,189)
At 30 June 2010	1,122,000	6,000	1,128,000
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

### 17. BILLS PAYABLE

	Group	
	2010 RM	2009 RM
Repayable:		
Within one year	158,588	70,370

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	
	2010 RM	2009 RM	2010 RM	2009 RM
Deposits received	572,150	567,500	-	-
Accruals	652,595	1,970,742	21,200	17,200
Sundry payables	35,278	160,516	-	7,483
	1,260,023	2,698,758	21,200	24,683

### 20. REVENUE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sale of goods	76,566,557	83,017,443	-	-
Dividend income	-	-	4,050,000	4,500,000
	76,566,557	83,017,443	4,050,000	4,500,000

### 21. OTHER OPERATING INCOME

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Allowance for doubtful debts no longer required	593,927	422,875	-	-
Interest income	478,119	228,582	76,504	5,817
Rental income	16,800	24,000	-	-
Gain on disposal of property, plant and equipment	15,981	8,646	-	-
Gain on foreign exchange				
- realised	-	512,388	-	-
- unrealised	-	753,325	-	-
Deposit forfeited	-	7,000	-	-
Insurance claims	76,220	-	-	-
Net income from other source	247,974	162,500	-	-
Over provision of commission in prior year	-	142,598	-	-
	1,429,021	2,261,914	76,504	5,817

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 22. FINANCE COST

	Group	
	2010 RM	2009 RM
Interest expenses on:		
Bills payable	48,099	39,561

### 23. PROFIT BEFORE TAX

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Employee benefits expense (Note 24)	3,658,373	2,762,687	48,000	48,000
Non-Executive Directors' remuneration (Note 25)	84,000	84,000	84,000	84,000
Auditors' remuneration				
- statutory audit	51,673	45,322	21,200	17,200
Allowance for doubtful debts	415,920	950,172	-	-
Depreciation of property, plant and equipment (Note 4)	1,582,377	1,477,961	-	-
Depreciation of investment properties (Note 5)	2,591	2,591	-	-
Amortisation of prepaid lease payments (Note 6)	40,795	40,795	-	-
Property, plant and equipment written off	2,659	-	-	-
Rental of premises	7,768	6,410	-	-
Loss on foreign exchange				
- realised	316,716	-	-	-
- unrealised	421,849	-	-	-
Bad debts written off	-	54,871	-	-

### 24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Wages, salaries, bonuses and allowances	3,232,141	2,281,832	48,000	48,000
Social security contribution	25,434	21,993	-	-
Contributions to defined contribution plan	400,798	458,862	-	-
	3,658,373	2,762,687	48,000	48,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,338,000 (2009: RM1,396,500) and RM48,000 (2009: RM48,000) respectively as further disclosed in Note 25.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 25. DIRECTORS' REMUNERATION

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive:				
- Salaries and other emoluments	1,000,000	1,050,000	-	-
- Fees	168,000	168,000	48,000	48,000
- Contributions to defined contribution plan	170,000	178,500	-	-
	1,338,000	1,396,500	48,000	48,000
Non-Executive:				
- Fees	84,000	84,000	84,000	84,000
TOTAL	1,422,000	1,480,500	132,000	132,000

### 26. INCOME TAX EXPENSE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Income tax:				
Malaysian income tax	(2,373,917)	(1,506,725)	(970,000)	(1,087,000)
Over/(under)provided in prior year	108,693	(49,147)	428	54,693
	(2,265,224)	(1,555,872)	(969,572)	(1,032,307)
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	226,788	(210,483)	-	-
Overprovided in prior year	6,549	4,364	-	-
	233,337	(206,119)	-	-
TOTAL	(2,031,887)	(1,761,991)	(969,572)	(1,032,307)

Domestic current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year. 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	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before tax	10,309,628	8,528,197	3,857,857	4,242,341
Taxation at Malaysian statutory tax rate of 25%	(2,577,407)	(2,132,049)	(964,464)	(1,060,585)
Effect of different tax rate in other jurisdiction	-	349,436	-	-
Expenses not deductible for tax purposes	(69,460)	(84,851)	(24,662)	(27,869)
Income not subject to tax	263,614	44,112	19,126	1,454
Expenditure qualified for double deduction	58,674	66,190	-	-
Utilisation of reinvestment allowances	122,278	59,678	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	(70,549)	(39,378)	-	-
Temporary differences in respect of property, plant and equipment not recognised	19,882	19,654	-	-
Effect of utilisation of previously unabsorbed capital allowances	105,839	-	-	-
(Under)/over provision of tax expense in prior year	108,693	(49,147)	428	54,693
Over provision of deferred tax in prior year	6,549	4,364	-	-
Tax expense for the year	(2,031,887)	(1,761,991)	(969,572)	(1,032,307)

