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ANNUAL REPORT
2015



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

(657527-H)

Penyelesaian Kepada Kawalan Pembiakan Nyamuk!



A Solution For Mosquito Breeding Control!



Didaftarkan oleh :



IMASPRO RESOURCES SDN. BHD. (100955-M)

37, Jalan 5, Kaw. 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia.
Tel: 603 - 3343 1633 Fax: 603 - 3343 1868 E-Mail: imaspro@imaspro.com

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ANNUAL REPORT
2015

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CHAIRMAN'S STATEMENT



Dear Fellow Shareholders

It is my pleasure to report that Imaspro Corporation Berhad ("ICB") delivered a profit after tax of RM10.0 million for the financial year ended 30 June 2015 on a revenue of RM105.4 million as compared with RM9.1 million on a revenue of RM108.4 million for the year ended 30 June 2014.

Our overall performance metrics was favourable; both our gross and net profits as well as margins had improved despite a marginal drop in overall revenue compared with the previous financial year. As a result, our earnings per share climbed higher to 12.5 sen per share. Our balance sheet with net tangible assets of RM1.49 per share, backed up by cash and cash equivalent of 58.6 sen per share, reflected our strong financial position.

ICB exports more than 50% of its output, and competes in a global marketplace. Although weaker demand from Indonesia and Belgium caused a 13% pullback of our export growth, a favourable product mix lifted our export sales margin by nearly two (2) percentage points compared with Financial Year ("FY") 2014. On the local front, we had a weaker than normal start to FY2015 when higher domestic palm oil stockpile dampened demand for our crop protection products. Recovery was very gradual and the increasingly higher palm oil stockpile and weak crude palm oil prices continued to put a damper on our anticipated growth of local market in the 2nd half of the financial year. Similarly, a favourable product mix in our local market worked in our favour, and as a result the group's overall profit performance improved marginally despite competitive pressure, forex fluctuations, and weather-related factors which were beyond our control.

The weakening of the Ringgit against the rest of the world's currencies, especially USD, has brought mixed fortunes to the local economy. For our foreign currency exposure, we are largely naturally hedged, in the sense that our export receipts in USD are used to make payment in USD for the raw materials purchased from overseas.

ICB's Research and Development ("R&D") continues to develop innovative products to meet the industry requirement. In response to the government's call to fight the deadly dengue, we launched TEMEBATE for the consumer market. TEMEBATE is a larvicide that kills mosquitoes before adult emergence and household can apply it on any mosquito breeding sites, both indoor and outdoor.

Another public health product for the consumer market that we launched in the current financial year is PRETECTOR COCKROACH BAIT. Cockroach is one of the major public health problems in household and most of the eateries. Our newly launched product utilizes the concept of 'attract and kill' in controlling cockroach population. The bait is mixed with attractive food and this allows the bait toxicant to be brought back to the cockroach's nesting site for the purpose of eliminating other cockroaches in the nesting site.

In the current financial year, after several years of research efforts including field development with our rice growers, we launched a bio-available silicon-based foliar fertilizer. Besides increasing the rice yield and improving the quality of the harvest, this product also contributes towards sustainable agriculture practice.

CHAIRMAN'S STATEMENT (continued)

In relation to safety, relevant regulations were strictly complied with. These included periodic fire fighting drills conducted by safety and health committee and general safety education for the factory employees. We continue to take steps to ensure that all workers understand the different aspect of hazards and preventive methods employed in the interest of safe operations throughout the organisation.

As one of our Corporate Social Responsibilities ("CSR") initiative to combat Aedes mosquitoes, we engaged the services of a professional pesticide control operator, in association with government agencies, carried out larviciding activity by applying our liquid larvicide at identified dengue hotspots in Klang Valley. Larviciding activity is important to destroy the breeding sites of mosquitoes and to kill a large population of mosquito larvae in one go in their breeding sites.

PROPOSED DIVIDEND

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

OUTLOOK AND PROSPECTS

According to Bank Negara Malaysia, Malaysia's economy is expected to expand 4.5% - 5.5% in 2015 as strong domestic demand and resilient exports will anchor growth, although the risks of declining oil prices affecting its outlook lingers. The World Bank, on the other hand, expects our country's economic growth to slow down to 4.7% in 2015 before normalising to 5.0% in 2016.

Early sign of a slowing economy is already evident; the gradual increase in trade payments defaulters at 0.58% increase per month from January 2014 to June 2015, ("equivalent to nearly 11% compounded growth as reported by RAM Credit Information") could increase collections risks in the local economy in the months ahead.

The five (5) biggest risks to the global economy as per IMF in its July 2015 update on World Economic Outlook are (i) bond market volatility; (ii) the reversal of capital flows from emerging economies; (iii) US dollar strength; (iv) the relatively slow pace of post-crisis recovery; and (v) China's re-balancing problem. As an exporter to more than 30 countries worldwide, these risks would affect us either directly or indirectly, in one way or another. However, the risk from US dollar strength would have the greatest impact on our performance as we import nearly all our major raw materials.

For the coming year, domestic demand growth is likely to remain subdued given the current high levels of palm oil stockpile while slower external demand with variation from country to country will add to the Group's challenges.

All in all, we have positioned the Group to face a weaker, more volatile and challenging market environment, but we remain cautiously optimistic of moderately improved performance in FY 2016.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at ICB is shown in pages 13 to 21.

APPRECIATION AND ACKNOWLEDGEMENT

I wish to thank the Board members for sharing their industry insights, expertise and acumen, all of which have helped the group stay on track of its performance and strengthening its financial position.

My thanks also go to the Management teams who have been the implementers of the various plans and projects carried out during the year and for delivering the results presented in this report. Dr Leong Wan Leong who had been with our Group since our IPO debut in 2006 retired from the Board and I would like to thank him for his valuable contributions to the Group.

I am pleased to welcome Mr Chan Weng Fui to joining our Board. We look forward to tapping his knowledge and rich experience in corporate finance and property development and together, steering the Group to greater heights.

MOHD SHAFEK BIN ISA
CHAIRMAN

CHAIRMAN'S STATEMENT (continued)



As a CSR initiative, Imaspro held an orchid charity fund raising event in conjunction with Agroworld Expo 2014 where money raised was donated to charitable organisations. Mr. K. P. Mah (left), our regional manager, handing over a donation cheque to a representative of Yayasan Sin Chew.



Mr. Haji Hanapi Sainon (left), our senior manager, briefing one of the visitors on our products at Agroworld Expo 2014.



Personnel from corporate head office enjoying their company trip to Guilin, China.



Another CSR initiative – Conducting larviciding activities to eliminate the mosquito larvae population in dengue hotspot areas in Taman Melawati, Kuala Lumpur.

GROUP FINANCIAL HIGHLIGHTS

(FOR THE FINANCIAL YEAR ENDED 30 JUNE)

| | | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|--------|---------|---------|---------|---------|---------|
| Statements of Comprehensive Income | | | | | | |
| Revenue | RM'000 | 105,404 | 108,423 | 105,168 | 76,484 | 86,403 |
| Profit before taxation | RM'000 | 12,875 | 11,323 | 9,293 | 6,535 | 10,166 |
| Profit after taxation | RM'000 | 10,004 | 9,142 | 7,503 | 5,095 | 8,097 |
| Profit attributable to owners of the Company | RM'000 | 10,004 | 9,142 | 7,503 | 5,095 | 8,097 |
| Gross dividend paid | RM'000 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 |
| Statements of Financial Position | | | | | | |
| Total assets | RM'000 | 128,860 | 116,322 | 111,658 | 106,191 | 101,717 |
| Share capital | RM'000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Shareholders' equity | RM'000 | 118,988 | 110,000 | 104,045 | 99,024 | 95,966 |
| Financial Ratios | | | | | | |
| Return on equity | % | 8.4 | 8.3 | 7.2 | 5.1 | 8.4 |
| Earnings per share | sen | 12.5 | 11.4 | 9.4 | 6.4 | 10.1 |
| Gross dividend per share | sen | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| Net asset per share | RM | 1.49 | 1.38 | 1.30 | 1.24 | 1.20 |

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

MOHD SHAFEK BIN ISA
(Non-Executive Chairman)

TONG CHIN HEN
(Managing Director)

LIM KAH POON
(Independent Non-Executive Director)

CHEN SUNG FANG
(Independent Non-Executive Director)

CHAN WENG FUI
(Independent Non-Executive Director)

SECRETARIES

WONG WAI FOONG (MAICSA 7001358)

WONG PEIR CHYUN (MAICSA 7018710)

REGISTERED OFFICE

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

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

HEAD/MANAGEMENT OFFICE

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

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

REGISTRAR

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants

AUDIT COMMITTEE

LIM KAH POON (Chairman)

CHAN WENG FUI (Member)

CHEN SUNG FANG (Member)

REMUNERATION COMMITTEE

CHEN SUNG FANG (Chairman)

LIM KAH POON (Member)

MOHD SHAFEK BIN ISA (Member)

NOMINATION COMMITTEE

LIM KAH POON (Chairman)

CHEN SUNG FANG (Member)

MOHD SHAFEK BIN ISA (Member)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

LIM KAH POON
Email : kahpoonlim@imaspro.com

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 |
| Age | 58 |
| Nationality | Malaysian |
| Qualification | <ul style="list-style-type: none"> • Diploma in Statistics from UiTM • Postgraduate Diploma from the Securities Institute of Australia |
| Position on Board | Non-Executive Chairman |
| Date of Appointment | 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> |
| Other directorships of public companies | Nil |
| Family relationship with any director and/or major shareholders of the Company | Nil |
| Conflict of interest with the Company | Nil |
| List of convictions for offences within the past ten (10) years other than traffic offences | Nil |
| Committee | <ul style="list-style-type: none"> • Member of the Remuneration Committee • Member of the Nomination Committee |

PROFILE OF DIRECTORS (continued)

| | |
|--|--|
| Name | TONG CHIN HEN |
| Age | 59 |
| Nationality | Malaysian |
| Qualification | Member of the Institute of Directors, United Kingdom |
| Position on Board | Managing Director |
| Date of Appointment | 15 November 2005 |
| Working Experience | <p>His career started in 1975 when he joined Ancom Sdn. Bhd., which went public in 1990, and was the first agrochemical plant to be established in Malaysia. He left the company in end of 1992 while he was the Executive Commercial Manager. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of IRSB to be a leading pesticide player in Malaysia over the last twenty-two (22) years. His ability to lead a Malaysian agrochemical company to break into and increase its overseas presence amidst growing trade protectionism reflects his market-savvy approach to business and the extent of his networking in the international agrochemical business. He has been a regular participant in the Annual British Crop Protection Conference & Exhibition in the United Kingdom, the largest annual gathering of players in the global agrochemical industry since the 1990s.</p> |
| Other directorships of public companies | Nil |
| Family relationship with any director and/or major shareholders of the Company | Nil |
| Conflict of interest with the Company | Nil |
| List of convictions for offences within the past ten (10) years other than traffic offences | Nil |
| Committee | Nil |

PROFILE OF DIRECTORS (continued)

| | |
|----------------------------|---|
| Name | LIM KAH POON |
| Age | 66 |
| Nationality | Malaysian |
| Qualification | <ul style="list-style-type: none"> • Fellow of the Institute of Chartered Accountants in Ireland • Member of the Malaysian Institute of Accountants |
| Position on Board | Independent Non-Executive Director |
| Date of Appointment | 22 May 2013 |
| Working Experience | <p>Mr. Lim, a Chartered Accountant with a broad based business experience. He spent the early part of his professional career with Ernst & Whinney in Dublin, Ireland and Price Waterhouse in Kuala Lumpur/Penang for approximately 12 years. He was the Branch Manager of Price Waterhouse, Penang when he left the firm in 1983.</p> <p>He joined Malaysia Tobacco Company Berhad (“MTC”) – a subsidiary of British American Tobacco Company Ltd (“BAT”), in June 1983, where he held various senior finance positions over a 15 years-period, including the position of Financial Controller from 1990 to June 1996. From July 1996, he assumed the Regional Audit role, responsible for facilitating and identifying the key business risks and evaluating the respective control environment in all the key BAT operations in the Asia Pacific Region with the top management and ensuring that the business risks and weaknesses in the control environment were properly addressed, managed or minimised.</p> <p>In 1998, he joined a local I.T. company, also quoted on Bursa Malaysia Securities Berhad, as its Chief Financial Officer. His finance and regional audit portfolios in both MTC/BAT and the local I.T. company provide him with the wide experience covering financial and management accounting and control, formulation of corporate policies and strategies, risks management, corporate governance, business and tax planning and the role of internal audit under the ever changing corporate environment.</p> <p>He left his last company in September 2001 in order to focus on his business and financial advisory work.</p> <p>He is currently an Independent Non-Executive Director and the Chairman of the Audit Committee and a member of the Nomination, Remuneration and Tender Board Committees of HeveaBoard Berhad, a company quoted on the Bursa Malaysia Securities Berhad. He was appointed to the Board on 1 October 2004.</p> |

