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global **GROWTH**

ANNUAL REPORT
2016



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

(657527-H)



MOSFLY



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ANNUAL REPORT
2016

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CHAIRMAN'S STATEMENT

Dear Fellow Shareholders

On behalf of the Board of Directors of Imaspro Corporation Berhad ("ICB"), I am pleased to present the Annual Report for the financial year ended 30 June 2016 ("FY2016"), together with my inaugural statement as Chairman of ICB, having assumed my chairmanship role on 11 April 2016.

For the year under review, the Group's net profit came in at RM9.3 million on a revenue of RM73.6 million as compared to RM10.0 million and RM105.4 million respectively achieved in the previous financial year. The Group's overall performance in a year of volatile global market, lower commodity prices and extended dry weather conditions in our Asean markets is commendable – its continued profitability together with a cash and cash equivalent of RM44.1 million reflects the Group's strong business fundamentals and points to its sustainable strength going forward.

Both our local and export markets were affected by a slowing global economy and weather conditions. As compared to the previous financial year, the sale of our agrochemical products in the local market fell by over 16% mainly due to the cautious buying sentiments of planters who cut back on purchases when faced with the combined impact of prolonged El Nino weather conditions and lower commodity prices, especially crude palm oil price (futures) which dipped below the psychological USD500 per metric tonne at the beginning of FY2016, the lowest level since the global financial crisis of 2008.

On our export markets, our sale to Russia and Bulgaria, traditionally our largest buyers in Europe, plummeted when the Russian economy contracted by over 3% while that of Bulgaria slowed. Together with the uncertainty over the outcome of and possible impact of Brexit vote on the European economy, our exports to Europe fell by over 73%. In the Asean countries, the El Nino weather condition was both a bane and a boon to ICB.

While our export to Indonesia fell by 38% when drier weather condition there reduced the demand for herbicides, intermittent rain during dry weather precipitated a hopper insect outbreak in Vietnam and heightened dengue alert in Singapore.

The demand spike from these two Asean markets boosted the exports of some of our higher margin insecticide and fungicide products. The higher-margin product mix helped cushion the

negative impact of 30% drop in overall group revenue, and maintain the group profit at a strong level.

I am happy to report that during the final quarter of FY2016, the Group completed its acquisition of the entire equity interest in the share capital of Mosfly International Sdn Bhd ("MISB"), thus making MISB a wholly-owned subsidiary of ICB. This acquisition fits neatly into the Group's overall plan to be a leader in the chemical industry and completes the Group's strategic move into the business-to-consumer (B2C) market segment. With ownership of "Mosfly" trademark registration in more than twenty (20) countries worldwide, and "Mosfly" being ranked a Top 3 brand in Vietnam by Euromonitor International, July 2014, a global market research company, the acquisition of MISB is poised to contribute positively to Group profitability in the years ahead when its full year impact is recognised in the financial statements.

Our Research and Development department has over 10 years of joint-research working relationship with Institute of Medical Research, Malaysia ("IMR"). In the last two (2) years, we directed our efforts to jointly search for and develop an improved method and system to combat the deadly dengue disease via destruction of Aedes mosquito, larvae and pupae at their breeding sites. This method and system involves packaging a graduated amount of an insecticide or larvicide such as temephos, or a biological agent, in water-soluble or biodegradable media and delivering them to places that are hard to reach, inaccessible or hazardous to humans. It can also be used by the public to control the growth of mosquito larvae and pupae in commonly accessible breeding sites.

World Health Organisation has warned that up to 50% of the world population of 3 billion people is now at risk from dengue. The wider use of our novel method and system would open a new path to combat the deadly dengue, and serendipitously Zika as both dengue and Zika are viral diseases transmitted by the same female Aedes mosquitos.

CHAIRMAN'S STATEMENT (continued)

In relation to safety, the Group continues to emphasise on promoting high standards of occupational safety and health practices. Our aim is not only simply complying with all regulatory requirements, but also crucially creating a safety and health culture, and a work place that enables our employees to work in an injury and illness free environment.

Dengue is a major public health problem, and our ongoing Corporate Social Responsibility ("CSR") initiative is geared towards working with relevant authorities to create greater public awareness via various awareness campaigns so that the community can be empowered with the knowledge, attitude and practices on how to prevent and control mosquito-borne diseases. Cash donations were also made to community service project and service organisation. To cope with higher cost of living, food assistance in the form of free distribution of rice to our factory workers was also carried out.

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

Based on reports released by Bank Negara Malaysia ("BNM") and Malaysian Institute of Economic Research released in the middle of 2016, the country is forecast to experience slower economic growth with the real GDP growing between 4.0% - 4.5% in 2016, and between 4.5% - 5.5% in 2017. Although global prospects are not encouraging, the shortcoming is expected to be compensated by better domestic demand with private consumption forecasted to grow moderately at 5.1% and private investment expanding by 5.5% when market liquidity improves as a result of BNM's expansionary monetary policy.

In its July 2016 World Economic Outlook Update, International Monetary Fund ("IMF") made a second downward revision to its global growth forecast for 2016 and 2017 to 3.1% and 3.4% respectively to reflect "substantial increase in economic, political and institutional uncertainty" as a result of Brexit. IMF warned that "more negative outcomes are a distinct possibility because the future effects of Brexit are exceptionally uncertain", where downside scenarios could "reduce world growth to less than 3% in 2016 and next."

As a global player, we take heed of these warnings and we are well positioned to face these challenges. Despite considerable

headwinds ahead, I am cautiously optimistic that given the Group's strong business fundamentals and its agility in strategy response, ICB will grow, albeit at a slower pace, and remain profitable in the coming financial year when the full-year contribution from our MISB acquisition is recognised in our books and sale of our herbicides picks up as recovery in crude palm oil prices gains further traction as the year progresses.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at ICB is shown in pages 16 to 26.

CHANGES TO THE BOARD

FY2016 saw a number of changes to the Board. The Board would like to take this opportunity to thank the previous Chairman, Encik Mohd Shafek Bin Isa, and Independent Directors, Mr Lim Kah Poon and Mr Lee Pui Leng for their contribution to ICB during their tenure in office.

The Board is pleased to welcome Mr Chan Kim Hing who joined us on 26 May 2016 as an Independent Director, bringing with him a wealth of audit, systems, financial and corporate experience from various industries.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank the management and all employees of the Group for their unwavering loyalty, hard work and support without which the group's business strategies could not have been executed. I would also like to extend our utmost gratitude to our shareholders, investors, business associates and all other stakeholders for their continued support in these challenging times.

Lastly, I would like to take this opportunity to thank our Board members for their continued contribution, guidance and support.

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
CHAIRMAN

CHAIRMAN'S STATEMENT (continued)



1 MD C.H. Tong (left) and Vice Chancellor of Universiti Malaysia Pahang, YH. Prof. Dato' Dr. Daing Mohd Nasir bin Daing Ibrahim (right) exchanging the memorandum of understanding on a research and commercialization development project to jointly develop a new termite control product using empty fruit bunch, a ceremony witnessed by Y.B. Dato' Seri Idris Jusoh, Minister of Higher Education Malaysia (back-middle).

2 Mr. Haji Hanapi Sainon (right), our senior manager, briefing visitors on our products during Agroworld Expo 2016 held at Malacca International Trade Centre (MITC) on 20 – 22 May 2016.

3 Mr. Aidil Azahary (right), our techno-commercial executive, briefing visitors on our product during "War On Dengue: Cleaning Up. Saving Life" campaign, organised by 1Malaysia for Youth (iM4U) in cooperation with the Ministry of Health Malaysia on 2 April 2016.

4 Ms P.Y. Wong (left), our senior product development executive, sharing her expertise with a farmer on how to use our product, Envo-cyper, to control Rhinoceros beetle, during Agroworld Expo 2016.



GROUP FINANCIAL HIGHLIGHTS

(FOR THE FINANCIAL YEAR ENDED 30 JUNE)

		2016	2015	2014	2013	2012
Statements of Comprehensive Income						
Revenue	RM'000	73,603	105,404	108,423	105,168	76,484
Profit before taxation	RM'000	11,311	12,875	11,323	9,293	6,535
Profit after taxation	RM'000	9,305	10,004	9,142	7,503	5,095
Profit attributable to owners of the parent	RM'000	9,305	10,004	9,142	7,503	5,095
Gross dividend paid	RM'000	2,800	2,800	2,800	2,800	2,800
Statements of Financial Position						
Total assets	RM'000	142,001	128,860	116,322	111,658	106,191
Share capital	RM'000	40,000	40,000	40,000	40,000	40,000
Shareholders' equity	RM'000	125,661	118,988	110,000	104,045	99,024
Financial Ratios						
Return on equity	%	7.4	8.4	8.3	7.2	5.1
Earnings per share	sen	11.6	12.5	11.4	9.4	6.4
Gross dividend per share	sen	3.5	3.5	3.5	3.5	3.5
Net asset per share	RM	1.57	1.49	1.38	1.30	1.24

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
(Independent Non-Executive Chairman)

TONG CHIN HEN
(Managing Director)

CHEN SUNG FANG
(Senior Independent Non-Executive Director)

CHAN WENG FUI
(Independent Non-Executive Director)

CHAN KIM HING
(Independent Non-Executive Director)

SECRETARIES

WONG WAI FOONG (MAICSA 7001358)

WONG PEIR CHYUN (MAICSA 7018710)

REGISTERED OFFICE

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

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

HEAD/MANAGEMENT OFFICE

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

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

REGISTRAR

Tricor Investor & Issuing House Services
Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants
(A member of HLB International)

AUDIT COMMITTEE

CHAN WENG FUI (Chairman)

CHEN SUNG FANG (Member)

CHAN KIM HING (Member)

REMUNERATION COMMITTEE

CHAN WENG FUI (Chairman)

CHEN SUNG FANG (Member)

DATUK CAPTAIN HAMZAH BIN MOHD NOOR (Member)

NOMINATION COMMITTEE

CHEN SUNG FANG (Chairman)

DATUK CAPTAIN HAMZAH BIN MOHD NOOR (Member)

CHAN KIM HING (Member)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

CHEN SUNG FANG
Email : sungfangchen@imaspro.com

GROUP PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad
AmlInvestment 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	DATUK CAPTAIN HAMZAH BIN MOHD NOOR
Age	66
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Chairman
Date of Appointment	11 April 2016
Qualification	<ul style="list-style-type: none"> • Bachelor of Science in Nautical Science (awarded with Commendation), Liverpool, United Kingdom • Master (Mariner, Class I) Foreign Going Certificate of Competency, Liverpool, United Kingdom • Fellow, Ikhtisas Kelautan Malaysia • Liveryman, Honourable Company of Master Mariners, London, United Kingdom • Fellow of the Nautical Institute (FNI), United Kingdom • Member of the Chartered Institute of Logistics and Transport (Malaysia) • Members of various other professional bodies
Working Experience	<p>He started his career in 1967 with a British merchant shipping company in various capacities from cadet apprenticeship to senior officer on board ships. Subsequently, he came back to Malaysia in 1979 to serve the government under Jabatan Laut Semenanjung Malaysia as Marine Officer and authored the amendments to the Domestic Shipping part of the Merchant Shipping Ordinance, 1952. He rose through the ranks and in 1980 was promoted as the Harbour Master for Johor, concurrently as Maritime Advisor to the fledgling Johor Port Authority (LPJ). In 1981-1989, he was seconded as Principal (now CEO) of the to be founded, Akademi Laut Malaysia (ALAM). In 1990-1991, he was appointed as a Consultant with International Maritime Organisation (IMO), a specialised Maritime agency of the United Nations (UN) in advising ASEAN governments regarding certain aspects of their maritime national legislation. In 1993, he was posted as the Harbour Master of Selangor, concurrently as the Registrar of Malaysian Ships at Port Klang, Director of the Light Dues Fund and member of the Pilotage Committee of the Port of Port Klang.</p> <p>In 1996, after leaving government service, he ventured into his own consultancy business specialising in maritime consultancy, ship owning, ship brokerage, ship chartering, ship management and etc. In 2003, he was appointed by Ministry of Foreign Affairs, Malaysia as the Maritime Advisor to the National Technical Committee and Head of the Navigation Sub Committee involved in the Arbitral (International) Tribunal on the Law of the Sea (ITLOS). In 2008, he was appointed as Advisor to the Johor State government, also regarding United Nations Conference of the law of the Sea (UNCLOS, 1982).</p>