### 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	
	2010	2009
Profit attributable to ordinary equity holders of the Company (RM)	8,277,741	6,766,206
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per share (sen)	10.35	8.46

#### (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

	<b>Group and Company</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
<b>For financial year ended 30 June 2009:</b>		
- A first and final single tier dividend of 3.5 sen per share paid on 25 January 2010	2,800,000	-
<b>For financial year ended 30 June 2008:</b>		
- A first and final single tier dividend of 3.5 sen per share paid on 23 January 2009	-	2,800,000
	2,800,000	2,800,000

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen in respect of the financial year ended 30 June 2010 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 2011.

### 29. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,050,000	4,500,000

Information regarding outstanding balances arising from related party transactions as at 30 June 2010 is disclosed in Note 11.

#### (b) Transactions with other related parties

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
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.	136,936	34,090
Sales to Hap Seng Fertiliser Sdn. Bhd., a holding company of Hap Seng Chemicals Sdn. Bhd.	-	7,500
Salaries and other related expenses paid/payable to persons related to certain Directors	78,400	78,400

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term employee benefits	1,903,517	1,920,157	132,000	132,000
Post-employment benefits:				
- Defined contribution plan	248,300	250,614	-	-
	<u>2,151,817</u>	<u>2,170,771</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	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors' remuneration (Note 25)	<u>1,422,000</u>	<u>1,480,500</u>	<u>132,000</u>	<u>132,000</u>

### 30. CONTINGENT LIABILITIES

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

#### Unsecured:

- Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary company

	2010 RM	Company 2009 RM
	<u>29,600,000</u>	<u>29,600,000</u>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 31. 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:

	2010 RM	Group 2009 RM
<b>Revenue (from external customers)</b>		
Malaysia	41,195,327	40,154,620
Overseas countries	35,371,230	42,862,823
	76,566,557	83,017,443

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.

## 32. 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, liquidity, foreign currency 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 2010. 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)

### 32. FINANCIAL INSTRUMENTS (Continued)

#### (c) 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.

#### (d) Foreign Currency Risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations which they relate. The currencies giving rise to this risk are primarily United States Dollars (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	
<b>At 30 June 2010</b>					
Ringgit Malaysia	11,596,472	1,411,582	143,205	-	13,151,259
<b>At 30 June 2009</b>					
Ringgit Malaysia	15,946,475	2,248,766	-	26,740	18,221,981

#### (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)

### 32. 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 2010:					
Amount due from subsidiary companies	11	-	-	7,800,000	*
Short term investments	12	26,376,191	26,376,191	7,037,172	7,037,172
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

\* 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:

Contingent liabilities	Note	30 June 2010		30 June 2009	
		Nominal/ Notional Amount RM	Net Fair Value RM	Nominal/ Notional Amount RM	Net Fair Value RM
Contingent liabilities	30	29,600,000	158,588 #	29,600,000	70,370 #

# 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 the 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 Listing Requirements for the Main Market of Bursa Securities for the financial year ended 30 June 2010:

### **Material Contracts Involving Directors and Substantial Shareholders**

Save as otherwise disclosed in Note 29 Significant Related Party Transactions in the Financial Statements, there are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

### **Sanction and Penalties**

There were no sanctions or penalties imposed by any regulatory authorities on the Company and its subsidiaries, Directors or management during the financial year ended 30 June 2010.

### **Share Buy-Backs**

The Company did not make any share buy-back during the financial year ended 30 June 2010.

### **Non-Audit Fees**

Non-audit fees paid to external auditors during the financial year ended 30 June 2010 amounted to Nil.

### **Options or Convertible Securities Exercised**

No options or convertible securities were issued during the financial year ended 30 June 2010.

### **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 2010.

### **Profit Estimate, Forecast or Projection**

The Company has not provided a profit forecast for the financial year ended 30 June 2010.

### **Profit Guarantee**

There were no profit guarantees given by the Company during the financial year ended 30 June 2010.