PROFILE OF DIRECTORS (continued)

| | |
|---|--|
| <p>Other directorships of public companies</p> | <p>He is also the Independent Non-Executive Director and the Chairman of the Audit Committee of Pineapple Resources Berhad and Chuan Huat Resources Berhad (appointed to the Board on 30 April 2013 and 27 February 2015 respectively).</p> <ul style="list-style-type: none"> • HeveaBoard Berhad • Pineapple Resources Berhad • Chuan Huat Resources Berhad • Spring Energy Resources Berhad |
| <p>Family relationship with any director and/or major shareholders of the Company</p> | <p>Nil</p> |
| <p>Conflict of interest with the Company</p> | <p>Nil</p> |
| <p>List of convictions for offences within the past ten (10) years other than traffic offences</p> | <p>Nil</p> |
| <p>Committee</p> | <ul style="list-style-type: none"> • Chairman of the Audit Committee • Chairman of the Nomination Committee • Member of the Remuneration Committee |

PROFILE OF DIRECTORS (continued)

| | |
|--|---|
| Name | CHEN SUNG FANG |
| Age | 42 |
| Nationality | Malaysian |
| Qualification | Bachelor of Laws (Honours) Degree in University of London, United Kingdom |
| Position on Board | Independent Non-Executive Director |
| Date of Appointment | 22 May 2013 |
| Working Experience | <p>Mr Chen is a member of the Malaysian Bar and he was admitted as an advocate and solicitor of the High Court of Malaya in 1999 and has been active in legal practice since then.</p> <p>He has been involved in corporate exercises involving Initial Public Offering, mergers and acquisitions, reverse takeover, rights issue and others for companies from different industries including software, plantation, timber concession and engineered hardwood flooring.</p> <p>He is also a registered trademarks agent since 2003 and he has been actively involved in the registration of trade marks for companies.</p> |
| Other directorships of public companies | Nil |
| Family relationship with any director and/or major shareholders of the Company | Nil |
| Conflict of interest with the Company | Nil |
| List of convictions for offences within the past ten (10) years other than traffic offences | Nil |
| Committee | <ul style="list-style-type: none"> • Chairman of the Remuneration Committee • Member of the Audit Committee • Member of the Nomination Committee |

PROFILE OF DIRECTORS (continued)

| | |
|--|--|
| Name | CHAN WENG FUI |
| Age | 41 |
| Nationality | Malaysian |
| Qualification | <ul style="list-style-type: none"> Bachelor of Science (Hons) degree in Accounting and Finance from Queen's University of Belfast, Northern Ireland, United Kingdom |
| Position on Board | Independent Non-Executive Director |
| Date of Appointment | 4 December 2014 |
| Working Experience | <p>He joined Price Waterhouse in 1997, where he started in the audit department. After three years working in the audit department of Price Waterhouse, he then joined Aseambankers Malaysia Berhad (the investment arm of Maybank) in 1999 and began his career in corporate finance.</p> <p>Subsequently in 2001, he joined Arab-Malaysian Merchant Bank, which also specialised in corporate finance and investment banking.</p> <p>After 9 years in the banking industry, he left Arab-Malaysian Merchant Bank to join YNH Property Bhd in 2007 to venture into property development and construction. He is still currently with YNH Property Bhd as the Director/Head of Corporate Strategy.</p> |
| Other directorships of public companies | Nil |
| Family relationship with any director and/or major shareholders of the Company | Nil |
| Conflict of interest with the Company | Nil |
| List of convictions for offences within the past ten (10) years other than traffic offences | Nil |
| Committee | <ul style="list-style-type: none"> Member of the Audit Committee |

CORPORATE GOVERNANCE STATEMENTS

The Board of Directors of Imaspro Corporation Berhad (“the Board”) is committed to ensuring that the highest standards of Corporate Governance are maintained within the Group as expressed in the Principles and Recommendations set out in the Malaysian Code on Corporate Governance Code 2012 (“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 Recommendations of the Code during the financial year ended 30 June 2015.

BOARD OF DIRECTORS

Board Charter

The Board Charter (“Charter”) serves as a reference point for the Board’s activities where the Board has established clear functions reserved for the Board and those delegated to Management. The Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and is subject to periodical review to ensure consistency with the Board’s strategic intent as well as relevant standards of corporate governance. Salient terms of the Charter are made available at the Company’s website at www.imaspro.com.

Board Composition and Balance

The Board currently has five (5) members, comprising one (1) Executive Director and four (4) Non-Executive Directors. Out of the four (4) Non-Executive Directors, three (3) 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 Director 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 Director who has good knowledge of the business is responsible for implementing the corporate strategies and policies as well as charged with the management of the day-to-day operations of the business.

The Independent Directors play a pivotal role in corporate accountability. None of the Non-Executive Directors participate in the day-to-day management of the Group. The presence of the Independent Non-Executive Directors are essential in providing 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.

Considering the recommendation of the Code on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years, none of the Independent Directors’ tenure has exceeded a cumulative term of nine (9) years.

A Senior Independent Non-Executive Director provides an additional communication channel between the Directors and the Shareholders. The Board had identified Mr Lim Kah Poon to act as the Senior Independent Non-Executive Director to provide Shareholders with an alternative to convey their concerns via his e-mail address: kahpoonlim@imaspro.com and seek clarifications from the Board.

CORPORATE GOVERNANCE STATEMENTS (continued)

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

- Subject to Board justification and Shareholders' approval, the tenure of Independent Directors should not exceed a cumulative nine (9) years; and
- An annual assessment of independence of its Independent Directors focusing on events that would affect the ability of Independent Directors to continue bringing independent and objective judgement to board deliberation and the regulatory definition of Independent Directors.

Board Roles and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:

- reviewing and adopting the overall strategic plans and programmes for the Company and Group;
- overseeing and evaluating the conduct of business of the Company and Group;
- identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;
- establishing a succession plan;
- developing and implementing a shareholder communication policy for the Company;
- reviewing the adequacy and integrity of the management information and internal control systems of the Company and Group; and
- delegating certain responsibilities to the various Board committees with clearly defined terms of reference to assist the Board in discharging its responsibilities.

The following matters are specifically reserved for the Board:

- approval of corporate plans and programmes;
- approval of annual budgets, including major capital commitments;
- approval of new ventures;
- approval of material acquisition and disposals of undertakings and properties;
- change of management and control structure within the Company and its subsidiaries ("the Group"), including key policies, delegated authority limits, and
- review and update the whistle-blowing policy.

Code of Ethics and Conduct

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group, and the core areas of conducts include the following:

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

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate.

CORPORATE GOVERNANCE STATEMENTS (continued)

Sustainability

The Board of Directors regularly review the strategic direction of the Company and the progress of the Company's operations, taking into account changes in the business and political environment and risk factors such as level of competition. The Group also ensures its operations are managed in compliance with the relevant statutory regulations on safety and health to promote a "green" environment to the community.

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 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 2015 are as follows:

| Name of Director | No. of meetings attended |
|---|---------------------------------|
| Mohd Shafek Bin Isa | 4/4 |
| Tong Chin Hen | 4/4 |
| Lim Kah Poon | 4/4 |
| Chen Sung Fang | 4/4 |
| Chan Weng Fui (appointed on 4 December 2014) | 2/2 |
| Dr. Leong Wan Leong (retired on 19 November 2014) | 2/2 |

Directors' commitment, resources and time allocated to the Company are evident from the attendance record, where all the Directors attended the Board Meetings held during the financial year ended 30 June 2015. Hence, they comply with Paragraph 15.05 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

All the Directors are provided with agendas and 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.

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

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. 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.

The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Company Secretaries are qualified, suitable and capable of carrying out the duties required as they are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

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.

CORPORATE GOVERNANCE STATEMENTS (continued)

In addition, the Nomination Committee also has the function of assessing the effectiveness of the Board, reviewing the skills, professionalism, integrity and competencies of individual Directors and the composition of the various committees of the Board.

In accordance to the Company's Articles of Association, all Directors who are appointed during the financial year 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 Director, 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.

The Board, through its delegation to the Nomination Committee, has set up and implemented the process for the assessments of its Chairman, the individual Board Members and the Board as a whole. For the financial year ended 30 June 2015, the Board has, through the Nomination Committee, reviewed the mix of skills and experience of the individual Directors and assessed the effectiveness of the Board as a whole. A separate assessment for Independent Director is also undertaken annually.

Directors' Training

All Directors had attended the Mandatory Accreditation Programme ("MAP") as required by the Listing Requirements of Bursa Securities. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the Listing Requirements of Bursa Securities.

During the financial year under review, the Directors have attended the following conference, seminar and training programmes:

| Director | Name of conferences, seminar and training programmes | Date |
|---------------------|--|------------------------------------|
| Mohd Shafek Bin Isa | • Building a stronger Organisation through Talent & Culture | 15 October 2014 |
| | • Improving the Corporate Governance of Major Insurance companies | 27 January 2015 |
| Tong Chin Hen | • CAC 2015 – The 16th China International Agrochemical & Protection Exhibition | 11-13 March 2015 |
| Chen Sung Fang | • Seminar on Legal Issues Relating to GST and Property | 16 June 2015 |
| Lim Kah Poon | • Risk Management and Internal Control Workshop | 11 June 2015 |
| Chan Weng Fui | • Mandatory Accreditation Programme for Directors of Public Listed Companies | 4-5 March 2015 and 10 June 2015 |

The Board of Directors were regularly updated and advised by independent professionals on regulatory changes and matters on governance, to enable them to discharge their responsibilities effectively.

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.

CORPORATE GOVERNANCE STATEMENTS (continued)

Details of remuneration of Directors who served during the financial year ended 30 June 2015 are as follows:

| Aggregate Remuneration by Category | Executive Directors RM | Non-Executive Directors RM |
|---|-----------------------------------|---------------------------------------|
| Salaries and bonuses | 1,400,000 | - |
| Fees | 144,000 | 109,073 |
| Pension costs – defined contribution plan | 238,000 | - |
| Benefits in-kind | 15,981 | - |
| Total | 1,797,981 | 109,073 |

For the financial year ended 30 June 2015, the numbers of Directors whose remuneration fall within the respective bands are as follows:

| Range of Remuneration | Number of Directors | |
|------------------------------|----------------------------|--------------------------------|
| | Executive Directors | Non-Executive Directors |
| RM50,000 & below | - | 4 |
| RM1,750,001 to RM1,800,000 | 1 | - |

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 made 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 22 to 25 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 assessing Directors on an on-going basis.

The Nomination Committee comprises three (3) members, all of whom are Non-Executive Directors. Out of the three (3) Non-Executive Directors, two (2) are independent. In compliance with the recommendation of the Code, the Chairman of the Nominating Committee is also the Senior Independent Non-Executive Director.

The composition of the Nominating Committee is as follows:

- i) Lim Kah Poon (Independent Non-Executive Director) - Chairman
- ii) Chen Sung Fang (Independent Non-Executive Director) – Member
- iii) Mohd Shafek Bin Isa (Non-Executive Chairman) – Member

During the financial year ended 30 June 2015, the Committee met twice and the meetings were attended by all its members.

CORPORATE GOVERNANCE STATEMENTS (continued)

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

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

The summary of 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 develop the criteria to assess the independence of Independent Non-Executive Directors annually, especially for those who have served for more than nine (9) years;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director;
- to ensure that there is an orientation and education programme for newly appointed Directors with respect to the business and management of the Group;
- to consider and recommend training or skills upgrade for Directors in furtherance of their duties as appropriate;
- to provide feedbacks to Directors in respect of their individual performance;
- to provide constructive input to each individual Director as to how he or she may be better contribute to the functioning of the Board;
- to ensure the composition of the Board is in accordance with the Memorandum and Articles of Association and the Code;
- to review Board's succession plans; and
- to facilitate achievement of Board gender diversity policies and targets.