PROFILE OF DIRECTORS (continued)

Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	<ul style="list-style-type: none"> • Member of the Remuneration Committee • Member of the Nomination Committee

PROFILE OF DIRECTORS (continued)

Name	TONG CHIN HEN
Age	60
Nationality	Malaysian
Gender	Male
Position on Board	Managing Director
Date of Appointment	15 November 2005
Qualification	Member of the Institute of Directors, United Kingdom
Working Experience	<p>His career started in 1975 when he joined Ancom Sdn. Bhd., which went public in 1990, and was the first agrochemical plant to be established in Malaysia. He left the company in end of 1992 while he was the Executive Commercial Manager. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of IRSB to be a leading pesticide player in Malaysia over the last twenty three (23) years . His ability to lead a Malaysian agrochemical company to break into and increase its overseas presence amidst growing trade protectionism reflects his market-savvy approach to business and the extent of his networking in the international agrochemical business. He has been a regular participant in the Annual British Crop Protection Conference & Exhibition in the United Kingdom, the largest annual gathering of players in the global agrochemical industry since the 1990s.</p>
Other directorships of public companies and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	Nil

PROFILE OF DIRECTORS (continued)

Name	CHEN SUNG FANG
Age	43
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	22 May 2013
Qualification	Bachelor of Laws (Honours) Degree in University of London, United Kingdom
Working Experience	<p>Mr Chen is a member of the Malaysian Bar and he was admitted as an advocate and solicitor of the High Court of Malaya in 1999 and has been active in legal practice since then.</p> <p>He has been involved in corporate exercises involving Initial Public Offering, mergers and acquisitions, reverse takeover, rights issue and others for companies from different industries 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 and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	<ul style="list-style-type: none"> • Chairman of the Nomination Committee • Member of the Remuneration Committee • Member of the Audit Committee

PROFILE OF DIRECTORS (continued)

Name	CHAN WENG FUI
Age	42
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	4 December 2014
Qualification	Bachelor of Science (Hons) degree in Accounting and Finance from Queen's University of Belfast, Northern Ireland, United Kingdom
Working Experience	<p>He joined Price Waterhouse 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 and listed issuers	Nil
Family relationship with any director and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Committee	<ul style="list-style-type: none"> • Chairman of the Audit Committee • Chairman of Remuneration Committee

PROFILE OF DIRECTORS (continued)

Name	CHAN KIM HING
Age	49
Nationality	Malaysian
Gender	Male
Position on Board	Independent Non-Executive Director
Date of Appointment	26 May 2016
Qualification	<ul style="list-style-type: none"> • Bachelor of Science (Honours) Degree, Major in Computer Science and Accounting from Monash University, Melbourne, Victoria, Australia • Chartered Accountant (CA), member of Malaysian Institute of Accountant (Member No:9099) • Fellow member of CPA Australia (FCPA) (Member No:1629170)
Working Experience	<p>He started his career with Arthur Andersen & Co, Malaysia (top 5 global Public Accountant firm) in 1991, with working experiences covering Audit, Assurance, Business Advisory, Management Consulting and Computer Risk Management, specialising in financial and information-technology systems review-audits, internal controls, standard operating policies and procedures, compliance reviews and special assignments related to business mergers, systems-integration, reorganisation and restructuring of business activities of companies operating in the financial and capital market industry.</p> <p>In 1994, he was recruited to join M&A Securities Sdn Bhd (M&A) to head its Finance, Treasury and subsequently Operational Departments, where he successfully reorganised, restructured and expand its business activities, which include acquisition of another stockbroking company to facilitate opening of branch offices. He was later promoted as the Executive Director cum Head of Operations of M&A, overseeing the finance, treasury, corporate finance, inter-broking, online-trading, settlement, margin financing, credit control, IT systems and business development. He was an elected management committee member of the Association of Stockbroking Companies of Malaysia (ASCM 2008 to 2012) and Securities Market Operations Committee (SMOC), working in consultation with the Regulatory authorities in addressing industry issues, implementation of rules and policies for the capital market industry.</p> <p>He left M&A in January 2016 to pursue his private interest and to further develop his professional skills and experiences.</p>
Other directorships of public companies and listed issuers	NIL
Family relationship with any director and/or major shareholders of the Company	NIL

PROFILE OF DIRECTORS (continued)

Conflict of interest with the Company

NIL

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

NIL

Committee

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

PROFILE OF KEY SENIOR MANAGEMENT

CHUNG SIEW KEONG

Senior Manager, Finance & Corporate Strategy

Mr. Chung, Malaysian, aged 47, male, is the Senior Manager, Finance & Corporate Strategy of Imaspro Corporation Berhad (“ICB”) and he has been with the Group since 15 June 2015.

He is a Chartered Accountant with Malaysian Institute of Accountants. He received his Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology, Australia in 1993. He started his career in the auditing industry and was last attached to a Big Four accounting firm before venturing into commercial sector. He has gained much exposure in the insurance, property and construction industry for about 6 years. Prior to joining ICB, he was attached to a leading group of automotive companies whereby he has gained wide exposure in financial & management accounting, taxation, treasury and supply chain management.

CHAN YEE PANG, JACKY

Market Development Manager

Mr. Jacky, Malaysian, aged 46, male, is the Market Development Manager of ICB and he has worked with the Group since 1 March 2016.

He holds a Master of Business Administration (Marketing) and served 20 years of Sales and Marketing in Industrial Chemicals industry that transcend local boundaries encompassing the Singapore, Philippines, Vietnam, Cambodia and Myanmar.

YAP KIM YOK

Accounts and Administration Manager

Ms. Yap, Malaysian, aged 48, female, is the Accounts and Administration Manager of Imaspro Resources Sdn. Bhd. (“IRSB”), a wholly owned subsidiary company of ICB. She has been working with the Group since 1 August 2003.

She graduated in 1992 with a Diploma in Management Accounting from Tunku Abdul Rahman College. She is a finalist of the Chartered Institute of Management Accountants (CIMA), United Kingdom.

She had worked with ISO Quality Management standards and is well versed with the standards and procedures of the Contamination Preventive Audit, which is practiced by leading multinational agrochemical companies. Her work experience covers taxation, corporate finance, financial and management accounting. She also handles the overall administration, finance and management accounting functions of the Company.

NGO HEA SING

Production Manager

Mr. Ngo, Malaysian, aged 42, male, is the Production Manager of IRSB and he has worked with the Group since 1 December 1999.

He received his Bachelor of Engineering Honours Degree in Chemical Engineering in 1998 and a Masters of Engineering Degree in Engineering Management from Universiti Teknologi Malaysia in 1999. Prior to joining IRSB, he had worked in the gas technology, textile manufacturing and engineering project management industries.

PROFILE OF KEY SENIOR MANAGEMENT (continued)

LEE TAN YAN

Regulatory Affairs & Research and Development Manager

Ms. Lee, Malaysian, aged 46, female, is the Regulatory Affairs & Research and Development Manager of IRSB and she has worked with the Group since 1 April 1996.

She graduated in 1994 from Universiti Putra Malaysia with a Bachelor of Science Degree majoring in Agricultural Science (Crop Protection). She began her career as a Chemist at a manufacturer of household toiletries and personal care products, where she was in-charge of quality assurance, product formulation improvement and new product development.

She joined IRSB in 1996 as Technical Development Officer. Subsequently she was promoted to Business Development Executive in 1998 and Assistant Business Manager in 2000. In 2003, she was promoted to the position of Business Manager before assuming her current position in 2004. Her responsibilities in the Company includes overseeing the Company's product development initiatives, managing the product registration process locally as well as overseas countries and providing technical support on all matters relating to research and development and laboratory testing and methods. In addition to managing the Company's patent affairs, she is also in-charge of trademark registration of the Company's products.

TEE BEE HEOH

Product Development Manager

Ms. Tee, aged 42, female, is the Product Development Manager of IRSB and she has been working with the Group since 16 January 2003.

She graduated in 1999 with Bachelor Degree in Agricultural Science majoring in Agricultural Science, and Master Degree in Science from University Putra Malaysia in 2001. She joined one of the leading publishing group in Malaysia in 2001 as an editor and writer, responsible for educational book writing and editing.

She is responsible for product development work, product improvement work and new product registration work in IRSB, for crop protection and non-crop protection products, both locally and internationally.

Save as disclosed above, none of the Key Senior Management have:

- 1) Any directorship in public companies and listed issuers.
- 2) Any family relationship with any Directors and major shareholders of the Company.
- 3) Any conflict of interest with the Company.
- 4) Any conviction for offences within the past five (5) years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE STATEMENTS

The Board of Directors of Imaspro Corporation Berhad (“Imaspro” or the “Company”) (“the Board”) is committed to ensuring that the highest standards of Corporate Governance are maintained within Imaspro and its subsidiaries (“the Group”) as expressed in Principles and recommendations stated under each Principle (“Recommendations”) in the Malaysian Code on Corporate Governance Code 2012 issued by Securities Commission Malaysia (“SC”) (“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 monitoring and overseeing 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 within the Group and the extent to which the Group has complied with the Recommendations of the Code during the financial year ended 30 June 2016.

BOARD OF DIRECTORS

Functions of the Board and Management

1. Board

The Board together with management of the Group (“Management”) has established a clear set of functions reserved for the Board and those delegated to the Management to ensure accountability of both parties towards the Group to ensure the needs of the Group are consistently met.

The roles and responsibilities of the Board are set out in Imaspro’s Board Charter (“Charter”), which include management oversight, overseeing strategic plan premised on sustainability and promoting ethical conduct in business dealings. They are disclosed in the Charter which is made available at the Company’s website at www.imaspro.com.

The responsibilities of the Board include, inter-alia, the following:

- review, evaluate, adopt and approve the strategic corporate plans and programmes;
- review, evaluate, adopt and approve annual budgets, including major capital commitments;
- review, evaluate and approve any major corporate proposals, new business ventures or joint ventures;
- review, evaluate and approve any material acquisitions and disposals of undertakings and properties;
- review, evaluate, adopt and approve any change of management and control structure within the Company and the Group, including key policies, delegated authority limits; and
- review, evaluate and update whistle-blowing policy.

The Board also formed different Board Committees, comprising mainly the Non-Executive and Independent Directors, to support and provide independent oversight of management and to ensure that appropriate checks and balances in place. The various Board Committees include Audit Committee, Nomination Committee and Remuneration Committee. Each of the Board Committee operates within its respective terms of reference that also clearly define its respective functions and authorities.