### **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 2010.



## 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
<b>Imaspro Resources Sdn. Bhd.</b>						
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	26	152	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	26	152	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	26	626	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	8	1,962	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
<b>Ideal Command Sdn. Bhd.</b>						
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 76 years	22	3,438	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 76 years	28	5,418	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				
<b>Imaspro Biotech Sdn. Bhd.</b>						
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	12	837	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	12	585	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 1 OCTOBER 2010

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 1 OCTOBER 2010

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	4	0.64	150	0.00
100 – 1,000	300	47.77	93,300	0.12
1,001 – 10,000	222	35.35	1,025,550	1.28
10,001 – 100,000	72	11.46	2,440,500	3.05
100,001 to less than 5% of issued shares	26	4.14	14,583,832	18.23
5% and above of issued shares	4	0.64	61,856,668	77.32
<b>Grand total</b>	<b>628</b>	<b>100.00</b>	<b>80,000,000</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 1 OCTOBER 2010

Name	Direct		Deemed	
	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	-	-
Cartaban Nominees (Asing) Sdn Bhd	4,220,000	5.27	-	-
- Exempt AN for Raffles Nominees (P) Ltd (CIBC SG FR CLNT)				
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 1 OCTOBER 2010

Name	Direct		Deemed	
	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 1 OCTOBER 2010

No.	Name of Shareholders	No. of shares held	%
1.	Swiss Revenue Sdn Bhd	33,947,064	42.43
2.	Sunbina Dunia Sdn Bhd	19,118,704	23.90
3.	Lembaga Tabung Haji	4,570,900	5.71
4.	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for Raffles Nominees (P) Ltd (CIBC SG FR CLNT)	4,220,000	5.27
5.	Tong Ah Wah @ Tong Chun Hwi	2,671,498	3.34
6.	Chin Wei Ching	2,373,692	2.97
7.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for UBS AG	1,600,000	2.00
8.	M & A Nominee (Asing) Sdn Bhd - Lewey Marketing Aktiengesellschaft	1,032,400	1.29
9.	Agrimart Sdn Bhd	940,000	1.17
10.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Prudential Dana Al-Ilham	847,800	1.06
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Yee Hui	688,100	0.86
12.	Ku Kooi Khang	630,838	0.79
13.	Teh Kiat Hock	625,500	0.78
14.	Neo Khoo Seng	350,700	0.44
15.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for BSN Dana Al-Jadid	303,800	0.38
16.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Prudential Dana Dinamik	256,700	0.32
17.	Stephen Kuek Hock Eng	256,604	0.32
18.	Cimsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Khoo Nee Meng	218,000	0.27
19.	Sabah Development Bank Berhad - As Beneficial Owner	207,000	0.26
20.	Neo Hea Sing	206,500	0.26
21.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Foo Ah Sian	174,500	0.22
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	143,000	0.18
27.	Lee Kim Heage	134,000	0.17
28.	Yap Kim Yok	119,000	0.15
29.	Tee Bee Heoh	113,900	0.14
30.	Tan Chai Tin	102,000	0.13
<b>Total</b>		<b>76,440,500</b>	<b>95.55</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth 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 Friday, 26 November 2010 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 2010 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 2010.  | <b>Ordinary Resolution 1</b> |
| 3. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2010.   | <b>Ordinary Resolution 2</b> |
| 4. To re-elect Mr. Tong Ah Wah @ Tong Chun Hwi who is retiring pursuant to Article 75 of the Company's Articles of Association.                 | <b>Ordinary Resolution 3</b> |
| 5. To re-elect Mr. Tai Keat Chai who is retiring pursuant to Article 75 of the Company's Articles of Association.                               | <b>Ordinary Resolution 4</b> |
| 6. To appoint the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.                        | <b>Ordinary Resolution 5</b> |

Notice of Nomination from a shareholder pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs. HLB Ler Lum, who have given their consent to act, for appointment as Auditors and of the intention to propose the following Ordinary Resolution:-

"THAT Messrs. HLB Ler Lum, having consented to act, be and are hereby appointed Auditors of the Company in place of the retiring Auditors, Messrs. Roger Yue, Tan & Associates and to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to determine their remuneration."

### As Special Business

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

- |   |                              |
|---|------------------------------|
| 7. <b>Ordinary Resolution - Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965</b>   | <b>Ordinary Resolution 6</b> |
| <p>"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."</p> |                              |
| 8. <b>Special Resolution - Proposed Amendment to the Articles of Association</b>  | <b>Special Resolution 1</b>  |
| <p>"THAT the proposed amendment to the Articles of Association of the Company as contained in the Annexure B attached to the Annual Report 2010 be and is hereby approved."</p>   |                              |

# 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 Sixth 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 2010 will be paid to the shareholders on 25 January 2011. The entitlement date for the said dividend shall be 11 January 2011.