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

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

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

CORPORATE GOVERNANCE STATEMENTS (continued)

(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 shareholders' 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) Chen Sung Fang (Independent Non-Executive Director) - Chairman
- ii) Lim Kah Poon (Independent Non-Executive Director) - Member
- iii) Mohd Shafek Bin Isa (Non-Executive Chairman) – Member

Meetings of the Remuneration Committee are held as and when required, and at least once a year. During the financial year ended 30 June 2015, the Committee met once and the meeting was attended by all its members.

The duties and responsibilities 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 shareholders' 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 the Bursa Securities.

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

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association. A presentation is given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during the AGM. Shareholders are 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 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.

Recommendation 8.2 of the Code recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that with the current level of shareholders' attendance at AGMs, voting by way of a show of hands continues to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board 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 28 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 reduce rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, frauds or losses. The effectiveness of the systems of internal controls of the Group is reviewed periodically by the Audit Committee.

The Statement on Risk Management and Internal Control, which provides an overview of the state of the internal control and risk management within Group, is set out in page 26 to 27 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 External 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 once 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 22 to 25 of this Annual Report.

Corporate Disclosure Policy

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

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

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, and has complied with the Code throughout the financial year ended 30 June 2015.

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 2015.

MEMBERSHIP AND MEETINGS

The Audit Committee presently comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors. 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 Audit Committee and the attendance at the meetings during the financial year ended 30 June 2015 are stated below:

| Name of Director | Designation | Total Meetings Attended by Directors |
|--|---|--------------------------------------|
| Lim Kah Poon | Chairman, Independent Non-Executive Director | 4/4 |
| Chen Sung Fang | Independent Non-Executive Director | 4/4 |
| Chan Weng Fui (appointed on 4 December 2014) | Independent Non-Executive Director | 2/2 |
| Dr. Leong Wan Leong (retired on 19 November 2014) | Independent Non-Executive Director | 1/1 |

SUMMARY OF TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. AUTHORITY

The Audit Committee is authorised by the Board in accordance with the procedures to be determined by the Board and at the cost of the Company to:

- a) investigate any activity within its Terms of Reference; or as directed by the Board of Directors;
- b) determine and obtain the resources required to perform its duties, including approving the budget for the external and internal audit functions;
- c) have full and unrestricted access to any information pertaining to the Company or the Group;
- d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- e) direct the Internal Audit Function in the Group;
- f) approve the appointment of the Head of Internal Audit;
- g) engage independent advisers and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- h) to review the adequacy of the structure and Terms of Reference of the Board Committees, including the Audit Committee; and
- i) to be able to 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.

AUDIT COMMITTEE REPORT (continued)

2. FUNCTIONS OF THE COMMITTEE

The functions and responsibilities are as follows:

- a) Corporate Financial Reporting
 - i. To review and recommend acceptance or otherwise of accounting policies, principles and practices.
 - ii. To review the quarterly results and annual financial statements of the Company and Group before submission to the Board. The review should focus primarily on:
 - any changes in existing or implementation of new accounting policies;
 - major judgement areas, significant and unusual events;
 - significant adjustments resulting from audit;
 - the going concern assumptions;
 - compliance with accounting standards; and
 - compliance with 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.
- b) Enterprise-wide Risk Management
 - i. To review the adequacy of and to provide independent assurance to the Board the effectiveness of risk management functions in the Group.
 - ii. To ensure that the principles and requirements of managing risk are consistently adopted throughout the Group.
 - iii. To deliberate on the key risk issues highlighted by Group Risk Management Committee in their reports to Audit Committee.
- c) Internal Control
 - i. To assess the quality and effectiveness of the systems of internal control and the efficiency of the Group's operations.
 - ii. To review the findings on internal control in the Group by Internal and External Auditors.
 - iii. To review and approve the Statement on Risk Management and Internal Control for the Annual Report as required under the Main Market Listing Requirements of Bursa Securities.
- d) 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 responses and actions taken in respect of these. Where actions are not taken within an adequate timeframe by management, the Audit Committee will report the matter to the Board.
 - iv. To review the adequacy of internal audit plans and the scope of audits, functions, competency and resources of the internal audit functions and that they are carried out without any hindrance.
 - v. To be informed of resignations and transfers of senior internal audit staff and provide resigning/transferred staff an opportunity to express their views.
 - vi. To direct any special investigation to be carried out by Internal Audit.

AUDIT COMMITTEE REPORT (continued)

- vii. To establish an internal audit function which is independent of the activities it audits.
 - viii. To ensure its internal audit function reports directly to the Audit Committee.
- e) External Audit
- i. To nominate the External Auditors together with such other functions as may be agreed to by the Board and recommend for approval of the Board the external audit fee, and consider any questions of resignation or termination.
 - ii. To review external audit reports and management's response and actions taken in respect of these. Where actions are not taken within an adequate timeframe by management, the Audit Committee will report the matter to the Board.
 - iii. To review external audit plans and scope of work.
 - iv. To review and monitor the suitability of the External Auditors.
 - v. To carry out an annual review of the performance of the External Auditors, including assessment of independence of External Auditors in the performance of their obligations as External Auditors.
 - vi. To establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with External Auditors.
- f) 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) of any instances of non-compliance.
 - ii. To review the findings of any examinations by regulatory authorities.
 - iii. To review any related party transaction and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that raises questions of integrity.
 - iv. To review and approve the Statement of Corporate Governance for the Annual Reports as required under the Main Market Listing Requirements 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 Company's Code of Corporate Governance and Business Ethics.
 - viii. Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the Main Market Listing Requirements of Bursa Securities, the Audit Committee must promptly report such Matters to Bursa Securities.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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;

AUDIT COMMITTEE REPORT (continued)

- 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 2012 for the purpose of preparing the Corporate Governance Statements and Statement on Risk Management and Internal Control pursuant to the Listing Requirements for the Main Market of Bursa Securities;
- 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; and
- j) assessed the suitability and independence of the External Auditors, including the adequacy of their resources, experience of the firm and staff assigned, level of non-audit fees and rotation of partner.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

Internal Audit reports were reviewed and adopted by the Audit Committee on a quarterly basis. During the financial year, the Internal Auditors had reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

For the financial year ended 30 June 2015, the following reviews were audited:-

- 1) Safety and Health functions of Imaspro Resources Sdn Bhd ("IRSB").
- 2) Production Planning, Production and Packing functions of IRSB.
- 3) Follow up on previously reported findings on Human Resources and Accounts & Administration Functions.
- 4) Follow up on previously reported findings on Production, Safety and Health, Inventory Management, Laboratory, Quality Assurance and Maintenance functions.
- 5) Review of the Registry of Risk, Risk Matrix, Risk Measurement and Changes Log prepared by the management.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 30 June 2015 in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

Board Responsibility

The Board of Directors affirms its overall responsibility for maintaining the Group's system of internal control, risk management and reviewing the adequacy and integrity of these systems. The system of internal control can only provide reasonable and not absolute assurance against material misstatement or loss as it is designated to manage rather than eliminate the risk of failure to achieve the Group's business objectives and strategies.

Risk Management

The Board confirms that there is an on-going process of identifying; assessing and responding to risks to achieve the objectives of the Group for the financial year under review. The process is in place for the year under review and up to the date of issuance of the Statement of Risk Management and Internal Control.

As part of the Risk Management process, a Registry of Risk and the Risk Management Handbook were adopted. The Registry of Risk is maintained to identify principal business risk and updated for on-going changes in the risk profile. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts.

Key Elements of Internal Control

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 responsibilities for identifying risks and the overall Group's business as a whole. They are also responsible for instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.
- Limits of Authority are established within the Group to provide a functional framework of authority in approving revenue, operating expenses and capital expenditure.
- Operating policies and procedures that serve as a general management guide for daily operations. These policies and procedures are reviewed on a regularly basis to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.
- As part of the performance monitoring process, management information in the form of forecasts and quarterly management accounts and reports are provided to the Board for review and approval.
- The Audit Committee reviews the quarterly and annual financial statements and results announcements and recommends to the Board for approval.
- Regular meetings are held to discuss on the overall Group and operating subsidiaries' operational matters and to resolve key operational, financial, human resource and other related issues.
- Regular internal audit reviews are carried out to identify any area of improvement, besides compliance with internal control best practices, guidelines and objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

- Adequate insurance coverage and security measures on major assets of the Group are provided to ensure that it sufficiently safeguards against any mishap that will result in material losses to the Group.
- Training and development programs are established to ensure that staff are constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

Internal Audit Function

The Group in its efforts to provide adequate and effective internal control system had appointed an independent consulting firm to undertake its internal audit function. The independent consulting firm acts as Internal Auditors and reports directly to the Audit Committee.

Internal audit plans are reviewed and approved by the Audit Committee. During the financial year, the Internal Auditors reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

In addition, the Internal Auditors followed up on the implementation of recommendations from previous cycles of internal audit and updated the Audit Committee on the status of management-agreed action plan. For the financial year ended 30 June 2015, the total costs incurred for the outsourced internal audit function amounted to RM29,119.

Review of the Statement by External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

The Board has received assurance from the Group Managing Director and the Finance Manager that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement.

The Board continues to take appropriate action plans to strengthen the risk management and internal control systems to meet the Group's objectives in light of the continuous changes in the business environment.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 financial position of the Group and the Company as at the end of the financial year and of the financial performance 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, Financial Reporting Standards and also the Main Market Listing Requirement 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 2015, 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.

FINANCIAL STATEMENTS

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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 2015.

PRINCIPAL ACTIVITIES

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

RESULTS

| | Group RM | Company RM |
|---------------------------|---------------------|-----------------------|
| Profit for the year | 10,003,589 | 4,343,985 |
| Profit attributable to: | | |
| Owners of the Company | 10,003,589 | 4,343,985 |
| Non-controlling interests | - | - |
| | <u>10,003,589</u> | <u>4,343,985</u> |

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividend paid by the Company since 30 June 2014 was as follows:

In respect of the financial year ended 30 June 2014

| | RM |
|---|------------------|
| A first and final single tier dividend of 3.5 sen per share paid on 19 January 2015 | <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 2015 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2016.

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
 Lim Kah Poon
 Chen Sung Fang
 Chan Weng Fui (appointed on 4.12.2014)
 Dr. Leong Wan Leong (retired on 19.11.2014)

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 1.7.2014 | Acquired | Disposed | At 30.6.2015 |
| Shareholdings in the name of the Director: | | | | |
| Mohd Shafek Bin Isa | 150,000 | - | - | 150,000 |
| Tong Chin Hen | 150,000 | - | - | 150,000 |
| Chan Weng Fui | - | 4,390,000 | - | 4,390,000 |
| Shareholdings in which the Director is deemed to have an interest: | | | | |
| Mohd Shafek Bin Isa | 19,118,704 | - | 19,118,704 | - * |
| Tong Chin Hen | 33,947,064 | - | - | 33,947,064 ** |

Notes:

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

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

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

DIRECTORS' 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 2015.

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position 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 impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance had been made for impairment of receivables; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (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, HLB Ler Lum have expressed their willingness to continue in office.

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

TONG CHIN HEN
Director

MOHD SHAFEK BIN ISA
Director

Petaling Jaya

Date : 30 September 2015

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2015 and of the financial performance and cash flows of the Group and of the Company for the year then ended.