The Board had reviewed the Company’s and Group’s overall strategic plans, annual budget and annual operating plans for the coming financial year. The Board had also reviewed together with the Management the Group’s resources and processes in formulating these strategies.

The Board is responsible for the adequacy and integrity of the Company’s and the Group’s internal control system. Details of the Company’s internal control system and review of its effectiveness are set out in the Statement on Risk Management Report on pages 31 to 33 of this Annual Report.

2. Management

Management is led by the Managing Director whom is accountable for the conduct and performance of the business within the agreed business strategies. The Managing Director is involved in leadership roles overseeing the day-to-day operations and management within his assigned responsibilities. The Managing Director represents the Company at the highest level and a decision makers on matters within his scope of authority.

CORPORATE GOVERNANCE STATEMENTS (continued)

Separation of Roles of the Chairman and Managing Director

The division of responsibilities between the Chairman and Managing Director is clearly defined in the Charter to ensure that there is a balance of power and authority. The Chairman role is currently held by Datuk Captain Hamzah Bin Mohd Noor, whilst Mr Tong Chin Hen is acting as the Managing Director of the Company.

1. Chairman

The Chairman's main responsibility is to ensure effective conduct of the Board and that all Executive and Non-Executive have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages active participation and deliberation by Board members in the Board meetings, to tap the wisdom of all Board members and promotes consensus building.

2. Managing Director

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.

The Managing Director develops and implements the strategic goals of the Group as well as assesses all the potential business opportunities. He will report the aforesaid matters and the Board's reserved matters to the Board for endorsement before implementation.

Board Committees

The Board, in assisting the discharge of its stewardship role, has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, comprising of Non-Executive and Independent Directors, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The 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 sets out the roles and responsibilities of the Board, Chairman, Managing Director and Board Committees and was recently updated and reviewed on 20 September 2016 to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

Code of Ethics and Conduct

The Board has established and adopted a Code of Ethics and Conducts ("CEC") for Directors and employees of the Group which was incorporated in the Charter and is made available at Imaspro's corporate website. The CEC was formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

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

- Compliance at all times with the CEC and the 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.

CORPORATE GOVERNANCE STATEMENTS (continued)

Code of Ethics and Conduct (continued)

- 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. Details of our Group's whistle-blowing policy are available at the Company's website at www.imaspro.com.
- Observe Principle 8 relating to strengthening relationship between the Company and shareholders of the Code.

The Board will review the CEC annually to ensure that it continues to remain relevant and appropriate. The CEC is also made available at the Company's website at www.imaspro.com.

Sustainability

The Board views the commitments to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Board reviews annually 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.

The Group strives to achieve a sustainable long term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been included in the Chairman Statement as set out in the Annual Report.

Board Composition and Balance

The Board currently has five (5) members, comprising one (1) Executive Director and four (4) Non-Executive Directors. All Non-Executive Directors are Independent and hence fulfill the prescribed requirements for one-third (1/3) of the membership of the Board to be independent members pursuant to Paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

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

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 Board recognises 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 Board, through the Nomination Committee, had assessed the independence of its Independent Directors based on the criteria set out in the Listing Requirements.

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.

CORPORATE GOVERNANCE STATEMENTS (continued)

Board Composition and Balance (continued)

In order to uphold the 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;
- 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; and
- The Independent Directors must declare themselves to be independent from management and free of any business or other relationship which could interfere with the exercise of their independent judgment and objective participation and decision making process of the Board.

A Senior Independent Non-Executive Director provides an additional communication channel between the Directors and the Shareholders. The Board had identified Mr Chen Sung Fang, Chairman of the Nomination Committee, to be the Senior Independent Non-Executive Director, to provide Shareholders with an alternative to convey their concerns via his e-mail address: sungfangchen@imaspro.com and seek clarifications from the Board.

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 developments, 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.

There were six (6) Board meetings held during the financial year. Details of the attendance of the Directors at the Board meetings held in the financial year ended 30 June 2016 are as follows:

<u>Name of Director</u>	<u>No. of meetings attended</u>
Tong Chin Hen	6/6
Chen Sung Fang	6/6
Chan Weng Fui	6/6
Datuk Captain Hamzah Bin Mohd Noor (appointed on 11 April 2016)	1/1
Chan Kim Hing (appointed on 26 May 2016)	N/A
Mohd Shafek Bin Isa (resigned on 29 March 2016)	4/4
Lim Kah Poon (resigned on 11 April 2016)	5/5

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 2016. Hence, they comply with Paragraph 15.05 of the Listing Requirements.

All the Directors are provided with agendas and 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 required to be circulated to the Board members at least seven (7) days prior to the Board meeting to enable the Directors to understand the issues to be deliberated and make 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 on 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. Currently, all the Directors of the Company hold not more than five (5) directorships in the public listed corporations which is in compliance with Paragraph 15.06 of the Listing Requirements.

CORPORATE GOVERNANCE STATEMENTS (continued)

Board Meetings and Supply of Information (continued)

To facilitate the Directors' time management, a corporate calendar will be prepared and circulated to all the Directors in advance i.e., on beginning of every new calendar year. The corporate calendar provides Directors with the scheduled dates for meetings of the Board, Committees of the Board, the Annual General Meeting and the closed periods for dealings in securities by the Directors based on the targeted dates of announcement of the Company's quarterly results.

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 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 and independent advice from external consultants in the course of fulfilling their responsibilities, if necessary, at the Company's expense. If appropriate any advice received will be made available to the Board.

The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Company has two qualified Company Secretaries who are members of the Malaysia Institute of Chartered Secretaries and Administrator ("MAICSA").

The roles and responsibilities of the Company Secretaries are as follows:

- advising the Board on the compliance of regulatory requirements and guidelines;
- updating the Board on the changes in the Listing Requirements and directives issued by the regulatory authorities;
- supporting the Board by ensuring adherence to board policies and procedures, rules, relevant laws and best practices in Corporate Governance;
- attending Board and Board Committee meetings and ensuring that the Board meetings are properly convened and proceedings are properly recorded;
- ensuring timely communication of Board level decisions to Management;
- ensuring that all appointments to the Board and Committees are properly made; and
- maintaining a complete statutory records that includes minutes of Board and Board Committees.

Appointment and Re-election of Board Members

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

The process for the appointment of a Board Member is summarised as follows:

- Identification of a candidate upon the recommendation by the existing Board Members, Senior Management staff, shareholders and/or other consultants;
- The Nomination Committee to considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Directors, the candidate's independence, in evaluating the suitability of the candidates;
- Recommendation of candidates to be made by the Nomination Committee to the Board, as well as recommendation for appointment as a member of the various Board Committees, where necessary; and
- Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

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

The Articles of Association also require all Directors including Managing 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.

CORPORATE GOVERNANCE STATEMENTS (continued)

Appointment and Re-election of Board Members (continued)

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 2016, the Board as, through the Nomination Committee, reviewed the skills mix and experience of the individual Directors and assessed the effectiveness of the Board as a whole. A separate assessment for Independent Directors is also undertaken annually.

Based on the results of the assessment undertaken for the financial year, the Nomination Committee (save for the members who had abstained from deliberations on their own re-election) recommended to the Board that:

- Chen Sung Fang who is due for retirement by rotation pursuant to Article 75 of the Company's Articles of Association at the Twelfth AGM and be eligible for re-election; and
- Datuk Captain Hamzah Bin Mohd Noor and Cham Kim Hing, who are also retiring pursuant to Article 80 of the Company's Articles of Association at the Twelfth AGM, be eligible for re-election.

Board Evaluation Criteria

The Board evaluations comprise of performance evaluations of the Board, Board Committees and individual Director self/peer evaluation.

The assessment of the Board is based on four (4) main areas relating to the Board structure, Board operations, Board and Chairman's roles and responsibilities as well as Board Committees' roles and responsibilities.

For individual Director self/peer evaluation, the assessment criteria include abilities and competencies, caliber and personality, technical knowledge, objectivity and the level of participation of Board and Committee meeting, including individual contributions to the Board processes, business strategies and performance of the Group.

During the year under review, the Board through Nomination Committee conducted an internally facilitated Board assessment. The Board provided anonymous feedback on their peers' performance and individual performance contribution to the Board. The review supported the Board's decision to endorse all retiring Directors standing for re-election.

Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to regulatory requirements and the impact of such regulatory requirements to the Group.

All Directors had attended the Mandatory Accreditation Programme ("MAP") as required by the Listing Requirements. 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.

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
Tong Chin Hen	• CAC 2016 – The 17th China International Agrochemical & Protection Exhibition	9-11 March 2016
Chen Sung Fang	• Home and Property Investment Fair	17-19 June 2016
Chan Kim Hing	• Mandatory Accreditation Programme for Directors of Public Listed Companies	13-14 July 2016
Chan Weng Fui	• Furniture and Construction Material Exhibition in Macau	15-17 April 2016
Datuk Captain Hamzah Bin Mohd Noor	• Mandatory Accreditation Programme for Directors of Public Listed Companies	1-2 June 2016

CORPORATE GOVERNANCE STATEMENTS (continued)

Directors' Training (continued)

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

The Board of Directors will individually, on a continuous basis, evaluate and determine their respective training needs to assist them in the discharge of their duties as Directors.

Directors' Remuneration

The Board of Directors is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as Directors serving as members of the Board Committees. The Board has thus established formal and transparent remuneration policies and procedures for the Board and Board Committees. The remuneration of the Executive Directors consists of basic salary and other emoluments. Other benefits customary to the Group are made available as appropriate. Any salary review takes into account market rates and the performance of the individual and the Group.

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

Details of remuneration of Directors who served during the financial year ended 30 June 2016 are as follows:

Aggregate Remuneration by Category	Executive Directors RM	Non-Executive Directors RM
Salaries and bonuses	908,600	-
Fees	144,000	99,169
Pension costs – defined contribution plan	238,000	-
Benefits in-kind	13,325	-
Total	1,303,925	99,169

For the financial year ended 30 June 2016, 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
RM1,300,001 to RM1,350,000	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, attendance for the meetings and work of activities of the Audit Committee are set out in the Audit Committee Report on pages 27 to 30 of this Annual Report. The Terms of Reference of the Audit Committee is made available on the Company's website at www.imaspro.com.

CORPORATE GOVERNANCE STATEMENTS (continued)

(b) Nomination Committee

The Nomination Committee has been entrusted with the responsibility of proposing and recommending new nominees to the Board and of assessing Directors on an on-going basis. The roles and responsibilities of the Nomination Committee are set out in Terms of Reference of the Nomination Committee, which is made available on the Company's website at www.imaspro.com.

The Nomination Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. In compliance with the recommendation of the Code, the Chairman of the Nominating Committee is also the Senior Independent Non-Executive Director as identified by the Board, to whom any concern from the Shareholders may be conveyed.

The composition of the Nominating Committee is as follows:

- i) Chen Sung Fang (Senior Independent Non-Executive Director) - Chairman
- ii) Datuk Captain Hamzah Bin Mohd Noor (Independent Non-Executive Chairman) – Member
- iii) Chan Kim Hing (Independent Non-Executive Director) – Member

The Nomination Committee meets as and when required. During the financial year ended 30 June 2016, the Committee met thrice and the meeting was attended by all of its members.