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

- a. Shares transferred into the Depositors' Securities Account before 5.00 p.m. on 11 January 2011 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: 29 October 2010**

### 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. (118401-V) Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting 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 and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This is a renewal of the mandate obtained from the members at the last Annual General Meeting on 23 November 2009. The Company did not utilize the mandate that was approved last year.

The purpose for this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

### **Special Resolution No. 1 on the Proposed Amendment to the Articles of Association**

The proposed Special Resolution 1, if passed, will enable the Company to implement the Electronic Dividend payment (“eDividend”) to comply with the directive of Bursa Malaysia Securities Berhad dated 19 February 2010, and also for administrative purpose.



**IMASPRO CORPORATION BERHAD**

(Incorporated in Malaysia)

(657527-H)

Annexure A

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## Notice of Nomination of Change Auditors

SWISS REVENUE SDN. BHD.  
(Company No. 683688-H)

03 September 2010

The Board of Directors  
**IMASPRO CORPORATION BERHAD**  
37, Jalan 5, Kawasan 16  
Taman Intan  
41300 Klang  
Selangor Darul Ehsan

Dear Sirs,

**IMASPRO CORPORATION BERHAD**  
• **NOTICE OF NOMINATION OF CHANGE AUDITORS**

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Pursuant to Section 172(11) of the Companies Act, 1965, we, Swiss Revenue Sdn. Bhd. being a shareholder of the Company, hereby give notice of our intention to nominate Messrs. HLB Ler Lum as Auditors of the Company in place of the retiring Auditors, Messrs. Roger Yue, Tan & Associates, and to propose the following resolution to be tabled at the Sixth Annual General Meeting of the Company:-

“THAT Messrs. HLB Ler Lum, having consented to act, be and are hereby appointed auditors of the Company in place of the retiring Auditors, Messrs. Roger Yue, Tan & Associates, and to hold office until the conclusion of the next annual general meeting and that the directors be authorized to determine their remuneration.”

Yours faithfully,  
For and on behalf of  
Swiss Revenue Sdn Bhd

---

TONG CHIN HEN  
Director





## Annexure B

<b>Article</b>	<b>Existing Provisions</b>	<b>Amended Provisions</b>	<b>Rationale</b>
To amend Article 123	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or paid via electronic transfer of remittance to the account provided by the holder who is named on the Register of Members and/or Record of Depositor or to such person and to such address as the holder may in writing direct. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good and full discharge to the Company in respect of the dividend, interest or other money payable in cash represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon, or the instruction for the electronic transfer of remittance has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented.	To enable the Company to implement the Electronic Dividend payment ("eDividend") to comply with the directive of Bursa Malaysia Securities Berhad dated 19 February 2010.



# 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 \_\_\_\_\_ of  
\_\_\_\_\_ or failing him, \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ or failing

him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Sixth 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 Friday, 26 November 2010 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 2010.

My/our proxy is to vote as indicated below:

### AGENDA 2-8

NO	RESOLUTION	FOR	AGAINST
<b>Ordinary Business</b>			
1.	Approval on the payment of a first and final dividend.	Ordinary Resolution 1	
2.	Approval on the payment of Directors' fees.	Ordinary Resolution 2	
3.	Re-election of Mr. Tong Ah Wah @ Tong Chun Hwi as Director.	Ordinary Resolution 3	
4.	Re-election of Mr. Tai Keat Chai as Director.	Ordinary Resolution 4	
5.	To appoint the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5	
<b>Special Business</b>			
6.	Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965.	Ordinary Resolution 6	
7.	Proposed Amendment to the Articles of Association	Special Resolution 1	

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 \_\_\_\_\_ 2010

Signature / Common Seal of Shareholder(s)

### NOTES:

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

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

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

FOLD THIS FLAP FOR SEALING

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THEN FOLD HERE

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AFFIX  
STAMP

The Company

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

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

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poised for  
**ACCELERATED**  
global **GROWTH**

**IMASPRO CORPORATION BERHAD** (657527-H)  
37, Jalan 5, Kawasan 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia  
Tel: +(603) 3343 1633 Fax: +(603) 3343 1868  
E-mail: [imaspro@imaspro.com](mailto:imaspro@imaspro.com) Website: [www.imaspro.com](http://www.imaspro.com)