In the opinion of the Directors, the supplementary information set out on page 76 have been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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 : 30 September 2015

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 Kuala Lumpur)

in the Federal Territory this)

day of 30 September 2015)

Before me

Commissioner for Oaths

MANOHARAN A/L SELLAMUTHU
KUALA LUMPUR
FEDERAL TERRITORY

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 Statements of Financial Position as at 30 June 2015 of the Group and of the Company, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 75.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation of financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 75 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

HLB LER LUM
AF 0276
Chartered Accountants

LUM TUCK CHEONG
1005/3/17(J/PH)
Chartered Accountant

Date : 30 September 2015

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2015

| | Note | Group | | Company | |
|--|------|--------------------|--------------------|-------------------|-------------------|
| | | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| ASSETS | | | | | |
| Non – current assets | | | | | |
| Property, plant and equipment | 4 | 23,347,144 | 23,874,722 | - | - |
| Investment properties | 5 | 8,212,081 | 142,089 | - | - |
| Investment in subsidiary companies | 6 | - | - | 31,467,623 | 31,467,621 |
| | | <u>31,559,225</u> | <u>24,016,811</u> | <u>31,467,623</u> | <u>31,467,621</u> |
| Current assets | | | | | |
| Inventories | 7 | 15,706,068 | 23,164,343 | - | - |
| Trade and other receivables | 8 | 34,667,015 | 35,589,710 | 11,175,037 | 8,306,124 |
| Cash and bank balances | 9 | 46,905,508 | 33,343,910 | 6,470,779 | 7,771,459 |
| Tax recoverable | | 21,703 | 207,029 | 17,166 | 40,664 |
| | | <u>97,300,294</u> | <u>92,304,992</u> | <u>17,662,982</u> | <u>16,118,247</u> |
| TOTAL ASSETS | | <u>128,859,519</u> | <u>116,321,803</u> | <u>49,130,605</u> | <u>47,585,868</u> |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to owners of the Company: | | | | | |
| Share capital | 10 | 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 | 11 | 1,517,575 | (267,112) | - | - |
| Retained profits | 12 | 74,613,478 | 67,409,889 | 6,232,323 | 4,688,338 |
| Total equity | | <u>118,988,085</u> | <u>109,999,809</u> | <u>49,089,355</u> | <u>47,545,370</u> |
| Non – current liabilities | | | | | |
| Deferred tax liabilities | 13 | 1,300,026 | 1,104,421 | - | - |
| Loan and borrowing | 14 | 1,475,996 | - | - | - |
| | | <u>2,776,022</u> | <u>1,104,421</u> | <u>-</u> | <u>-</u> |
| Current liabilities | | | | | |
| Trade and other payables | 15 | 6,400,745 | 5,150,156 | 41,250 | 40,498 |
| Loan and borrowing | 14 | 324,004 | - | - | - |
| Tax payable | | 370,663 | 67,417 | - | - |
| | | <u>7,095,412</u> | <u>5,217,573</u> | <u>41,250</u> | <u>40,498</u> |
| TOTAL LIABILITIES | | <u>9,871,434</u> | <u>6,321,994</u> | <u>41,250</u> | <u>40,498</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>128,859,519</u> | <u>116,321,803</u> | <u>49,130,605</u> | <u>47,585,868</u> |

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

| | Note | Group | | Company | |
|---|------|--------------|--------------|------------|-------------|
| | | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Continuing Operations | | | | | |
| Revenue | 16 | 105,403,720 | 108,422,636 | 4,500,000 | 4,500,000 |
| Cost of sales | | (86,617,295) | (91,084,120) | - | - |
| Gross profit | | 18,786,425 | 17,338,516 | 4,500,000 | 4,500,000 |
| Other operating income | 17 | 2,073,417 | 1,828,209 | 169,105 | 240,009 |
| Distribution cost | | (39,556) | (30,600) | - | - |
| Administration expenses | | (6,677,306) | (6,935,576) | (326,687) | (320,468) |
| Other operating expenses | | (1,186,264) | (835,756) | - | - |
| Operating profit | | 12,956,716 | 11,364,793 | 4,342,418 | 4,419,541 |
| Finance cost | 18 | (81,224) | (41,322) | - | - |
| Profit before tax | 19 | 12,875,492 | 11,323,471 | 4,342,418 | 4,419,541 |
| Income tax expense | 22 | (2,871,903) | (2,181,284) | 1,567 | (1,089,720) |
| Profit for the year | | 10,003,589 | 9,142,187 | 4,343,985 | 3,329,821 |
| Other comprehensive income / (expenses) | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - | - | - |
| Items that are or may be reclassified subsequently to profit or loss: | | | | | |
| - Foreign currency translation | | 1,784,687 | (387,467) | - | - |
| Total comprehensive income for the year | | 11,788,276 | 8,754,720 | 4,343,985 | 3,329,821 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 10,003,589 | 9,142,187 | 4,343,985 | 3,329,821 |
| Non controlling interests | | - | - | - | - |
| | | 10,003,589 | 9,142,187 | 4,343,985 | 3,329,821 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 11,788,276 | 8,754,720 | 4,343,985 | 3,329,821 |
| Non controlling interests | | - | - | - | - |
| | | 11,788,276 | 8,754,720 | 4,343,985 | 3,329,821 |
| Earnings per share attributable to owners of the Company: | | | | | |
| Basic (sen) | 23 | 12.50 | 11.43 | | |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

| Group | Note | Attributable to owners of the Company | | | | Total Equity RM |
|--|------|---------------------------------------|------------------------|---|---------------------------|--------------------|
| | | Non - Distributable | | Distributable | | |
| | | Share Capital RM | Share Premium RM | Foreign Currency Translation Reserve RM | Retained Profits RM | |
| At 1 July 2013 | | 40,000,000 | 2,857,032 | 120,355 | 61,067,702 | 104,045,089 |
| Profit for the year | | - | - | - | 9,142,187 | 9,142,187 |
| Other comprehensive expenses for the year | | - | - | (387,467) | - | (387,467) |
| Transaction with owners | | | | | | |
| Dividends | 24 | - | - | - | (2,800,000) | (2,800,000) |
| At 30 June 2014 | | 40,000,000 | 2,857,032 | (267,112) | 67,409,889 | 109,999,809 |
| At 1 July 2014 | | 40,000,000 | 2,857,032 | (267,112) | 67,409,889 | 109,999,809 |
| Profit for the year | | - | - | - | 10,003,589 | 10,003,589 |
| Other comprehensive income for the year | | - | - | 1,784,687 | - | 1,784,687 |
| Transaction with owners | | | | | | |
| Dividends | 24 | - | - | - | (2,800,000) | (2,800,000) |
| At 30 June 2015 | | 40,000,000 | 2,857,032 | 1,517,575 | 74,613,478 | 118,988,085 |

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

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE YEAR ENDED 30 JUNE 2015

| COMPANY | Note | Attributable to owners of the Company | | | Total Equity RM |
|---|------|---------------------------------------|------------------|-----------------------------------|-----------------|
| | | Non - Distributable Share Capital RM | Share Premium RM | Distributable Retained Profits RM | |
| At 1 July 2013 | | 40,000,000 | 2,857,032 | 4,158,517 | 47,015,549 |
| Profit for the year | | - | - | 3,329,821 | 3,329,821 |
| Other comprehensive income for the year | | - | - | - | - |
| Transaction with owners | | | | | |
| Dividends | 24 | - | - | (2,800,000) | (2,800,000) |
| At 30 June 2014 | | 40,000,000 | 2,857,032 | 4,688,338 | 47,545,370 |
| At 1 July 2014 | | 40,000,000 | 2,857,032 | 4,688,338 | 47,545,370 |
| Profit for the year | | - | - | 4,343,985 | 4,343,985 |
| Other comprehensive income for the year | | - | - | - | - |
| Transaction with owners | | | | | |
| Dividends | 24 | - | - | (2,800,000) | (2,800,000) |
| At 30 June 2015 | | 40,000,000 | 2,857,032 | 6,232,323 | 49,089,355 |

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 12,875,492 | 11,323,471 | 4,342,418 | 4,419,541 |
| Adjustments for: | | | | |
| Gain on disposal of property, plant and equipment | (70,797) | (32,998) | - | - |
| Interest expenses | 81,224 | 41,322 | - | - |
| Interest income | (1,026,649) | (664,871) | (169,105) | (240,009) |
| Loss on foreign exchange | | | | |
| - unrealised | 60,018 | 108,153 | - | - |
| Impairment loss on trade receivables | 411,606 | 78,829 | - | - |
| Reversal of allowance for impairment of trade receivables | (60,564) | (236,398) | - | - |
| Depreciation of property, plant and equipment | 1,584,307 | 1,638,840 | - | - |
| Depreciation of investment properties | 37,665 | 2,591 | - | - |
| Property, plant and equipment written off | 44,520 | 1 | - | - |
| Dividend income | - | - | (4,500,000) | (4,500,000) |
| Inventories written off | - | 471,026 | - | - |
| Inventories written down | - | 1,570,426 | - | - |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES | | | | |
| CAPITAL CHANGES | 13,936,822 | 14,300,392 | (326,687) | (320,468) |
| Decrease in inventories | 7,458,275 | 3,443,812 | - | - |
| Decrease/(increase) in receivables | 2,396,035 | (279,756) | 6,875 | 7,500 |
| Increase/(decrease) in payables | 1,052,116 | (1,080,661) | 752 | 4,022 |
| CASH GENERATED FROM/(DEPLETED IN) OPERATIONS | | | | |
| Interest paid | (81,224) | (41,322) | - | - |
| Interest received | 1,026,649 | 664,871 | 169,105 | 240,009 |
| Taxes paid | (2,233,706) | (2,609,960) | (17,166) | (5,664) |
| Taxes refunded | 42,231 | 1,541,100 | 42,231 | 312,082 |
| NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES | | | | |
| | 23,597,198 | 15,938,476 | (124,890) | 237,481 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment | (1,101,253) | (6,351,788) | - | - |
| Purchase of investment properties | (8,107,657) | - | - | - |
| Purchase of investment in subsidiary company | - | - | (2) | (2) |
| Proceeds from disposal of property, plant and equipment | 70,801 | 33,000 | - | - |
| Advances to subsidiary companies | - | - | (2,875,788) | (2,299,249) |
| Dividend received | - | - | 4,500,000 | 3,375,000 |
| NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES | | | | |
| | (9,138,109) | (6,318,788) | 1,624,210 | 1,075,749 |

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

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Drawdown of term loan | 1,800,000 | - | - | - |
| Dividend paid | (2,800,000) | (2,800,000) | (2,800,000) | (2,800,000) |
| NET CASH USED IN FINANCING ACTIVITIES | (1,000,000) | (2,800,000) | (2,800,000) | (2,800,000) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 13,459,089 | 6,819,688 | (1,300,680) | (1,486,770) |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 102,509 | (587,642) | - | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 33,343,910 | 27,111,864 | 7,771,459 | 9,258,229 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 9) | 46,905,508 | 33,343,910 | 6,470,779 | 7,771,459 |

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 6 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 September 2015.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

- (i) MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2016

| | |
|---|---|
| MFRS 14 | Regulatory Deferral Accounts |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| Amendments to MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |
| Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| Amendments to MFRS 101 | Disclosure Initiative |
| Amendments to MFRS 116 and MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| Amendments to MFRS 116 and MFRS 141 | Agriculture: Bearer Plants |
| Amendments to MFRS 127 | Equity Method in Separate Financial Statements |

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012 – 2014 Cycle".
- (ii) MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2017

| | |
|---------|---------------------------------------|
| MFRS 15 | Revenue from Contracts with Customers |
|---------|---------------------------------------|
- (iii) MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2018

| | |
|--------|-----------------------|
| MFRS 9 | Financial Instruments |
|--------|-----------------------|

The Directors anticipate that the abovementioned standards, Amendments and Interpretations will be adopted when they become effective if applicable to the Group and the Company and that the adoption of these standards, Interpretations and Amendments will have no material impact on the financial statements of the Group and the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

(d) Use of Estimates and Judgements

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

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

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

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

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

(ii) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 31.

(iii) Income taxes

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Contingent liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(iv) Contingent liabilities (continued)

The Directors are of the opinion that provision are not required in respect of the contingent liabilities as disclosed in Note 26 as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

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

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiary Companies

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

(c) Property, Plant and Equipment and Depreciation

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Long term leasehold land and buildings are depreciated over their lease periods 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% |
| Farm structure and equipment | 20% |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(d) Investment Property

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of Non-Financial Assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(f) Financial Assets

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

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

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

Loans and receivables

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Financial Assets

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

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

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

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

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

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

(h) 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.