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 recommends to the Board the structure, size, balance and composition of the Board and Board Committees. This requires a review of the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently. Thereafter, the Board carries out its own assessment of the recommendations made by the 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 Nomination Committee is empowered by the Board through its Terms of Reference to carry out the following functions:

- 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, whenever necessary;
- to develop the criteria to assess the independence of Independent Non-Executive Directors annually, especially on those who has 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 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, Listing Requirements and the Code; and

CORPORATE GOVERNANCE STATEMENTS (continued)

(b) Nomination Committee (continued)

- to facilitate achievement of Board gender diversity policies and targets.

The Board is in the midst of formalising a succession plan to ensure orderly succession at the Board level and boardroom diversity.

During the financial year under review, the Nomination Committee reviewed and recommended to the Board the appointment of Datuk Captain Hamzah Bin Mohd Noor and Mr Chan Kim Hing as new members of the Board on the Nomination Committee meetings held on 7 April 2016 and 25 May 2016 respectively, to fill the vacancies following the resignation of Encik Mohd Shafek Bin Isa, Mr Lim Kah Poon and Mr Lee Pui Leng.

The Board acknowledges the importance of boardroom diversity in terms of age, gender, ethnicity and socio-economic background and recognises the benefits of such diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on effective blend of competencies, skills and extensive experience and knowledge to strengthen the Board should remain a priority.

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, targets 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.

(c) Remuneration Committee

The Remuneration Committee is responsible for carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration policy for Directors and Key Senior Management Officers, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value, and is in tandem with its culture and strategy.

The Remuneration Committee comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the Remuneration Committee is as follows:

- i) Chan Weng Fui (Independent Non-Executive Director) - Chairman
- ii) Chen Sung Fang (Senior Independent Non-Executive Director) - Member
- iii) Datuk Captain Hamzah Bin Mohd Noor (Independent Non-Executive Chairman) – Member

The Remuneration Committee meeting is held as and when required, and at least once a year. During the financial year ended 30 June 2016, 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 Director 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 Director 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

CORPORATE GOVERNANCE STATEMENTS (continued)

(c) Remuneration Committee (continued)

- to keep abreast of the terms and conditions of service of the Executive Director 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.

INVESTOR RELATIONS AND SHAREHOLDER 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.

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

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

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association. A presentation is given by the Chairman to explain the Group's strategy, performance and major developments to shareholders during the AGM. Shareholders are encouraged to participate in the Question and Answer session on the proposed resolutions or about the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Articles to attend and vote on their behalf. The Board and Senior Management are present to provide clarification on 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.

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company will be subjected to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

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 standards and regulatory disclosure requirements 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 34 of this Annual Report.

CORPORATE GOVERNANCE STATEMENTS (continued)

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 31 to 33 of this Annual Report.

Relationship with Auditors

The Group's External Auditors continue to provide independent assurance to shareholders on the Group's operational control and financial statements. The Board has maintained a 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.

The Audit Committee, adhering to the policies and procedures to assess the suitability and independence of External Auditors, undertakes an annual assessment of the quality of audit which encompassed the performance and quality of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standard and devising tools to obtain relevant data. The areas of assessment include among others, the External Auditors' caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit and non-fees.

The External Auditors, as part of Audit Committee's assessment of their independence, will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are required to declare their independence annually to the Audit Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors had provided the declaration in their annual audit plan presented to the Audit Committee.

Upon completion of the assessment, the Audit Committee will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment shall subject to shareholders' approval at the forthcoming Annual General Meeting.

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 27 to 30 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 formalised 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 2016.

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 2016.

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 five (5) meetings.

In addition to the above meetings, the Audit Committee also met with the External Auditors in separate private session once 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 2016 are stated below:

Name of Director	Designation	No. of Meetings Attended
Chan Weng Fui	Chairman, Independent Non-Executive Director	5/5
Chen Sung Fang	Senior Independent Non-Executive Director	5/5
Chan Kim Hing (appointed on 26 May 2016)	Independent Non-Executive Director	N/A
Lim Kah Poon (resigned on 11 April 2016)	Chairman, Independent Non-Executive Director	4/4

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the Audit Committee outline the composition of the Audit Committee, Chairman of the Committee, Committee Members, objectives of the Committee, authority of the Committee, functions of the Committee, Committee Meetings, Secretary of the Committee and disclosures. The terms of reference of the Audit Committee is accessible via the Company's website at www.imaspro.com.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The Audit Committee carried out its duties in accordance with its terms of reference during the financial year. The activities and work undertaken by the Audit Committee included the following:

1) Financial Reporting

- a) Reviewed the quarterly financial statements including the draft announcements relating to the quarterly reporting of the Group and made recommendations to the Board for approval of the same as follows:

Date of meetings	Review of Quarterly Financial Statements
25 August 2015	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 June 2015
19 November 2015	First quarter results for financial year ended 30 June 2016
4 February 2016	Second quarter results for financial year ended 30 June 2016
25 May 2016	Third quarter results for financial year ended 30 June 2016

AUDIT COMMITTEE REPORT (continued)

1) Financial Reporting (continued)

The above review is to ensure that the Company's quarterly financial reporting and disclosure present to a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standards (MFRS) 134 – Interim Financial Reporting Standards in Malaysia and International Accounting Standards (IAS) 34 – Interim Financial Reporting as well as applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

- b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and the Group for the financial year ended 30 June 2015 at its meeting held on 30 September 2015, ensuring that the financial statements were prepared in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 1965. Prior to that, the Audit Committee had reviewed the status report on the Audit Plan for the financial year ended 30 June 2015 prepared by the External Auditors at the meeting held on 27 May 2015.

Any significant matters, unusual events or transactions resulting from the audit of the financial statements by the External Auditors were deliberated. These significant matters, unusual events or transactions resulting from the audit will be tabled by the External Auditors to the Audit Committee whom will deliberate on the explanations of the Management and the External Auditors recommendations on these issues.

2) External Audit

- a) Evaluated the performance of the External Auditors for the financial year ended 30 June 2016 covering areas such as scope of work, audit plan and independence as well as the audit fees of the External Auditors. The Audit Committee having been satisfied with the independence, suitability and performance of Messrs HLB Ler Lum (HLB), had recommended to the Board for approval, the re-appointment of HLB as External Auditors for the ensuing financial year of 30 June 2017 at its meeting held on 20 September 2016;
- b) Discussed and considered the significant accounting adjustment and auditing issues from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had a private discussion with the External Auditors on 30 September 2015 without the presence of Management to review on the issues relating to financial controls and operational efficiencies of the Company and the Group.
- c) Reviewed with the External Auditors on 25 May 2016, their audit plan for the financial year ended 30 June 2016, outlining the audit scope, methodology, timetable, audit materiality, area of focus, fraud considerations and risk of management override and also the new and revised auditors reporting standards.

3) Internal Audit

- a) The Audit Committee reviewed 4 internal audit reports which covered the following areas:-
 - i) Inventory management, laboratory and quality assurance and maintenance functions;
 - ii) Safety and health functions;
 - iii) Finance and accounts functions;
 - iv) Registry of risk, risk matrix and change log.

The Audit committee also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance, and the respective Management's responses thereto. The Internal Audit monitored the implementation of Management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

- b) Reviewed and approved the Internal Audit Plan for financial year ended 30 June 2016 to ensure there is adequate scope and comprehensive coverage over the activities of the Group and all the risk areas are audited annually.

AUDIT COMMITTEE REPORT (continued)

4) Recurrent Related Party Transactions and Related Party Transactions

- a) Reviewed and discussed Recurrent Related Party Transactions that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.
- b) Considered transactions with a Related Party and/or interested persons to ascertain that such transactions are conducted at arm's length basis and on normal commercial terms, and that the internal control procedures with regards to such transactions are sufficient, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

5) Other Activities

- a) 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 Malaysia Securities Berhad.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group in its effort to provide an 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 auditor and reports directly to the Audit Committee quarterly during the Audit Committee Meeting. The Audit Committee is chaired by an Independent Non-Executive Director, and its members comprises of Independent Non-Executive Directors.

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.

Internal Audit Review emphasises more on the best practices and management assurance that encompasses all business risks. Thus, it provides a valuable resource to evaluate processes and give assurances concerning the internal control effectiveness.

For the financial year ended 30 June 2016, the following activities were conducted:

- 1) Tabled Internal Audit Plan for the Audit Committee's review and endorsement.
- 2) Follow up review on previously reported findings on Inventory Management, Laboratory, Quality Assurance, Production, Safety & Health and Maintenance functions that the agreed recommendations are effectively implemented.
- 3) Reviewed Safety and Health functions of its subsidiary company to ensure compliance with safety standards and rules and regulations of local authority.
- 4) Conducted audit reviews of Finance and Accounts functions of its subsidiary to ensure reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
- 5) Reviewed the Registry of Risk, Risk Matrix and Change Log prepared by the Management, including risk factors identified, risk measurement impact and likelihood and risk control actions.

AUDIT COMMITTEE REPORT (continued)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (continued)

- 6) Issued internal audit reports incorporating audit recommendations and Management's responses in relation to audit findings on weaknesses in the systems and controls to the Audit Committee and the Management.
- 7) Presented internal audit reports to the Audit Committee for review.

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 2016. This Statement has been prepared in accordance to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2012 and “Statement on Internal Control and Risk Management: 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 Board recognises the importance of risk management and internal audit to establish and maintain a sound system of internal control. In view of the limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group’s business objectives and strategies. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of financial information, loss or fraud.

The Board had received and reviewed the reports on the effectiveness of the risk management and internal control system, and is of the view that the risk management and internal control system is adequate to safeguard shareholders’ interest and the Group’s assets. The role of Management is to implement the Board’s policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate the suitable internal control system to manage risks. The Board has obtained assurance from the Managing Director and the Senior Manager (Finance & Corporate Strategy) that the Group’s system of risk management and internal control is operating adequately and effectively throughout the financial year under review and up to date of this Statement.

Risk Management

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.

The risk identification process reviews and identifies issues arising from changes in both the external business environment and internal operating conditions. The risk measurement guidelines consist of financial and non-financial qualitative measure of risk consequences. The risk measurement guidelines are applied in allocating risk likelihood rating and risk impact rating. The risk control actions are designed and implemented based on the priority sequence.

The respective risk owners are entrusted to identify risks and ensure that adequate control systems are implemented to mitigate significant risks faced by the Group. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions. Risks Factors identified are regularly reported to the Managing Director for further elaboration and strategic decision making.

The Board confirmed 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 Board will review the risk management process for continuous improvement as well as when new risks are identified as risk management forms an integral part of the Group’s business operations to achieve profitability and sustainable growth.

The process is in place for the year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

Key Elements of Internal Control

Key features of the process established within the Group which can contribute to a sound system of internal control and enables the management to ensure that established policies, guidelines and procedures are followed and complied with are as follows:

- Within the Group, there are organisational structures in place for each operating unit with clearly defined responsibilities and levels of 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Key Elements of Internal Control (continued)

- Limits of Authority are established within the Group to provide a functional framework of authority in approving revenue, operating expenses and capital expenditure.
- Operating policies and procedures that serve as a general management guide for daily operations. These policies and procedures are reviewed on a 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.
- 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 is constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

Internal Audit Function

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

On quarterly basis, the Internal Auditors report to the Audit Committee on areas for possible improvements and Management's response to such recommendations. Follow-up audits were also carried out and the audit outcome was reported to the Audit Committee to ensure audit findings identified are being addressed.