(i) Cash and Cash Equivalents

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

(j) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Liabilities

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

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

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

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

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

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

(l) Borrowing Costs

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

(m) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

(n) Foreign Currencies

(i) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Foreign Currencies (continued)

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

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

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

(o) Operating Leases

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

(p) Revenue Recognition

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

(i) Sale of goods

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

(ii) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue Recognition (continued)

(iii) Rental income

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

(iv) Dividend income

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

(q) Income Taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Share Capital and Share Issuance Expenses

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

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

(s) Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(t) Operating Segments

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

(u) Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

| The Group | Freehold land RM | Long term leasehold land RM | Buildings RM | Office equipment RM | Furniture and fittings RM | Renovation RM | Motor vehicles RM | Plant and machinery RM | Farm structure & equipment RM | Total RM |
|----------------------------------|------------------|-----------------------------|--------------|---------------------|---------------------------|---------------|-------------------|------------------------|-------------------------------|------------|
| | | | | | | | | | | |
| Cost | | | | | | | | | | |
| At 1 July 2013 | 2,762,726 | 3,269,162 | 8,145,260 | 844,403 | 536,538 | 679,389 | 2,549,565 | 11,993,423 | - | 30,780,466 |
| Additions | 5,233,672 | - | 19,400 | 76,750 | 13,331 | - | 455,082 | 442,945 | 110,608 | 6,351,788 |
| Disposals | - | - | - | - | - | - | (127,463) | - | - | (127,463) |
| Written off | - | - | - | - | - | - | (27,000) | - | - | (27,000) |
| At 30 June 2014/ | | | | | | | | | | |
| 1 July 2014 | 7,996,398 | 3,269,162 | 8,164,660 | 921,153 | 549,869 | 679,389 | 2,850,184 | 12,436,368 | 110,608 | 36,977,791 |
| Additions | - | - | 289,286 | 115,396 | 953 | - | 278,529 | 417,089 | - | 1,101,253 |
| Disposals | - | - | - | - | - | - | (293,601) | - | - | (293,601) |
| Written off | (44,520) | - | - | - | - | - | - | - | - | (44,520) |
| At 30 June 2015 | 7,951,878 | 3,269,162 | 8,453,946 | 1,036,549 | 550,822 | 679,389 | 2,835,112 | 12,853,457 | 110,608 | 37,740,923 |
| Accumulated depreciation | | | | | | | | | | |
| At 1 July 2013 | - | 291,118 | 824,563 | 698,986 | 465,123 | 594,646 | 1,715,527 | 7,028,726 | - | 11,618,689 |
| Depreciation charge for the year | - | 40,795 | 113,742 | 65,423 | 21,720 | 48,929 | 352,772 | 995,459 | - | 1,638,840 |
| Disposals | - | - | - | - | - | - | (127,461) | - | - | (127,461) |
| Written off | - | - | - | - | - | - | (26,999) | - | - | (26,999) |
| At 30 June 2014/ | | | | | | | | | | |
| 1 July 2014 | - | 331,913 | 938,305 | 764,409 | 486,843 | 643,575 | 1,913,839 | 8,024,185 | - | 13,103,069 |
| Depreciation charge for the year | - | 40,795 | 108,690 | 70,154 | 21,191 | 24,026 | 342,677 | 954,652 | 22,122 | 1,584,307 |
| Disposals | - | - | - | - | - | - | (293,597) | - | - | (293,597) |
| Written off | - | - | - | - | - | - | - | - | - | - |
| At 30 June 2015 | - | 372,708 | 1,046,995 | 834,563 | 508,034 | 667,601 | 1,962,919 | 8,978,837 | 22,122 | 14,393,779 |
| Net carrying amount | | | | | | | | | | |
| At 30 June 2015 | 7,951,878 | 2,896,454 | 7,406,951 | 201,986 | 42,788 | 11,788 | 872,193 | 3,874,620 | 88,486 | 23,347,144 |
| At 30 June 2014 | 7,996,398 | 2,937,249 | 7,226,355 | 156,744 | 63,026 | 35,814 | 936,345 | 4,412,183 | 110,608 | 23,874,722 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTY

| | Group | |
|----------------------------------|--------------------|--------------------|
| | 2015 RM | 2014 RM |
| Cost | | |
| At 1 July | 183,541 | 183,541 |
| Addition | 8,107,657 | - |
| 30 June | 8,291,198 | 183,541 |
| Accumulated depreciation | | |
| At 1 July | 41,452 | 38,861 |
| Depreciation charge for the year | 37,665 | 2,591 |
| At 30 June | 79,117 | 41,452 |
| Net carrying amount | | |
| At 30 June | 8,212,081 | 142,089 |
| Included in the above are: | | |
| | Group | |
| | 2015 RM | 2014 RM |
| Net carrying amount | | |
| Freehold land | 2,155,500 | 54,000 |
| Building | 6,056,581 | 88,089 |
| | 8,212,081 | 142,089 |

- (a) Investment properties comprise freehold land and buildings. Rental income generated from one of the investment properties during the financial year amounted to RM6,800 (2014: RM6,000). There were no direct operating expenses incurred for the investment properties during the financial year.
- (b) Included in investment properties is a shop office amounting to RM3,735,695 (2014: Nil) pledged to a licensed bank for a term loan facility granted to a subsidiary company (Note 14).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES

| | Company | |
|---------------------------|------------|------------|
| | 2015 RM | 2014 RM |
| Unquoted shares – at cost | 31,467,623 | 31,467,621 |

Details of the subsidiary companies are as follows:

| Name of Companies | Country of Incorporation | Effective Ownership Interest | | Principal Activities |
|---|--------------------------|------------------------------|----------|---|
| | | 2015 (%) | 2014 (%) | |
| Direct subsidiary companies of the Company | | | | |
| Imaspro Resources Sdn. Bhd. ("IRSB") | Malaysia | 100 | 100 | Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals |
| Ideal Command Sdn. Bhd.* | Malaysia | 100 | 100 | Investment holding |
| Plant Science Centre Sdn. Bhd.* | Malaysia | 100 | 100 | Providing research, development and training with regards of pesticides and agrochemicals |
| Millennium Station Sdn. Bhd.* | Malaysia | 100 | - | Investment Holding |
| Direct subsidiary companies of IRSB | | | | |
| Imaspro Biotech Sdn. Bhd.* | Malaysia | 100 | 100 | Manufacturing, distribution, research and development of pesticides and agrochemicals |
| Imaspro Resources Incorporated | Labuan, Malaysia | 100 | 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 firm other than HLB Ler Lum

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

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

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

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

There were no changes during the year (2014: Nil) in the Group's ownership interest in its significant subsidiary companies.

(a) Acquisition of subsidiary company

On 15 December 2014, the Company acquired 2 ordinary shares of RM1 each representing 100% equity interest in Millennium Station Sdn. Bhd., a company incorporated in Malaysia for a total cash consideration of RM2.

(b) The following summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| | Millennium Station Sdn. Bhd. RM |
|--|--|
| | <u>RM</u> |
| Fair value of consideration transferred | |
| Cash and cash equivalents | <u>2</u> |
| Identifiable assets acquired and liabilities assumed | |
| Cash and cash equivalents | <u>2</u> |
| Total identifiable net assets | <u>2</u> |
| Net cash outflow arising from acquisition of subsidiary company | |
| Purchase consideration settled in cash and cash equivalents | (2) |
| Cash and cash equivalents acquired | <u>2</u> |
| | <u>-</u> |
| Goodwill | |
| Total consideration transferred | 2 |
| Fair value of identifiable net assets | <u>(2)</u> |
| Goodwill | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVENTORIES

| | Group | |
|---------------------|-------------------|-------------------|
| | 2015 RM | 2014 RM |
| At cost: | | |
| Raw materials | 5,684,236 | 15,969,832 |
| Finished goods | 8,744,747 | 5,555,216 |
| Packaging materials | 737,667 | 790,896 |
| Work-in-progress | 539,418 | 848,399 |
| | <u>15,706,068</u> | <u>23,164,343</u> |

8. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|------------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Trade receivables | | | | |
| - Third parties | 33,371,718 | 34,967,743 | - | - |
| Less : | | | | |
| - Allowance for impairment | (961,710) | (610,668) | - | - |
| Trade receivables, net | <u>32,410,008</u> | <u>34,357,075</u> | - | - |
| Other receivables | | | | |
| - Deposits | 1,219,204 | 623,160 | - | - |
| - Prepayments | 493,852 | 547,269 | - | 6,875 |
| - Amount due from subsidiary companies | - | - | 11,175,037 | 8,299,249 |
| - Sundry receivables | 543,951 | 62,206 | - | - |
| | <u>2,257,007</u> | <u>1,232,635</u> | <u>11,175,037</u> | <u>8,306,124</u> |
| Total trade and other receivables (Note 31) | <u>34,667,015</u> | <u>35,589,710</u> | <u>11,175,037</u> | <u>8,306,124</u> |

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 180 days (2014: 30 to 180 days). They are recognised at their original invoice amounts which represent their fair value on initial recognition. Other credit terms are assessed and approved on a case to case basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

Ageing analysis of trade receivables

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

| | Group | |
|---|------------|------------|
| | 2015 RM | 2014 RM |
| Neither past due nor impaired | 30,639,756 | 32,435,910 |
| 1 to 30 days past due not impaired | 798,132 | 939,948 |
| 31 to 60 days past due not impaired | 382,827 | 929,513 |
| 61 to 90 days past due not impaired | 86,481 | 2,637 |
| More than 91 days past due not impaired | 222,942 | 15,423 |
| | 1,490,382 | 1,887,521 |
| Impaired | 1,241,580 | 644,312 |
| | 2,731,962 | 2,531,833 |
| | 33,371,718 | 34,967,743 |

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

Receivables that are impaired

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

| | Group | |
|--------------------------------------|------------|------------|
| | 2015 RM | 2014 RM |
| Individual impaired: | | |
| Trade receivables – nominal accounts | 1,241,580 | 644,312 |
| Less : Allowance for impairment | (961,710) | (610,668) |
| | 279,870 | 33,644 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance accounts:

| | Group | |
|---|------------|------------|
| | 2015 RM | 2014 RM |
| At 1 July | 610,668 | 768,237 |
| Charge for the year (Note 19) | 411,606 | 78,829 |
| Reversal of impairment losses (Note 17) | (60,564) | (236,398) |
| At 30 June | 961,710 | 610,668 |

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

(b) Related party balances

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

9. CASH AND BANK BALANCES

| | Group | | Company | |
|----------------------------------|------------|------------|------------|------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Cash on hand and at banks | 11,981,164 | 8,291,665 | 5,329 | 19,765 |
| Deposits with licensed banks | 4,984,135 | 1,216,695 | - | - |
| | 16,965,299 | 9,508,360 | 5,329 | 19,765 |
| Short term cash investments | 29,940,209 | 23,835,550 | 6,465,450 | 7,751,694 |
| Cash and bank balances (Note 31) | 46,905,508 | 33,343,910 | 6,470,779 | 7,771,459 |

- (a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2014: RM2,000) is held under a Director's name on behalf of the Company and pledged to the bank for bank guarantee facility.
- (b) The weighted average effective interest rate of deposits with licensed banks at the reporting date for the Group were 3.90% (2014: 2.54%) per annum.
- (c) The maturities of deposits with licensed banks as at the end of the financial year for the Group were range from 30 days to 365 days (2014: 30 to 365 days).
- (d) The short term cash investments represent investment in short term fixed income fund which provides a stream of monthly income by investing in money market and fixed income instruments. Interest received from the investments is exempted from tax.
- (e) Short term cash investments are highly liquid which have an insignificant risk of changes in value which bore effective interest rates at the financial year end ranged from 2.38% to 3.09% (2014: 2.31% to 2.89%) and 2.70% (2014: 2.64%) for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. SHARE CAPITAL

| | Number of Ordinary Shares of RM0.50 Each | | Amount | |
|-------------------------------|---|-------------|-------------|-------------|
| | 2015 | 2014 | 2015 RM | 2014 RM |
| Authorised: | | | | |
| At 1 July/30 June | 200,000,000 | 200,000,000 | 100,000,000 | 100,000,000 |
| Issued and fully paid: | | | | |
| At 1 July/30 June | 80,000,000 | 80,000,000 | 40,000,000 | 40,000,000 |

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

11. FOREIGN CURRENCY TRANSLATION RESERVE

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

12. RETAINED PROFITS

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

13. DEFERRED TAX LIABILITIES

| | Group | |
|--|------------|------------|
| | 2015 RM | 2014 RM |
| At 1 July | 1,104,421 | 1,293,896 |
| Recognised in profit or loss (Note 22) | 195,605 | (189,475) |
| At 30 June | 1,300,026 | 1,104,421 |
| Presented after appropriate offsetting as follows: | | |
| Deferred tax assets | (142,286) | (121,359) |
| Deferred tax liabilities | 1,442,312 | 1,225,780 |
| | 1,300,026 | 1,104,421 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DEFERRED TAX LIABILITIES (continued)

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 2014 | (49,991) | (71,368) | (121,359) |
| Recognised in profit or loss | (5,790) | (15,137) | (20,927) |
| At 30 June 2015 | (55,781) | (86,505) | (142,286) |
| At 1 July 2013 | (8,648) | (19,183) | (27,831) |
| Recognised in profit or loss | (41,343) | (52,185) | (93,528) |
| At 30 June 2014 | (49,991) | (71,368) | (121,359) |

Deferred tax liabilities of the Group

| | Property, plant and equipment RM | Investment property RM | Others RM | Total RM |
|------------------------------|--|------------------------------|--------------|-------------|
| At 1 July 2014 | 753,115 | 468,336 | 4,329 | 1,225,780 |
| Recognised in profit or loss | (28,169) | 56,893 | 187,808 | 216,532 |
| At 30 June 2015 | 724,946 | 525,229 | 192,137 | 1,442,312 |
| At 1 July 2013 | 768,809 | 457,947 | 94,971 | 1,321,727 |
| Recognised in profit or loss | (15,694) | 10,389 | (90,642) | (95,947) |
| At 30 June 2014 | 753,115 | 468,336 | 4,329 | 1,225,780 |

14. LOAN AND BORROWINGS

| | Group | | Company | |
|---------------------|------------|------------|------------|------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Term loan - secured | 1,475,996 | - | - | - |
| - Non-current | 324,004 | - | - | - |
| - Current | 1,800,000 | - | - | - |

The weighted average effective interest rate at the reporting date for term loan of the Group was 4.85% (2014: Nil).

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Trade payables | | | | |
| - Third parties | 3,848,982 | 2,487,852 | - | - |
| Other payables | | | | |
| - Deposits received | 563,250 | 561,250 | - | - |
| - Accruals | 1,933,878 | 2,018,944 | 41,250 | 39,550 |
| - Sundry payables | 54,635 | 82,110 | - | 948 |
| | 2,551,763 | 2,662,304 | 41,250 | 40,498 |
| Total trade and other payables (Note 31) | 6,400,745 | 5,150,156 | 41,250 | 40,498 |

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 5 to 90 days (2014: 5 to 90 days).

(b) Other payables

Other payables are non-interest bearing. Other payables are normally settled on an average terms of 30 to 60 days (2014: 30 to 60 days).

16. REVENUE

| | Group | | Company | |
|-----------------|-------------|-------------|------------|------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Sale of goods | 105,403,720 | 108,422,636 | - | - |
| Dividend income | - | - | 4,500,000 | 4,500,000 |
| | 105,403,720 | 108,422,636 | 4,500,000 | 4,500,000 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. OTHER OPERATING INCOME

| | Group | | Company | |
|--|------------------|------------------|----------------|----------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Reversal of allowance for impairment of trade receivables (Note 8) | 60,564 | 236,398 | - | - |
| Interest income | 1,026,649 | 664,871 | 169,105 | 240,009 |
| Rental income | 6,800 | 6,000 | - | - |
| Gain on disposal of property, plant and equipment | 70,797 | 32,998 | - | - |
| Gain on foreign exchange | | | | |
| - realised | 884,829 | 855,535 | - | - |
| Insurance claims | 2,844 | 1,625 | - | - |
| Sundry income | 20,934 | 30,782 | - | - |
| | <u>2,073,417</u> | <u>1,828,209</u> | <u>169,105</u> | <u>240,009</u> |

18. FINANCE COST

| | Group | |
|-----------------------|---------------|---------------|
| | 2015 RM | 2014 RM |
| Interest expenses on: | | |
| Bills payable | <u>81,224</u> | <u>41,322</u> |

19. PROFIT BEFORE TAX

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

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Employee benefits expense (Note 20) | 5,709,779 | 5,894,424 | 24,000 | 24,000 |
| Non-Executive Directors' remuneration (Note 21) | 109,073 | 108,000 | 109,073 | 108,000 |
| Auditors' remuneration | | | | |
| - statutory audit | 78,180 | 71,429 | 22,000 | 22,000 |
| - underprovided | 500 | - | - | - |
| Impairment loss on trade receivables (Note 8) | 411,606 | 78,829 | - | - |
| Depreciation of property, plant and equipment (Note 4) | 1,584,307 | 1,638,840 | - | - |
| Depreciation of investment properties (Note 5) | 37,665 | 2,591 | - | - |
| Property, plant and equipment written off | 44,520 | 1 | - | - |
| Rental of premises | 6,681 | 6,243 | - | - |
| Loss on foreign exchange – unrealised | 60,018 | 108,153 | - | - |
| Inventories written off | - | 471,026 | - | - |
| Inventories written down | - | 1,570,426 | - | - |

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. EMPLOYEE BENEFITS EXPENSE

| | Group | | Company | |
|--|------------------|------------------|---------------|---------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Wages, salaries, bonuses and allowances | 5,057,587 | 5,230,816 | 24,000 | 24,000 |
| Social security contribution | 35,083 | 34,057 | - | - |
| Contributions to defined contribution plan | 617,109 | 629,551 | - | - |
| | <u>5,709,779</u> | <u>5,894,424</u> | <u>24,000</u> | <u>24,000</u> |

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,782,000 (2014: RM2,109,600) and RM24,000 (2014: RM24,000) respectively as further disclosed in Note 21.

21. DIRECTORS' REMUNERATION

| | Group | | Company | |
|--|------------------|------------------|----------------|----------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Executive: | | | | |
| - Salaries and other emoluments | 1,400,000 | 1,680,000 | - | - |
| - Fees | 144,000 | 144,000 | 24,000 | 24,000 |
| - Contributions to defined contribution plan | 238,000 | 285,600 | - | - |
| | <u>1,782,000</u> | <u>2,109,600</u> | <u>24,000</u> | <u>24,000</u> |
| Non-Executive: | | | | |
| - Fees | 109,073 | 108,000 | 109,073 | 108,000 |
| | <u>1,891,073</u> | <u>2,217,600</u> | <u>133,073</u> | <u>132,000</u> |
| Benefits in-kind | 15,981 | 23,950 | - | - |
| | <u>1,907,054</u> | <u>2,241,550</u> | <u>133,073</u> | <u>132,000</u> |

22. INCOME TAX EXPENSE

| | Group | | Company | |
|---|--------------------|--------------------|--------------|--------------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Income tax: | | | | |
| Malaysian income tax | (2,680,176) | (2,402,689) | - | (1,090,000) |
| Overprovided in prior year | 3,878 | 31,930 | 1,567 | 280 |
| | <u>(2,676,298)</u> | <u>(2,370,759)</u> | <u>1,567</u> | <u>(1,089,720)</u> |
| Deferred tax (Note 13): | | | | |
| Relating to origination and reversal of temporary differences | (178,266) | 157,806 | - | - |
| (Under)/overprovided in prior year | (17,339) | 31,669 | - | - |
| | <u>(195,605)</u> | <u>189,475</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u>(2,871,903)</u> | <u>(2,181,284)</u> | <u>1,567</u> | <u>(1,089,720)</u> |

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. 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 | |
|--|-------------|-------------|-------------|-------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Profit before tax | 12,875,492 | 11,323,471 | 4,342,418 | 4,419,541 |
| Taxation at Malaysian statutory tax rate of 25% | (3,218,873) | (2,830,867) | (1,085,604) | (1,104,885) |
| Expenses not deductible for tax purposes | (142,783) | (132,482) | (81,672) | (45,117) |
| Income not subject to tax | 439,160 | 624,526 | 1,167,276 | 60,002 |
| Expenditure qualified for double deduction | 15,084 | 13,030 | - | - |
| Utilisation of reinvestment allowances | 62,563 | 66,400 | - | - |
| Temporary differences in respect of property, plant and equipment not recognised | (2,682) | 39,085 | - | - |
| Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances | (10,911) | (24,575) | - | - |
| Overprovision of tax expense in prior year | 3,878 | 31,930 | 1,567 | 280 |
| (Under)/overprovision of deferred tax in prior year | (17,339) | 31,669 | - | - |
| Tax expense for the year | (2,871,903) | (2,181,284) | 1,567 | (1,089,720) |

23. EARNINGS PER SHARE

(a) Basic

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

| | Group | |
|---|------------|------------|
| | 2015 | 2014 |
| Profit after tax attributable to owners of the Company (RM) | 10,003,589 | 9,142,187 |
| Weighted average number of ordinary shares in issue | 80,000,000 | 80,000,000 |
| Basic earnings per share (sen) | 12.50 | 11.43 |

(b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. DIVIDENDS

| | Group and Company | |
|---|--------------------------|------------------|
| | 2015 | 2014 |
| | RM | RM |
| For financial year ended 30 June 2014: | | |
| - A first and final single tier dividend of 3.5 sen per share paid on 19 January 2015 | 2,800,000 | - |
| For financial year ended 30 June 2013: | | |
| - A first and final single tier dividend of 3.5 sen per share paid on 20 January 2014 | - | 2,800,000 |
| | <u>2,800,000</u> | <u>2,800,000</u> |

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2015 amounting to RM2,800,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2016.

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

| | Group | | Company | |
|---|---------------|---------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd. | - | - | 4,500,000 | 4,500,000 |
| 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. | 114,156 | 168,512 | - | - |
| Salaries and other related expenses paid/payable to persons related to a Director, Tong Chin Hen | <u>78,700</u> | <u>78,775</u> | - | - |

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)

25. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

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

| | Group | | Company | |
|------------------------------|------------------|------------------|----------------|----------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Short term employee benefits | 2,766,762 | 3,211,580 | 133,073 | 132,000 |
| Post-employment benefits: | | | | |
| - Defined contribution plan | 367,407 | 389,653 | - | - |
| | <u>3,134,169</u> | <u>3,601,233</u> | <u>133,073</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 | |
|-----------------------------------|------------------|------------------|----------------|----------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Directors' remuneration (Note 21) | <u>1,891,073</u> | <u>2,217,600</u> | <u>133,073</u> | <u>132,000</u> |

26. CONTINGENT LIABILITIES

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

| | Group | | Company | |
|---|--------------|--------------|-------------------|-------------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Secured: | | | | |
| Bank guarantee issued in favour of Tenaga Nasional Berhad | <u>2,000</u> | <u>2,000</u> | <u>-</u> | <u>-</u> |
| Unsecured: | | | | |
| Corporate guarantee given to a licensed bank for credit facilities granted to subsidiary companies | <u>-</u> | <u>-</u> | <u>22,850,000</u> | <u>21,050,000</u> |

At the end of the reporting period, it was no probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the fair value for the guarantee is NIL.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. CAPITAL COMMITMENT

| | Group | |
|------------------------------|------------|------------|
| | 2015 RM | 2014 RM |
| Approved and contracted for: | | |
| - Investment properties | 5,659,080 | - |

28. OPERATING SEGMENTS

(a) Geographical Segments

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

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

| Group | Malaysia RM | Indonesia RM | Bulgaria RM | Others RM | Elimination RM | Total RM |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| At 30 June 2015 | | | | | | |
| Segment revenue: | | | | | | |
| Sales to external customers | 52,113,509 | 9,520,984 | 14,033,795 | 29,735,432 | - | 105,403,720 |
| Inter-segment sales | 1,050,379 | - | - | - | (1,050,379) | - |
| | <u>53,163,888</u> | <u>9,520,984</u> | <u>14,033,795</u> | <u>29,735,432</u> | <u>(1,050,379)</u> | <u>105,403,720</u> |
| Profit before tax | | | | | | 12,875,492 |
| Income tax expense | | | | | | <u>(2,871,903)</u> |
| Profit for the year | | | | | | <u>10,003,589</u> |
| At 30 June 2014 | | | | | | |
| Segment revenue: | | | | | | |
| Sales to external customers | 46,901,542 | 12,743,148 | 18,867,840 | 29,910,106 | - | 108,422,636 |
| Inter-segment sales | 1,476,292 | - | - | - | (1,476,292) | - |
| | <u>48,377,834</u> | <u>12,743,148</u> | <u>18,867,840</u> | <u>29,910,106</u> | <u>(1,476,292)</u> | <u>108,422,636</u> |
| Profit before tax | | | | | | 11,323,471 |
| Income tax expense | | | | | | <u>(2,181,284)</u> |
| Profit for the year | | | | | | <u>9,142,187</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. OPERATING SEGMENTS (continued)

(a) Geographical Segments (continued)

Revenues of approximately RM9,520,000 (2014: RM12,743,000) are derived from single major external customer in Indonesia.