The internal audit adopts risk-based internal audit approach in developing its audit plan, which addressed and reviewed the critical business processes, risk and internal control gaps, effectiveness and adequacy of existing state of internal control of the major subsidiaries as well as recommends possible improvements to the internal control process. The internal audit plans are reviewed and approved by the Audit Committee, to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group. For the financial year ended 30 June 2016, the total costs incurred for the outsourced internal audit function is RM36,947.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

For the financial year ended 30th June 2016, the following subsidiaries were audited by the independent consulting firm:

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
July – September 2015	November 2015	Imaspro Resources Sdn Bhd	Follow up Status Actions on Previously Reported Audit Findings <ul style="list-style-type: none"> • Internal audit conducted in April to June 2015 on Inventory Management, Laboratory & Quality Assurance and Maintenance functions. • Internal audit conducted in July – September 2014 on Production functions. • Internal audit conducted in April – June 2014 on Safety and Health functions.
October – December 2015	February 2016	Imaspro Resources Sdn Bhd	Safety and Health functions.
January – March 2016	May 2016	Imaspro Resources Sdn Bhd	Finance and Accounts functions.
April – June 2016	August 2016	Imaspro Corporation Berhad and its subsidiaries	Review of the Risk Profile (Risk registry and risk matrix) identified by Management.

Review of the Statement by External Auditors

The External Auditors have reviewed the 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 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.

Conclusion

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system currently in place is as far as practicable, adequate and effective to safeguard the Group's interests and assets. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 Malaysia Securities Berhad. 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 2016, 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 the resolution of the Board of Director.

FINANCIAL STATEMENTS

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2016

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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 2016.

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	9,304,722	4,046,510
Profit attributable to:		
Owners of the Company	9,304,722	4,046,510
Non-controlling interests	-	-
	<u>9,304,722</u>	<u>4,046,510</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 2015 was as follows:

In respect of the financial year ended 30 June 2015

	RM
A first and final single tier dividend of 3.5 sen per share paid on 18 January 2016	<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 2016 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 2017.

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:

Tong Chin Hen
 Chan Weng Fui
 Chen Sung Fang
 Datuk Captain Hamzah Bin Mohd Noor (appointed on 11.04.2016)
 Chan Kim Hing (appointed on 26.05.2016)
 Lee Pui Leng (appointed on 11.04.2016 & resigned on 26.05.2016)
 Lim Kah Poon (resigned on 11.04.2016)
 Mohd Shafek Bin Isa (resigned on 29.03.2016)

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 1.7.2015	Acquired	Disposed	At 30.6.2016
Shareholdings in the name of the Director:				
Tong Chin Hen	150,000	-	-	150,000
Chan Weng Fui	4,390,000	866,000	3,623,000	1,633,000
Shareholdings in which the Director is deemed to have an interest:				
Tong Chin Hen	33,947,064	-	-	33,947,064 *

Notes:

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

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

CHAN WENG FUI
Director

Petaling Jaya

Date : 20 September 2016

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 2016 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 86 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

CHAN WENG FUI
Director

Petaling Jaya

Date : 20 September 2016

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 20 September 2016)

Before me

Commissioner for Oaths

LAI DIN
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 2016 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 43 to 85.

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 2016 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 86 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

DATO' LER CHENG CHYE
871/3/17(J/PH)
Chartered Accountant

Date : 20 September 2016

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	24,993,229	23,347,144	-	-
Investment properties	5	13,973,193	8,212,081	-	-
Investment in subsidiary companies	6	-	-	57,467,623	31,467,623
Investment in associate	32	9,549,344	-	-	-
Intangible assets	33	14,845,478	-	-	-
		<u>63,361,244</u>	<u>31,559,225</u>	<u>57,467,623</u>	<u>31,467,623</u>
Current assets					
Inventories	7	13,832,245	15,706,068	-	-
Trade and other receivables	8	20,220,584	34,667,015	11,899,021	11,175,037
Tax recoverable		462,912	21,703	27,958	17,166
Cash and bank balances	9	44,124,070	46,905,508	7,002,182	6,470,779
		<u>78,639,811</u>	<u>97,300,294</u>	<u>18,929,161</u>	<u>17,662,982</u>
TOTAL ASSETS		<u>142,001,055</u>	<u>128,859,519</u>	<u>76,396,784</u>	<u>49,130,605</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	1,685,975	1,517,575	-	-
Retained profits	12	81,118,200	74,613,478	7,478,833	6,232,323
Total equity		<u>125,661,207</u>	<u>118,988,085</u>	<u>50,335,865</u>	<u>49,089,355</u>
Non – current liabilities					
Deferred tax liabilities	13	1,244,746	1,300,026	-	-
Loan and borrowing	14	5,574,299	1,475,996	-	-
		<u>6,819,045</u>	<u>2,776,022</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	15	9,067,910	6,400,745	26,060,919	41,250
Loan and borrowing	14	420,899	324,004	-	-
Tax payable		31,994	370,663	-	-
		<u>9,520,803</u>	<u>7,095,412</u>	<u>26,060,919</u>	<u>41,250</u>
TOTAL LIABILITIES		<u>16,339,848</u>	<u>9,871,434</u>	<u>26,060,919</u>	<u>41,250</u>
TOTAL EQUITY AND LIABILITIES		<u>142,001,055</u>	<u>128,859,519</u>	<u>76,396,784</u>	<u>49,130,605</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 2016

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Continuing Operations					
Revenue	16	73,603,222	105,403,720	4,500,000	4,500,000
Cost of sales		(56,497,647)	(84,938,647)	-	-
Gross profit		17,105,575	20,465,073	4,500,000	4,500,000
Other operating income	17	4,034,023	2,073,417	137,765	169,105
Distribution cost		(1,319,403)	(1,718,204)	-	-
Administration expenses		(7,203,873)	(6,677,306)	(591,255)	(326,687)
Other operating expenses		(994,928)	(1,186,264)	-	-
Operating profit		11,621,394	12,956,716	4,046,510	4,342,418
Finance cost	18	(265,766)	(81,224)	-	-
Share of associate's result		(44,182)	-	-	-
Profit before tax	19	11,311,446	12,875,492	4,046,510	4,342,418
Income tax (expense)/credit	22	(2,006,724)	(2,871,903)	-	1,567
Profit for the year		9,304,722	10,003,589	4,046,510	4,343,985
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:					
- Share of associate's results		79,501	-	-	-
- Foreign currency translation		88,899	1,784,687	-	-
Total comprehensive income for the year		9,473,122	11,788,276	4,046,510	4,343,985
Profit attributable to:					
Owners of the Company		9,304,722	10,003,589	4,046,510	4,343,985
Non controlling interests		-	-	-	-
		9,304,722	10,003,589	4,046,510	4,343,985
Total comprehensive income attributable to:					
Owners of the Company		9,473,122	11,788,276	4,046,510	4,343,985
Non controlling interests		-	-	-	-
		9,473,122	11,788,276	4,046,510	4,343,985
Earnings per share attributable to owners of the Company:					
Basic (sen)	23	11.63	12.50		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

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 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
At 1 July 2015		40,000,000	2,857,032	1,517,575	74,613,478	118,988,085
Profit for the year		-	-	-	9,304,722	9,304,722
Other comprehensive income for the year		-	-	168,400	-	168,400
Transaction with owners						
Dividends	24	-	-	-	(2,800,000)	(2,800,000)
At 30 June 2016		40,000,000	2,857,032	1,685,975	81,118,200	125,661,207

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

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE YEAR ENDED 30 JUNE 2016

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 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
At 1 July 2015		40,000,000	2,857,032	6,232,323	49,089,355
Profit for the year		-	-	4,046,510	4,046,510
Other comprehensive income for the year		-	-	-	-
Transaction with owners					
Dividends	24	-	-	(2,800,000)	(2,800,000)
At 30 June 2016		40,000,000	2,857,032	7,478,833	50,335,865

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	11,311,446	12,875,492	4,046,510	4,342,418
Adjustments for:				
Amortisation	146,370	-	-	-
Depreciation of property, plant and equipment	1,575,499	1,584,307	-	-
Depreciation of investment properties	147,583	37,665	-	-
Dividend income	-	-	(4,500,000)	(4,500,000)
Gain on disposal of property, plant and equipment	(34,448)	(70,797)	-	-
Impairment loss on trade receivables	61,311	411,606	-	-
Interest expenses	75,835	81,224	-	-
Interest income	(1,341,552)	(1,026,649)	(137,765)	(169,105)
Loss on foreign exchange				
- unrealised	149,432	60,018	-	-
Property, plant and equipment written off	8,213	44,520	-	-
Reversal of allowance for impairment of trade receivables	(309,016)	(60,564)	-	-
Share of associate's results	44,182	-	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES				
CAPITAL CHANGES	11,834,855	13,936,822	(591,255)	(326,687)
Inventories	2,004,953	7,458,275	-	-
Receivables	15,709,472	2,396,035	(723,983)	6,875
Payables	(2,590,547)	1,052,116	20,819,668	752
CASH GENERATED FROM/ (ABSORBED BY) OPERATIONS				
Interest paid	(75,835)	(81,224)	-	-
Interest received	1,341,552	1,026,649	137,765	169,105
Taxes paid	(2,670,873)	(2,233,706)	(10,792)	(17,166)
Taxes refunded	3,365	42,231	-	42,231
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES				
	25,556,942	23,597,198	19,631,403	(124,890)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(3,274,116)	(1,101,253)	-	-
Purchase of investment properties	(5,908,695)	(8,107,657)	-	-
Acquisition of new subsidiary	(20,667,952)	-	(20,800,000)	(2)
Proceeds from disposal of property, plant and equipment	81,500	70,801	-	-
Advances to subsidiary companies	-	-	-	(2,875,788)
Dividend received	-	-	4,500,000	4,500,000
NET CASH (USED IN)/ FROM INVESTING ACTIVITIES				
	(29,769,263)	(9,138,109)	(16,300,000)	1,624,210

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

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(479,802)	-	-	-
Drawdown of term loan	4,675,000	1,800,000	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	1,395,198	(1,000,000)	(2,800,000)	(2,800,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,817,123)	13,459,089	531,403	(1,300,680)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	35,685	102,509	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	46,905,508	33,343,910	6,470,779	7,771,459
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 9)	44,124,070	46,905,508	7,002,182	6,470,779

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 20 September 2016.

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,
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 |
| Amendments to MFRS 107 | Disclosure initiative |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses |
| (iii) MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2018 | |
| MFRS 9 | Financial Instruments |
| MFRS 2 | Classification and Measurement of Share-based Payment Transactions |
| (iv) MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2019 | |
| MFRS 16 | Leases |
| (v) MFRSs, Amendments and Interpretations effective date deferred | |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

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.

(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) Allocation & impairment test on goodwill

The Group's determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions such as discount rates used and valuation models applied as well as goodwill allocation.

The Group tests goodwill for impairment annually, in accordance with its accounting policy as disclosed in Note 3(v)(i) to the Financial Statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less costs to sell calculations. These calculations require the use of estimates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 derecognised of the asset is included in the profit or loss in the year the asset is derecognised.

(d) Investment Properties

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. 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.

(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")).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of Non-Financial Assets (continued)

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.

(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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Financial Assets (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Liabilities (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Foreign currency transactions (continued)

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.