Revenues of approximately RM9,162,000 (2014: RM12,133,000) are derived from single major external customer in Bulgaria.

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

(b) Business Segments

No business segment information has been presented as the Group is 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.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Interest rate risk

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

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

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

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

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

Sensitivity analysis for interest rate risk

As the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM13,500 (2014: Nil) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loan and borrowing.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

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

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

| | Carrying amount RM | Contractual interest rate % | Contractual cash flow RM | Under 1 year RM | 1 to 2 years RM | 2 to 5 years RM |
|------------------------------------|--------------------------|-----------------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|
| Group | | | | | | |
| 2015 | | | | | | |
| Financial liabilities: | | | | | | |
| Trade and other payables (Note 15) | 6,400,745 | - | 6,400,745 | 6,400,745 | - | - |
| Term loan (Note 14) | 1,800,000 | 4.85 | 2,031,952 | 404,164 | 404,164 | 1,223,624 |
| | <u>8,200,745</u> | | <u>8,432,697</u> | <u>6,804,909</u> | <u>404,164</u> | <u>1,223,624</u> |
| 2014 | | | | | | |
| Financial liabilities: | | | | | | |
| Trade and other payables (Note 15) | <u>5,150,156</u> | - | <u>5,150,156</u> | <u>5,150,156</u> | - | - |
| Company | | | | | | |
| 2015 | | | | | | |
| Financial liabilities: | | | | | | |
| Other payables (Note 15) | <u>41,250</u> | - | <u>41,250</u> | <u>41,250</u> | - | - |
| 2014 | | | | | | |
| Financial liabilities: | | | | | | |
| Other payables (Note 15) | <u>40,498</u> | - | <u>40,498</u> | <u>40,498</u> | - | - |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk

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

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

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by five (5) customers which constituted approximately 40% of its trade receivables as at the end of the reporting period.

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

| By country: | 2015 RM | 2014 RM |
|--------------------|--------------------|--------------------|
| Malaysia | 13,988,973 | 11,645,647 |
| Bulgaria | 4,402,337 | 7,897,994 |
| Vietnam | 2,704,486 | 2,709,763 |
| Spain | 2,227,579 | - |
| Australia | 2,212,956 | 2,221,358 |
| Indonesia | 676,122 | 2,276,967 |
| Others | 6,197,555 | 7,605,346 |
| | 32,410,008 | 34,357,075 |

(d) Foreign Currency Risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign Currency Risk (continued)

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

| Group | Net Financial Assets/(Liabilities) Held in Non-Functional Currency | | | |
|------------------------|---|-------------------|-------------------|---------------------|
| | USD RM | AUD RM | EUR RM | Total RM |
| At 30 June 2015 | | | | |
| Cash and bank balances | 5,400,850 | 5,805,576 | 9,309 | 11,215,735 |
| Trade receivables | 7,551,779 | 2,212,956 | - | 9,764,735 |
| Trade payables | (3,125,217) | - | - | (3,125,217) |
| | <u>9,827,412</u> | <u>8,018,532</u> | <u>9,309</u> | <u>17,855,253</u> |
| At 30 June 2014 | | | | |
| Cash and bank balances | 1,589,006 | 1,729,980 | 20,566 | 3,339,552 |
| Trade receivables | 10,055,659 | 2,221,358 | - | 12,277,017 |
| Trade payables | (1,499,993) | - | - | (1,499,993) |
| | <u>10,144,672</u> | <u>3,951,338</u> | <u>20,566</u> | <u>14,116,576</u> |

Sensitivity analysis for foreign currency risk

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

| Effect on profit after tax | 2015 | 2014 |
|----------------------------|--|--|
| | Increase/ (Decrease) RM | Increase/ (Decrease) RM |
| USD | | |
| - Strengthened by 5% | 491,371 | 507,234 |
| - Weakened by 5% | (491,371) | (507,234) |
| AUD | | |
| - Strengthened by 5% | 400,927 | 197,567 |
| - Weakened by 5% | (400,927) | (197,567) |
| EUR | | |
| - Strengthened by 5% | 465 | 1,028 |
| - Weakened by 5% | (465) | (1,028) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Fair Values

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

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

| | Note | 30 June 2015 | | 30 June 2014 | |
|------------------------|------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
| | | Nominal/ Notional Amount RM | Net Fair Value RM | Nominal/ Notional Amount RM | Net Fair Value RM |
| Contingent liabilities | 26 | 22,850,000 | - | 21,050,000 | - |

Fair Value Hierarchy

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

30. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or process during the years ended 30 June 2014 and 30 June 2015.

The Group monitors capital using a gearing ratio, which is total net debts divided by total equity. Net debt is calculated as external borrowings less cash and cash equivalents. Total equity is calculated as share capital plus reserves. As the Group has no significant external borrowings as at the end of the reporting period, the gearing ratio is not presented.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL INSTRUMENTS

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

| | Note | Financial Assets Loans and receivables | | | |
|-----------------------------|------|---|------------|------------|------------|
| | | Group | | Company | |
| | | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Trade and other receivables | 8 | 34,667,015 | 35,589,710 | 11,175,037 | 8,306,124 |
| Cash and bank balances | 9 | 46,905,508 | 33,343,910 | 6,470,779 | 7,771,459 |
| Total | | 81,572,523 | 68,933,620 | 17,645,816 | 16,077,583 |

| | Note | Financial Liabilities Other financial liabilities at amortised cost | | | |
|--------------------------|------|--|------------|------------|------------|
| | | Group | | Company | |
| | | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Trade and other payables | 15 | 6,400,745 | 5,150,156 | 41,250 | 40,498 |
| Loan and borrowing | 14 | 1,800,000 | - | - | - |
| Total | | 8,200,745 | 5,150,156 | 41,250 | 40,498 |

SUPPLEMENTARY INFORMATION

30 JUNE 2015

BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting date into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

| | Group | | Company | |
|---|--------------|--------------|------------|------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| Total unappropriated profits of the Company and its subsidiary companies: | | | | |
| - Realised | 101,613,572 | 93,701,608 | 6,232,323 | 4,688,338 |
| - Unrealised | (877,694) | (950,929) | - | - |
| | 100,735,878 | 92,750,679 | 6,232,323 | 4,688,338 |
| Less: Consolidated adjustments | (26,122,400) | (25,340,790) | - | - |
| Total retained profits | 74,613,478 | 67,409,889 | 6,232,323 | 4,688,338 |

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Securities for the financial year ended 30 June 2015:

Material Contracts Involving Directors and Substantial Shareholders

Save as otherwise disclosed in Note 25-Related Party Disclosure 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/or 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 2015.

Share Buy-Backs

The Company did not make any share buy-back during the financial year ended 30 June 2015.

Non-Audit Fees

There were no non-audit fees paid to external auditors during the financial year ended 30 June 2015.

Options or Convertible Securities Exercised

No options or convertible securities were issued during the financial year ended 30 June 2015.

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 2015.

Profit Estimate, Forecast or Projection

The Company has not provided a profit forecast for the financial year ended 30 June 2015.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year ended 30 June 2015.

Utilisation of Proceeds

The Company did not raise any funds from any corporate proposals during the financial year ended 30 June 2015.

PROPERTIES OF THE GROUP

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

| Company/ Location | Description/ Existing use | Land Area/Built-up Area (Sq ft) | Tenure | Age of Building (years) | Net Book Value RM'000 | Date of Acquisition |
|---|--|--|----------|-------------------------------|-----------------------------|------------------------|
| Imaspro Resources Sdn. Bhd. | | | | | | |
| H.S. (D) 13013 Lot No. P.T. 11539 Mukim of Kapar District of Klang State of Selangor 33, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan | 3-storey shophouse/ Rented out | Land area: 1,540 Built-up area: 4,386 | Freehold | 31 | 139 | 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 | 31 | 139 | 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 | 31 | 594 | 21 May 2004 |

PROPERTIES OF THE GROUP (continued)

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

| Company/ Location | Description/ Existing use | Land Area/Built-up Area (Sq ft) | Tenure | Age of Building (years) | Net Book Value RM'000 | Date of Acquisition |
|--|--|--|---|-------------------------------|-----------------------------|------------------------|
| Ideal Command Sdn. Bhd. | | | | | | |
| H.S. (M) 6289, No. P.T. 4258 Mukim of Kapar District of Klang State of Selangor Lot 2, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara, 42000 Port Klang Selangor Darul Ehsan | Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals | Land area: 73,378 Built-up area: 31,621 | Leasehold interest for 99 years expiring on 9 June 2086 leaving an unexpired term of 72 years | 27 | 3,590 | 15 November 1996 |
| H.S. (M) 6288, No. P.T. 4257 Mukim of Kapar District of Klang State of Selangor Lot 4, Solok Sultan Hishamuddin 7 Kawasan 20, Selat Klang Utara, 42000 Port Klang Selangor Darul Ehsan | Manufacturing plant for agrochemicals/ Housing of manufacturing facilities for the production of agrochemicals | Land area: 88,146 Built-up area: 44,000 | Leasehold interest for 99 years expiring on 9 June 2086 leaving an unexpired term of 72 years | 33 | 5,438 | 17 January 2007 |
| Geran 43528/M1-A/13/547, No. Petak 547 dalam Tingkat No.13, Bangunan No. M1-A, Lot No. 14, Pekan Subang Jaya Daerah Petaling Negeri Selangor Unit No. CS-10, 10th Floor, Menara Summit Persiaran Kewajipan USJ 1, 47600 UEP Subang Jaya Selangor Darul Ehsan | Office unit/ vacant | Built-up area: 12,056 | Freehold | 1 | 3,736 | 20 November 2014 |

PROPERTIES OF THE GROUP (continued)

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

| Company/ Location | Description/ Existing use | Land Area/Built-up Area (Sq ft) | Tenure | Age of Building (years) | Net Book Value RM'000 | Date of Acquisition |
|--|---|---|----------|-------------------------------|-----------------------------|------------------------|
| Imaspro Biotech Sdn. Bhd. | | | | | | |
| H.S. (D) 60122, No. P.T. 60621 Mukim and District of Klang State of Selangor | Manufacturing plant and research and development centre of pesticides and agrochemicals | Land area: 11,016 Built-up area: 3,290 | Freehold | 17 | 817 | 17 November 2006 |
| No. 24, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan | | | | | | |
| 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 Built-up area: 3,290 | Freehold | 17 | 565 | 17 November 2006 |
| No. 22, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan | | | | | | |

PROPERTIES OF THE GROUP (continued)

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

| Company/ Location | Description/ Existing use | Land Area/Built-up Area (Sq ft) | Tenure | Age of Building (years) | Net Book Value RM'000 | Date of Acquisition |
|----------------------|------------------------------|--|--------|-------------------------------|-----------------------------|------------------------|
|----------------------|------------------------------|--|--------|-------------------------------|-----------------------------|------------------------|

Plant Science Centre Sdn. Bhd.

| | | | | | | |
|---|----------------|--|----------|-----|-------|---------------------|
| Lot 3030, Mukim Tebrau 81100 Johor Bahru Johor Darul Takzim | Vacant Land | Land area: 8 acres Built-up area: 7.236 acres | Freehold | Nil | 5,234 | 13 December 2013 |
|---|----------------|--|----------|-----|-------|---------------------|

H.S.(M) No. 175, 176, 177,
178, 179, 180, 181 and 182
Mukim of RIM
District of Jasin
State of Melaka

Freehold land with
agricultural research
centre comprising
a single storey
office block and
laboratory/ Research
and development
centre of the Group

Land area:
43 acres

Built-up area:
168,653

Freehold

13

2,019

7 January
2015

Lot 1194-1201, Jalan
Maahad Tahfiz, Kampung
Cenderah, 77000 Jasin,
Melaka

Millennium Station Sdn. Bhd.

| | | | | | | |
|--|---------------------------------|---|----------|---|-------|---------------------|
| Geran 34407, Lot 1749N, Geran 34408, Lot 1750N, Geran 34409, Lot 1751N, Geran 34410, Lot 1752N, Geran 34360, Lot 1753N, Bandar Ipoh (U), Daerah Kinta Negeri Perak. | 3-storey shop office/ vacant | Land area: 7,005 Built-up area: 18,840 | Freehold | 1 | 4,337 | 24 December 2014 |
|--|---------------------------------|---|----------|---|-------|---------------------|

No.12, Jalan Dato' Maharajalela
30000 Ipoh
Perak Darul Ridzuan

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 1 OCTOBER 2015

| | |
|----------------------------|-------------------------------------|
| 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 2015

| Size of Holdings | No. of Holders | % | No. of Shares | % |
|--------------------------|----------------|---------------|-------------------|---------------|
| Less than 99 | 8 | 1.06 | 250 | 0.00 |
| 100 – 1,000 | 298 | 39.47 | 91,650 | 0.11 |
| 1,001 – 10,000 | 297 | 39.34 | 1,406,200 | 1.76 |
| 10,001 – 100,000 | 114 | 15.10 | 3,566,600 | 4.46 |
| 100,001 – 3,999,999 (*) | 35 | 4.63 | 29,669,136 | 37.09 |
| 4,000,000 and above (**) | 3 | 0.40 | 45,266,164 | 56.58 |
| Grand total | 755 | 100.00 | 80,000,000 | 100.00 |

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 1 OCTOBER 2015

| Name | Direct | | Deemed | |
|-------------------------|--------------------|-------|--------------------|-------|
| | No. of shares held | % | No. of shares held | % |
| Swiss Revenue Sdn. Bhd. | 33,947,064 | 42.43 | - | - |
| Yu Kuan Chon | 12,316,804 | 15.40 | - | - |
| Chan Weng Fui | 4,522,000 | 5.65 | - | - |
| Tong Chin Hen | 150,000 | 0.19 | 33,947,064# | 42.43 |

Deemed interest through Swiss Revenue Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS AS AT 1 OCTOBER 2015

| Name | Direct | | Deemed | |
|---------------------|--------------------|------|--------------------|-------|
| | No. of shares held | % | No. of shares held | % |
| Mohd Shafek Bin Isa | 150,000 | 0.19 | - | - |
| Tong Chin Hen | 150,000 | 0.19 | 33,947,064# | 42.43 |
| Chan Weng Fui | 4,522,000 | 5.65 | - | - |
| Lim Kah Poon | - | - | - | - |
| Chen Sung Fang | - | - | - | - |

Deemed interest through Swiss Revenue Sdn. Bhd.

SHAREHOLDERS' INFORMATION (continued)

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 1 OCTOBER 2015

| No. | Name of Shareholders | No. of shares held | % |
|--------------|---|--------------------|--------------|
| 1 | Swiss Revenue Sdn Bhd | 33,947,064 | 42.43 |
| 2 | Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon | 7,099,100 | 8.87 |
| 3 | Cartaban Nominees (Asing) Sdn Bhd - Standard Chartered Bank Singapore for BMO Spore Branch Foreign Client | 4,220,000 | 5.28 |
| 4 | Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon | 3,592,704 | 4.49 |
| 5 | Tong Sew Teng | 3,445,190 | 4.31 |
| 6 | Lee Shee Yin | 2,683,700 | 3.35 |
| 7 | Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Weng Fui | 2,509,000 | 3.14 |
| 8 | Stephen Kuek Hock Eng | 2,274,300 | 2.84 |
| 9 | Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for UBS Switzerland AG (Clients Assets) | 1,880,000 | 2.35 |
| 10 | Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon | 1,625,000 | 2.03 |
| 11 | MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Fung Neng | 1,563,500 | 1.95 |
| 12 | RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Weng Fui | 1,470,000 | 1.84 |
| 13 | M & A Nominee (Asing) Sdn Bhd - Lewey Marketing Aktiengesellschaft | 1,010,400 | 1.26 |
| 14 | Agrimart Sdn Bhd | 940,000 | 1.18 |
| 15 | Middlemount International Limited | 878,400 | 1.10 |
| 16 | Ku Kooi Khang | 630,838 | 0.79 |
| 17 | Teh Kiat Hock | 568,200 | 0.71 |
| 18 | PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Kooi Ming @ Tam Kooi Ming (A) | 450,000 | 0.56 |
| 19 | Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Weng Fui | 411,000 | 0.51 |
| 20 | Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Fung Neng | 405,000 | 0.51 |
| 21 | Neo Khoon Seng | 350,700 | 0.44 |
| 22 | MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Hun Chin | 269,400 | 0.34 |
| 23 | Stephen Kuek Hock Eng | 256,604 | 0.32 |
| 24 | PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Yan Meng (A) | 250,000 | 0.31 |
| 25 | PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Siaw Seen Long (A) | 245,000 | 0.31 |
| 26 | TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ann Gee | 226,500 | 0.28 |
| 27 | RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Bing Tiam @ Goh Kee Sang | 207,500 | 0.26 |
| 28 | Ngo Hea Sing | 203,500 | 0.25 |
| 29 | Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Khoo Nee Meng | 186,900 | 0.23 |
| 30 | Mohd Shafek Bin Isa | 150,000 | 0.19 |
| Total | | 73,949,500 | 92.43 |

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of IMASPRO CORPORATION BERHAD will be held at Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 19 November 2015 at 10.00 a.m. to transact the following business:-

AGENDA

Ordinary Business

- | | |
|---|---------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 and the Reports of the Directors and Auditors thereon. | (Please refer to Note 2) |
| 2. To approve the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2015. | (Resolution 1) |
| 3. To approve the payment of Directors' fees of RM109,073 in respect of the financial year ended 30 June 2015. | (Resolution 2) |
| 4. To re-elect Mohd Shafek Bin Isa who retires pursuant to Article 75 of the Company's Articles of Association. | (Resolution 3) |
| 5. To re-elect Chan Weng Fui who retires pursuant to Article 80 of the Company's Articles of Association. | (Resolution 4) |
| 6. To re-appoint Messrs HLB Ler Lum as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 5) |

Special Business

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

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

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

- | | |
|--|-----------------------|
| 8. Ordinary Resolution II Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of its Issued and Paid-Up Share Capital ("Proposed Renewal of Share Buy-Back Mandate") | (Resolution 7) |
|--|-----------------------|

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company ("the Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

- (ii) an amount not exceeding the Company's audited retained profits of RM6,232,323 and share premium account of RM2,857,032 for the financial year ended 30 June 2015 at the time of purchase(s) will be allocated by the Company for the purchase of own shares; and
- (iii) the Directors of the Company may decide either to retain the shares purchases as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

AND THAT the authority conferred by this resolution will commence immediately upon passing of this resolution and will, subject to renewal thereof, expiry at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution (unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held) but shall not prejudice the completion of purchase(s) by the Company or any person before that aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities;

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or Listing Requirements and all other relevant governmental and/or regulatory authorities."

- 9. To consider any other business of which due notice shall be given in accordance with the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eleventh 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 2015 will be paid to the shareholders on 18 January 2016. The entitlement date for the said dividend shall be 6 January 2016.

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

- a. Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 6 January 2016 in respect of ordinary transfers;
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
WONG PEIR CHYUN (MAICSA 7018710)
Secretaries

Kuala Lumpur

Date: 27 October 2015

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTES:

1. Appointment of Proxy

- (a) 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.
- (b) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- (c) 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.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (f) Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (g) To be valid, the duly completed instrument appointing a proxy, must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn Bhd (118401-V), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
- (h) Only the members whose names appear on the Record of Depositors as at 11 November 2015 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

2. Audited Financial Statements for the financial year ended 30 June 2015

The Audited Financial Statements in Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

3. Explanatory Notes on Special Business

- (i) Resolution No. 6 – Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution No. 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the Issued Share Capital of the Company for such purpose as the Directors consider would be in the interest of the Company.

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

3. Explanatory Notes on Special Business (continued)

- (i) Resolution No. 6 – Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 (continued)

The authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this General Mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

As at the date of this notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Tenth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that require fund raising activity.

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

The proposed Resolution No. 7, if passed will empower the Directors of the Company to purchase the Company's shares up to 10% of the total issued and paid-up capital of the Company by utilising the funds allocated which shall not exceed the retained profit and/or share premium of the Company. Please refer to the Statement to Shareholders dated 27 October 2015 for further information.

STATEMENT ACCOMPANYING NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

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

Authority for Directors to Issue Shares Pursuant to Section 132D of The Companies Act, 1965.

Kindly refer to item 3(i) of the Explanatory Notes on Special Business at page 85.



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

(657527-H)

PROXY FORM

CDS account no.

No. of shares held

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

the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at **Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 19 November 2015 at 10.00 a.m.** and at any adjournment thereof for/against* the resolution(s) to be proposed thereat.

| ITEM | AGENDA | RESOLUTION | FOR | AGAINST |
|------|---|------------|-----|---------|
| | Ordinary Business | | | |
| 1. | Receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and Auditors thereon. | | | |
| 2. | Approval on the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2015. | 1 | | |
| 3. | Approval on the payment of Directors' fees of RM109,073 for the financial year ended 30 June 2015. | 2 | | |
| 4. | Re-election of Mohd Shafek Bin Isa as Director of the Company pursuant to Article 75 of the Company's Articles of Association. | 3 | | |
| 5. | Re-election of Chan Weng Fui as Director of the Company pursuant to Article 80 of the Company's Articles of Association. | 4 | | |
| 6. | Re-appointment of Messrs HLB Ler Lum as Auditors and authorise the Directors to fix their remuneration. | 5 | | |
| | Special Business | | | |
| 7. | Authority to the Directors to Issue Shares pursuant to Section 132D of the Companies Act, 1965. | 6 | | |
| 8. | Proposed Renewal of Share Buy-Back Mandate. | 7 | | |

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

Dated this _____ day of _____ 2015

Signature / Common Seal of Shareholder(s)

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

| | | |
|---|----------------------|-------------------|
| For appointment of two proxies, percentage of shareholdings to be represented by the proxies: | | |
| | No. of Shares | Percentage |
| Proxy 1 | | % |
| Proxy 2 | | % |
| Total | | 100% |

NOTES:

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where the appointer is a corporation, the instrument appointing a proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- To be valid, the duly completed instrument appointing a proxy, must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn. Bhd. (118401-V), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting. 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).
- Only the members whose names appear on the Record of Depositors as at 11 November 2015 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

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

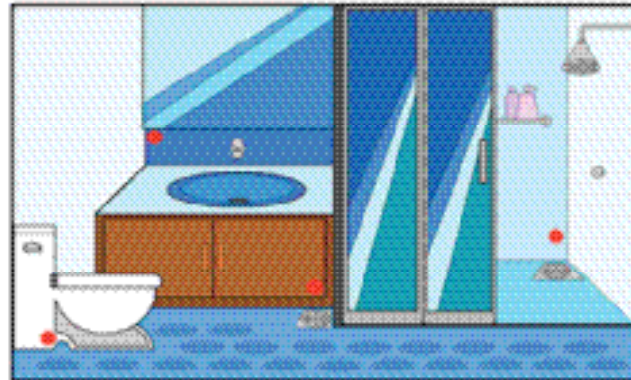
THE SHARE REGISTRAR
TRICOR INVESTOR SERVICES SDN. BHD. (118401-V)
UNIT 32-01, LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE
AVENUE 3, BANGSAR SOUTH
NO.8, JALAN KERINCHI
59200 KUALA LUMPUR

FIRST FOLD HERE

PRETECTOR[®] COCKROACH BAIT



● Tempat Persembunyan Lipas :



Didaftarkan oleh :



IMASPRO RESOURCES SDN. BHD. (100955-M)

37, Jalan 5, Kaw. 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia.
Tel: 603 - 3343 1633 Fax: 603 - 3343 1868 E-Mail: imaspro@imaspro.com



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