(iii) Rental income

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

(iv) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue Recognition (continued)

(v) Royalty income

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

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(v) Intangible Assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

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

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

(ii) Trademark

Trademark are amortised on the straight-line basis over the lease term less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(e).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Investment in Associated Companies

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

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

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured obligations, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

The most recent available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

In the Company's separate financial statements, investments in associated companies are stated at cost less accumulated impairment losses. On disposal of investments in associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

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	Office and fittings RM	Furniture RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Farm structure & equipment RM	Total RM
Cost											
At 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/											
1 July 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	
Additions	1,872,914	-	368,589	44,374	5,036	56,564	278,750	647,889	-	3,274,116	
Disposals	-	-	-	-	-	(35,880)	(224,155)	(12,800)	-	(272,835)	
Written off	-	-	-	(3,479)	-	-	-	(558,372)	-	(561,851)	
Acquisition of subsidiary	-	-	-	3,479	-	-	-	-	-	-	3,479
At 30 June 2016	9,824,792	3,269,162	8,822,535	1,080,923	555,858	700,073	2,889,707	12,930,174	110,608	40,183,832	
Accumulated depreciation											
At 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/											
1 July 2015	-	372,708	1,046,995	834,563	508,034	667,601	1,962,919	8,978,837	22,122	14,393,779	
Depreciation charge for the year	-	40,795	127,123	67,379	17,158	19,930	348,005	932,987	22,122	1,575,499	
Disposals	-	-	-	-	-	(35,869)	(178,821)	(11,093)	-	(225,783)	
Written off	-	-	-	(816)	-	-	-	(552,822)	-	(553,638)	
Acquisition of subsidiary	-	-	-	746	-	-	-	-	-	746	
At 30 June 2016	-	413,503	1,174,118	901,872	525,192	651,662	2,132,103	9,347,909	44,244	15,190,603	
Net carrying amount											
At 30 June 2016	9,824,792	2,855,659	7,648,417	179,051	30,666	48,411	757,604	3,582,265	66,364	24,993,229	
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	

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTY

	Group	
	2016 RM	2015 RM
Cost		
At 1 July	8,291,198	183,541
Addition	5,908,695	8,107,657
At 30 June	14,199,893	8,291,198
Accumulated depreciation		
At 1 July	79,117	41,452
Depreciation charge for the year	147,583	37,665
At 30 June	226,700	79,117
Net carrying amount		
At 30 June	13,973,193	8,212,081
Estimated fair value	15,000,000	9,000,000
Included in the above are:		
	Group	
	2016 RM	2015 RM
Net carrying amount		
Freehold land	6,437,402	2,155,500
Building	7,535,791	6,056,581
	13,973,193	8,212,081

Investment properties comprise freehold land and buildings. Rental income generated from one of the investment properties during the financial year amounted to RM15,572 (2015: RM6,800). There were no (2015: Nil) direct operating expenses incurred for the investment properties during the financial year.

The fair values above are valued based on sale comparison approach and unobservable inputs and classified in Level 2 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 29(e) to the Financial Statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square meter.

Included in investment properties is a shop office amounting to RM9,544,958 (2015: RM3,735,695) 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	
	2016 RM	2015 RM
Unquoted shares – at cost	57,467,623	31,467,623

Details of the subsidiary companies are as follows:

Name of Companies	Country of Incorporation	Effective Ownership Interest		Principal Activities
		2016 (%)	2015 (%)	
Direct subsidiary companies of the Company				
Imaspro Resources Sdn. Bhd. ("IRSB")	Malaysia	100	100	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
Ideal Command Sdn. Bhd.*	Malaysia	100	100	Investment holding
Plant Science Centre Sdn. Bhd.*	Malaysia	100	100	Providing research, development and training with regards of pesticides and agrochemicals
Millennium Station Sdn. Bhd.*	Malaysia	100	100	Investment holding
Mosfly International Sdn. Bhd.*^	Malaysia	100	-	Manufacturing and trading of mosquito coils, disinfectants and household insecticides
Direct subsidiary companies of IRSB				
Imaspro Biotech Sdn. Bhd.*	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

* Audited by firm other than HLB Ler Lum

^ Company with financial year end of 31 December.

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 (2015: Nil) in the Group's ownership interest in its significant subsidiary companies.

(a) Acquisition of subsidiary company

On 5 May 2016, the Company acquired entire issued and paid up share capital of Mosfly International Sdn. Bhd. ("MISB"), a company incorporated in Malaysia for a total cash consideration of RM26 million.

(b) Summary of effect of acquisition of new subsidiaries

There is no significant effect of the newly acquired subsidiaries on the financial results for the previous financial year.

If the acquisition had occurred on 1 July 2015, there is no significant change for the Group's revenue and profit for the financial year.

(c) The assets and liabilities arising from the acquisition of subsidiaries during the financial year and the aggregate effects of such acquisitions on the cash flows of the Group were as follows :-

2016	Fair values recognised on acquisition RM	Carrying amounts in acquiree's books RM
Identifiable assets and liabilities		
Plant & equipment	2,733	2,733
Investment in associates	10,564,435	4,868,035
Intangible assets	7,310,000	-
Inventories	131,130	131,130
Trade and other receivables	79,170	79,170
Tax recoverable	174,374	174,374
Cash and cash equivalents	132,048	132,048
Total assets	<u>18,393,890</u>	<u>5,387,490</u>
Trade & other payables	75,738	75,738
Total liabilities	<u>75,738</u>	<u>75,738</u>
Identifiable net assets acquired	18,318,152	<u>5,311,752</u>
Goodwill (Note 33)	7,681,848	
Total purchase consideration	<u>26,000,000</u>	
Balance of purchase consideration	(5,200,000)	
Cash consideration paid	<u>20,800,000</u>	
Less: Cash & cash equivalents acquired	(132,048)	
Net cash outflow on acquisition	<u>20,667,952</u>	

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVENTORIES

	Group	
	2016 RM	2015 RM
At cost:		
Raw materials	8,150,542	5,684,236
Finished goods	4,343,252	8,744,747
Packaging materials	784,791	737,667
Work-in-progress	553,660	539,418
	13,832,245	15,706,068

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM56,407,196 (2015: RM86,519,355).

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade receivables				
- Third parties	17,122,009	33,371,718	-	-
Less :				
- Allowance for impairment	(714,005)	(961,710)	-	-
Trade receivables, net	16,408,004	32,410,008	-	-
Other receivables				
- Deposits	738,873	1,219,204	-	-
- Prepayments	651,761	493,852	7,500	-
- Amount due from subsidiary companies	-	-	11,891,521	11,175,037
- Sundry receivables	2,421,946	543,951	-	-
	3,812,580	2,257,007	11,899,021	11,175,037
Total trade and other receivables (Note 31)	20,220,584	34,667,015	11,899,021	11,175,037

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 180 days (2015: 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:

	2016 RM	Group 2015 RM
Neither past due nor impaired	14,480,395	30,639,756
1 to 30 days past due not impaired	1,283,392	798,132
31 to 60 days past due not impaired	400,886	382,827
61 to 90 days past due not impaired	138,518	86,481
More than 91 days past due not impaired	46,074	222,942
	1,868,870	1,490,382
Impaired	772,744	1,241,580
	2,641,614	2,731,962
	17,122,009	33,371,718

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:

	2016 RM	Group 2015 RM
Individual impaired:		
Trade receivables – nominal accounts	772,744	1,241,580
Less : Allowance for impairment	(714,005)	(961,710)
	58,739	279,870

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance accounts:

	Group	
	2016 RM	2015 RM
At 1 July	961,710	610,668
Charge for the year (Note 19)	61,311	411,606
Reversal of impairment losses (Note 17)	(309,016)	(60,564)
At 30 June	714,005	961,710

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

(b) Related party balances

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

9. CASH AND BANK BALANCES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash on hand and at banks	19,526,381	11,981,164	14,919	5,329
Deposits with licensed banks	632,734	4,984,135	-	-
	20,159,115	16,965,299	14,919	5,329
Short term cash investments	23,964,955	29,940,209	6,987,263	6,465,450
Cash and bank balances (Note 31)	44,124,070	46,905,508	7,002,182	6,470,779

- (a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2015: 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 2.79% (2015: 3.90%) 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 (2015: 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 3.23% (2015: 2.38% to 3.09%) and 3.02% (2015: 2.70%) 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	
	2016	2015	2016 RM	2015 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	
	2016 RM	2015 RM
At 1 July	1,300,026	1,104,421
Recognised in profit or loss (Note 22)	(55,280)	195,605
At 30 June	1,244,746	1,300,026
Presented after appropriate offsetting as follows:		
Deferred tax assets	(28,152)	(142,286)
Deferred tax liabilities	1,272,898	1,442,312
	1,244,746	1,300,026

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 2015	(55,781)	(86,505)	(142,286)
Recognised in profit or loss	27,629	86,505	114,134
At 30 June 2016	(28,152)	-	(28,152)
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)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Investment properties RM	Others RM	Total RM
At 1 July 2015	724,946	525,229	192,137	1,442,312
Recognised in profit or loss	5,054	17,669	(192,137)	(169,414)
At 30 June 2016	730,000	542,898	-	1,272,898
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

14. LOAN AND BORROWINGS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Term loan - secured				
- Non-current	5,574,299	1,475,996	-	-
- Current	420,899	324,004	-	-
	5,995,198	1,800,000	-	-

The weighted average effective interest rate at the reporting date for term loan of the Group was 5.08% (2015: 4.85%).

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade payables				
- Third parties	2,074,174	3,848,982	-	-
Other payables				
- Deposits received	563,250	563,250	-	-
- Accruals	1,063,465	1,933,878	56,753	41,250
- Sundry payables	5,367,021	54,635	5,204,166	-
- Amount due to subsidiary company	-	-	20,800,000	-
	6,993,736	2,551,763	26,060,919	41,250
Total trade and other payables (Note 31)	9,067,910	6,400,745	26,060,919	41,250

(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 (2015: 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 (2015: 30 to 60 days).

Included in sundry payables as at 30 June 2016 is an amount of RM5,200,000 arise from event disclosed in Note 6(a).

16. REVENUE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Sale of goods	73,603,222	105,403,720	-	-
Dividend income	-	-	4,500,000	4,500,000
	73,603,222	105,403,720	4,500,000	4,500,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. OTHER OPERATING INCOME

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Gain on disposal of property, plant and equipment	34,448	70,797	-	-
Gain on foreign exchange- realised	2,007,071	884,829	-	-
Insurance claims	241	2,844	-	-
Interest income	1,341,554	1,026,649	137,765	169,105
Rental income	43,572	6,800	-	-
Royalty income	268,937	-	-	-
Reversal of allowance for impairment of trade receivables (Note 8)	309,016	60,564	-	-
Sundry income	29,184	20,934	-	-
	<u>4,034,023</u>	<u>2,073,417</u>	<u>137,765</u>	<u>169,105</u>

18. FINANCE COST

	Group	
	2016 RM	2015 RM
Interest expenses on:		
Bills payable	75,086	81,224
Term loan	190,680	-
	<u>265,766</u>	<u>81,224</u>

19. PROFIT BEFORE TAX

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Employee benefits expense (Note 20)	5,457,042	5,709,779	24,000	24,000
Non-Executive Directors' remuneration (Note 21)	99,169	109,073	99,169	109,073
Auditors' remuneration				
- statutory audit	91,700	78,180	22,000	22,000
- underprovided	-	500	-	-
Amortisation expense	146,370	-	-	-
Impairment loss on trade receivables (Note 8)	61,311	411,606	-	-
Depreciation of property, plant and equipment (Note 4)	1,575,499	1,584,307	-	-
Depreciation of investment properties (Note 5)	147,583	37,665	-	-
Property, plant and equipment written off	8,213	44,520	-	-
Rental of premises	7,936	6,681	-	-
Loss on foreign exchange – unrealised	149,432	60,018	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Wages, salaries, bonuses and allowances	4,849,643	5,057,587	24,000	24,000
Social security contribution	37,069	35,083	-	-
Contributions to defined contribution plan	570,330	617,109	-	-
	5,457,042	5,709,779	24,000	24,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,290,600 (2015: RM1,782,000) and RM24,000 (2015: RM24,000) respectively as further disclosed in Note 21.

21. DIRECTORS' REMUNERATION

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive:				
- Salaries and other emoluments	908,600	1,400,000	-	-
- Fees	144,000	144,000	24,000	24,000
- Contributions to defined contribution plan	238,000	238,000	-	-
	1,290,600	1,782,000	24,000	24,000
Non-Executive:				
- Fees	99,169	109,073	99,169	109,073
	1,389,769	1,891,073	123,169	133,073
Benefits in-kind	13,325	15,981	-	-
	1,403,094	1,907,054	123,169	133,073

22. INCOME TAX EXPENSE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Income tax:				
Malaysian income tax	(2,297,800)	(2,680,176)	-	-
Overprovided in prior year	317,581	3,878	-	1,567
	(1,980,219)	(2,676,298)	-	1,567
Real property gains tax:				
Current financial year	-	-	-	-
Under provision in prior year	(81,785)	-	-	-
	(81,785)	-	-	-
Deferred tax (Note 13):				
Relating to origination and reversal of temporary differences	3,278	(178,266)	-	-
(Under)/overprovided in prior year	-	(17,339)	-	-
Effect of change in tax rate	52,002	-	-	-
	55,280	(195,605)	-	-
TOTAL	(2,006,724)	(2,871,903)	-	1,567

Domestic current income tax is calculated at the statutory tax rate of 24% (2015: 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	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	11,311,446	12,875,492	4,046,510	4,342,418
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	(2,714,747)	(3,218,873)	(971,162)	(1,085,604)
Expenses not deductible for tax purposes	(214,178)	(142,783)	(79,379)	(81,672)
Income not subject to tax	460,400	439,160	1,050,541	1,167,276
Expenditure qualified for double deduction	-	15,084	-	-
Overprovision of tax expense in prior year	317,581	3,878	-	1,567
Utilisation of reinvestment allowances	-	62,563	-	-
Change in tax rate on deferred tax	52,002	-	-	-
Effect of deferred tax not recognised	174,003	(13,593)	-	-
Underprovision of deferred tax in prior year	-	(17,339)	-	-
Real property gains tax	(81,785)	-	-	-
Tax expense for the year	(2,006,724)	(2,871,903)	-	1,567

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	
	2016	2015
Profit after tax attributable to owners of the Company (RM)	9,304,722	10,003,589
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per share (sen)	11.63	12.50

(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	
	2016	2015
	RM	RM
For financial year ended 30 June 2015:		
- A first and final single tier dividend of 3.5 sen per share paid on 18 January 2016	2,800,000	-
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
	<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 2016 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 2017.

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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,500,000	4,500,000
Royalty income receivable from associated company - Mosfly Vietnam Industries Co, Ltd	268,937	-	-	-
Sales to Hap Seng Chemicals Sdn. Bhd., a company in which a Director, Tong Chin Hen has equity interest via his shareholding in Imaspro Process Technology Sdn. Bhd.	156,337	114,156	-	-
Salaries and other related expenses paid/payable to persons related to a Director, Tong Chin Hen	<u>78,700</u>	<u>78,700</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	
	2016 RM	2015 RM	2016 RM	2015 RM
Short term employee benefits	2,349,674	2,766,762	123,169	133,073
Post-employment benefits:				
- Defined contribution plan	296,208	367,407	-	-
	<u>2,645,882</u>	<u>3,134,169</u>	<u>123,169</u>	<u>133,073</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	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors' remuneration (Note 21)	<u>1,389,769</u>	<u>1,891,073</u>	<u>123,169</u>	<u>133,073</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	
	2016 RM	2015 RM	2016 RM	2015 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>36,927,000</u>	<u>22,850,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. CAPITAL COMMITMENT

	Group	
	2016 RM	2015 RM
Approved and contracted for:		
- Investment properties	1,930,600	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) Vietnam
- (v) Others: these consist of segments which cover mainly Australia and Lebanon but which individually fall below the 10% threshold of a reportable segment

Group	Malaysia RM	Vietnam RM	Indonesia RM	Bulgaria RM	Others RM	Elimination RM	Total RM
At 30 June 2016							
Segment revenue:							
Sales to external customers	43,820,288	10,665,798	5,901,101	3,008,381	10,207,654	-	73,603,222
Inter-segment sales	1,866,534	-	-	-	-	(1,866,534)	-
	<u>45,686,822</u>	<u>10,665,798</u>	<u>5,901,101</u>	<u>3,008,381</u>	<u>10,207,654</u>	<u>(1,866,534)</u>	<u>73,603,222</u>
Profit before tax							11,311,446
Income tax expense							<u>(2,006,724)</u>
Profit for the year							<u>9,304,722</u>
At 30 June 2015							
Segment revenue:							
Sales to external customers	52,113,509	7,420,368	9,520,984	14,033,795	22,315,064	-	105,403,720
Inter-segment sales	1,050,379	-	-	-	-	(1,050,379)	-
	<u>53,163,888</u>	<u>7,420,368</u>	<u>9,520,984</u>	<u>14,033,795</u>	<u>22,315,064</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>

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. OPERATING SEGMENTS (continued)

(a) Geographical Segments (continued)

During the current financial year, revenues of approximately RM6,215,000 and RM5,901,000 are derived from single major external customer in Vietnam and Indonesia respectively.

During the previous financial year, revenues of approximately RM9,520,000 and RM4,825,000 are derived from single major external customer in Indonesia and Bulgaria respectively.

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

(b) Business Segments

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

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

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM45,563 (2015: RM13,500) 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.

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2016							
Financial liabilities:							
Trade and other payables (Note 15)	9,067,910	-	9,067,910	9,067,910	-	-	-
Term loan (Note 14)	5,995,198	5.08	6,146,950	715,840	715,840	1,754,488	2,960,782
	<u>15,063,108</u>		<u>15,214,860</u>	<u>9,783,750</u>	<u>715,840</u>	<u>1,754,488</u>	<u>2,960,782</u>
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>	<u>-</u>
Company							
2016							
Financial liabilities:							
Other payables (Note 15)	26,060,919	-	26,060,919	26,060,919	-	-	-
2015							
Financial liabilities:							
Other payables (Note 15)	41,250	-	41,250	41,250	-	-	-

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) (2015: 5) customers which constituted approximately 40% (2015: 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:	2016 RM	2015 RM
Malaysia	9,146,330	13,988,973
Bulgaria	-	4,402,337
Vietnam	2,527,287	2,704,486
Spain	-	2,227,579
Australia	1,221,230	2,212,956
Indonesia	588,164	676,122
Others	2,924,993	6,197,555
	<u>16,408,004</u>	<u>32,410,008</u>

(d) Foreign Currency Risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2016				
Cash and bank balances	1,805,605	1,138,535	9,928	2,954,068
Trade receivables	4,065,322	1,221,230	-	5,286,552
Trade payables	(1,551,553)	-	-	(1,551,553)
	<u>4,319,374</u>	<u>2,359,765</u>	<u>9,928</u>	<u>6,689,067</u>
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>

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	2016	2015
	Increase/ (Decrease) RM	Increase/ (Decrease) RM
USD		
- Strengthened by 5%	215,969	491,371
- Weakened by 5%	(215,969)	(491,371)
AUD		
- Strengthened by 5%	117,988	400,927
- Weakened by 5%	(117,988)	(400,927)
EUR		
- Strengthened by 5%	496	465
- Weakened by 5%	(496)	(465)

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 fair value measurement hierarchies used to measure financial assets carried at fair value in the Statements of Financial Position as at 30 June 2016 are as follows:

- i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- iii) Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

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

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 2015 and 30 June 2016.

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's cash and cash equivalent exceeds its net debt, 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	
		2016 RM	2015 RM	2016 RM	2015 RM
Trade and other receivables	8	20,220,584	34,667,015	11,899,020	11,175,037
Less: Prepayment		(651,761)	(493,852)	-	-
		<u>19,568,823</u>	<u>34,173,163</u>	<u>11,899,020</u>	<u>11,175,037</u>
Cash and bank balances	9	<u>44,124,070</u>	<u>46,905,508</u>	<u>7,002,182</u>	<u>6,470,779</u>
Total		<u>63,692,893</u>	<u>81,078,671</u>	<u>18,901,202</u>	<u>17,645,816</u>

	Note	Financial Liabilities Other financial liabilities at amortised cost			
		Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Trade and other payables	15	9,067,910	6,400,745	5,260,919	41,250
Loan and borrowing	14	<u>5,995,198</u>	<u>1,800,000</u>	-	-
Total		<u>15,063,108</u>	<u>8,200,745</u>	<u>5,260,919</u>	<u>41,250</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. INVESTMENT IN ASSOCIATED COMPANY

(a) Investment in associated company

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Unquoted shares, at cost	3,266,020	-	-	-
Fair value adjustment on acquisition	5,696,400	-	-	-
Share of post-acquisition reserves	586,924	-	-	-
	<u>9,549,344</u>	<u>-</u>	<u>-</u>	<u>-</u>

The associated companies of the Group are as follows :-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2016 %	2015 %
Held through Mosfly International Sdn. Bhd.				
Mosfly Vietnam Industries Co. Ltd.*	Vietnam	Producing insect, bacteria exterminating products; producing cosmetics, cleaning, and polishing substances, room sprayer, body deodorizer	50.00	-

* Company not audited by HLB Ler Lum

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. INVESTMENT IN ASSOCIATED COMPANY (continued)

(b) The summarised financial information of the Group's material associated companies are as follows :-

2016	Total RM
<i>Effective equity interest</i>	50%
Summarised financial information	
<u>As at 30 June</u>	
Non-current assets	17,914,809
Current assets	6,924,507
Non-current liabilities	(252,771)
Current liabilities	(5,487,858)
Net assets	<u>19,098,687</u>
<u>Year ended 30 June</u>	
Revenue	<u>3,325,573</u>
Profit for the financial year	(88,364)
Other comprehensive income	159,002
Total comprehensive income	<u>70,638</u>
<u>Reconciliation of net assets to carrying amount</u>	
<u>As at 30 June</u>	
Group's share of net assets	9,549,344
Goodwill	-
Elimination of unrealised profits	-
Carrying amount in the Statement of Financial Position	<u>9,549,344</u>
<u>Group's share of results</u>	
<u>Year ended 30 June</u>	
Group's share of profit/(loss) for the year	(44,182)
Group's share of other comprehensive income	79,501
Group's share of total comprehensive income /(loss)	<u>35,319</u>
<u>Other information</u>	
Dividend received from associate	<u>1,050,410</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. INTANGIBLE ASSETS

	2016 RM	Group 2015 RM
Goodwill [Note 33 (i)]	7,681,848	-
Trademarks [Note 33 (ii)]	7,163,630	-
	14,845,478	-

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

(i) Goodwill	2016 RM	Group 2015 RM
<u>Cost</u>		
At beginning of the year	-	-
Arising from acquisition of new subsidiary	7,681,848	-
	7,681,848	-

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

No geographical segment of the goodwill allocation is prepared as the Group's activities are carried out predominantly in Malaysia.

The CGU's business segment identified is in relation to manufacturing and trading activities.

The recoverable amount was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management. Cash flows beyond the projection period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the chemical/household insecticides products business in which the CGU operates.

Key assumptions used for value-in-use calculations :-

	2016 %	2015 %
Gross margin ¹	20 – 25	-
Growth rate ²	16 – 20	-
Pre-tax discount rate ³	5.90%	-

^{1.} Budgeted gross margin

^{2.} Weighted average growth rate used to extrapolate cash flows beyond the budget period

^{3.} Pre-tax discount rate applied to the cash flow projections

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. INTANGIBLE ASSETS (continued)

(i) Goodwill (continued)

These assumptions were used for the analysis of CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rate used was consistent with the forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the business segment.

With regard to the assessment of value-in-use of the Group's CGU, management believes that no reasonably possible change in any of the key assumptions would cause the recoverable amounts of the units to be materially below their carrying amounts.

No impairment loss was recognised for the year ended 30 June 2016 for the goodwill assessed as their recoverable values were in excess of their carrying values.

(ii) Trademarks

	Group	
	2016 RM	2015 RM
<u>At cost</u>		
At beginning of the year	-	-
Addition	7,310,000	-
At end of the year	7,310,000	-
<u>Accumulated amortisation</u>		
At beginning of the year	-	-
Charge for the year	146,370	-
At end of the year	146,370	-
Net carrying amount	7,163,630	-

34. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform to the current year's presentation.

	2015 RM	Reclassification RM	2015 (Restated) RM
Cost of sales	86,617,295	(1,678,648)	84,938,647
Distribution cost	39,556	1,678,648	1,718,204

SUPPLEMENTARY INFORMATION

30 JUNE 2016

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained profits of the Company and its subsidiary companies:				
- Realised	96,596,331	101,613,572	7,478,833	6,232,323
- Unrealised	(1,394,037)	(877,694)	-	-
	95,202,294	100,735,878	7,478,833	6,232,323
Less: Consolidated adjustments	(14,084,094)	(26,122,400)	-	-
Total retained profits	81,118,200	74,613,478	7,478,833	6,232,323

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 2016:

Material Contracts Involving Directors and Substantial Shareholders

Save as otherwise disclosed in Note 25-Related Party Disclosures in the Financial Statements, there are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial year ended 30 June 2016 were as follows:

	Company RM	Group RM
Statutory audit fee paid/payable to:		
- HLB Ler Lum	22,000	70,050
Non-audit fee paid/payable to:		
- HLB Ler Lum	2,750	2,750
- Firm or corporation affiliated to HLB Ler Lum	-	-
Sub total	2,750	2,750
Total	24,750	72,800

The recurring non-audit services were in respect of annual review of the Statement on Risk Management and Internal Control.

Utilisation of Proceeds

The Company did not raise any funds from any corporate proposals during the financial year ended 30 June 2016.

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

The details of the RRPTs were disclosed in Note 25-Related Party Disclosures in the Financial Statements for the financial year ended 30 June 2016.

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	32	137	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	32	137	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	32	587	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	28	3,869	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	34	5,400	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	2	3,661	20 November 2014

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
Ideal Command Sdn. Bhd. (continued)						
Lot No. BP-33A, held under Master Title No. Pajakan Negeri 92907, Lot No. 82246, Mukim and District of Petaling, State of Selangor	4-storey shop office/ vacant	Built-up area: 11,076	Leasehold interest (Master Title)	1	5,884	26 March 2015
No. BP-33A, Jalan BPD 1, Business Park D'Alpinia , 47100 Puchong, Selangor Darul Ehsan						
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	18	813	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	18	561	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	14	2,003	7 January 2015
Lot 1194-1201, Jalan Maahad Tahfiz, Kampung Cenderah, 77000 Jasin, Melaka						
GM 468 Lot No.1203 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 2.0292 hectares	Freehold	Nil	1,038	22 July 2015
GM 472 Lot No.1204 in the Mukim of RIM District of Jasin State of Melaka	Vacant land	Land area: 1.6346 hectares	Freehold	Nil	835	22 July 2015

PROPERTIES OF THE GROUP (continued)

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

Company/ Location	Description/ Existing use	Land Area/Built-up Area (Sq ft)	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Acquisition
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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	2	4,292	24 December 2014
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No.12, Jalan Dato' Maharajalela
30000 Ipoh
Perak Darul Ridzuan

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2016

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 30 SEPTEMBER 2016

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 99	8	1.31	250	0.00
100 – 1,000	291	47.71	83,750	0.11
1,001 – 10,000	176	28.85	832,100	1.04
10,001 – 100,000	94	15.41	3,694,000	4.62
100,001 – 3,999,999 (*)	39	6.39	36,347,136	45.43
4,000,000 and above (**)	2	0.33	39,042,764	48.80
Grand total	610	100.00	80,000,000	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2016

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Yu Kuan Chon	14,181,704	17.73	1,371,000##	1.71
Tong Chin Hen	150,000	0.19	33,947,064#	42.43

Deemed interest through Swiss Revenue Sdn. Bhd.

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

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2016

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Tong Chin Hen	150,000	0.19	33,947,064#	42.43
Chan Weng Fui	1,633,000	2.04	-	-
Chen Sung Fang	-	-	-	-
Datuk Captain Hamzah Bin Mohd Noor	-	-	-	-
Chan Kim Hing	-	-	-	-

Deemed interest through Swiss Revenue Sdn. Bhd.

SHAREHOLDERS' INFORMATION (continued)

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 30 SEPTEMBER 2016

No.	Name of Shareholders	No. of shares held	%
1	Swiss Revenue Sdn Bhd	33,947,064	42.43
2	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	5,095,700	6.37
3.	Siow Chin How	3,975,500	4.97
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.	Ong Beng Chuan	2,600,000	3.25
7.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	2,383,200	2.98
8	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Fung Neng	2,382,800	2.98
9.	Stephen Kuek Hock Eng	2,274,300	2.84
10.	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for UBS Switzerland AG (Clients Assets)	1,880,000	2.35
11.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Weng Fui	1,470,000	1.84
12.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	1,424,000	1.78
13.	M & A Nominee (Asing) Sdn Bhd - Lewey Marketing Aktiengesellschaft	1,010,400	1.26
14.	Agrimart Sdn Bhd	940,000	1.18
15.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Swee Ming	796,000	1.00
16.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Chan Sow Keng	750,000	0.94
17.	Ku Kooi Khang	630,838	0.79
18.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Sow Keng	621,000	0.78
19.	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	616,900	0.77
20.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Yu Kuan Chon	600,000	0.75
21.	Teh Kiat Hock	568,200	0.71
22.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Yu Kuan Chon	419,200	0.52
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Swee Ming	395,700	0.49
24.	Chan Mun Hon	364,000	0.46
25.	Neo Khoon Seng	350,700	0.44
26.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Kooi Ming @ Tam Kooi Ming	332,800	0.42
27.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Hun Chin	317,400	0.40
28.	Stephen Kuek Hock Eng	256,604	0.32
29.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ngio Yen Lim	226,300	0.28
30.	Ngo Hea Sing	203,500	0.25
Total		73,870,000	92.35

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth 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, 17 November 2016 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 2016 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 2016. | (Resolution 1) |
| 3. To approve the payment of Directors' fees of RM99,169 in respect of the financial year ended 30 June 2016. | (Resolution 2) |
| 4. To re-elect Chen Sung Fang who retires pursuant to Article 75 of the Company's Articles of Association. | (Resolution 3) |
| 5. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:-
(i) Datuk Captain Hamzah Bin Mohd Noor
(ii) Chan Kim Hing | (Resolution 4)
(Resolution 5) |
| 6. To re-appoint Messrs HLB Ler Lum as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 6) |

Special Business

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

- | | |
|---|-----------------------|
| 7. Ordinary Resolution I
Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 | (Resolution 7) |
| <p>"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."</p> | |
| 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 8) |

"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 stock market of Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

- (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;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and/or share premium account of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) of the Company. As at 30 June 2016, the audited retained profits and share premium account of the Company were RM7,478,833 and RM2,857,032 respectively; 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. **Special Resolution**
Proposed Amendment to Articles of Association of the Company

(Resolution 9)

"THAT the proposed amendment to the Articles of Association of the Company as set out in the Annexure A be and is hereby approved and adopted."

10. 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 Twelfth 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 2016 will be paid to the shareholders on 17 January 2017. The entitlement date for the said dividend shall be 4 January 2017.

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 4 January 2017 in respect of ordinary transfers;

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

- 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: 25 October 2016

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 & Issuing House Services Sdn Bhd (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting. 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 9 November 2016 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.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

2. Audited Financial Statements for the financial year ended 30 June 2016

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

The proposed Resolution No. 7 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.

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

(ii) Resolution No. 8 – Proposed Renewal of Share Buy-Back Mandate

The proposed Resolution No. 8, 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 25 October 2016 for further information.

(iii) Resolution No. 9 – Proposed Amendment to Articles of Association of the Company

The proposed Amendment to Articles of Association of the Company are to comply with the amendment to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to enhance administrative efficiency.

STATEMENT ACCOMPANYING NOTICE OF TWELFTH 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 98.

ANNEXURE "A"

The existing Articles of Association ("Articles") of the Company is proposed to be amended as set out in the third column below:

Article No.	Existing Article	Amended
112	<p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss account, balance sheets and reports as are referred to in the Section. A copy of each document shall be sent (not later than 6 months after the close of the financial year and at least 21 days before the general meeting at which they are to be laid) to every Member and to every holder of debentures of the Company and all other persons entitled to receive notice of general meeting under the provisions of the Act or of these Regulations. A copy of each such documents in printed form or in CD-ROM form or in such other form of electronic media, shall not less than twenty-one (21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provision of the Act or of these Articles. The requisite number of copies of each such document as may be required by Bursa Securities from time to time shall at the same time be likewise sent to each stock exchange upon which the Company's shares are listed. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia or to more than one (1) of joint holders but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Members' request or such period as may be prescribed by Bursa Securities.</p>	<p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss account, balance sheets and reports as are referred to in the Section. A copy of each document shall be sent (not later than 4 months after the close of the financial year and at least 21 days before the general meeting at which they are to be laid) to every Member and to every holder of debentures of the Company and all other persons entitled to receive notice of general meeting under the provisions of the Act or of these Regulations. A copy of each such documents in printed form or in CD-ROM form or in such other form of electronic media, shall not less than twenty-one (21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provision of the Act or of these Articles. The requisite number of copies of each such document as may be required by Bursa Securities from time to time shall at the same time be likewise sent to each stock exchange upon which the Company's shares are listed. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia or to more than one (1) of joint holders but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Members' request or such period as may be prescribed by Bursa Securities.</p>
113	<p>The interval between the close of a financial year of the Company and the issue of annual audited accounts, the directors' and auditors' reports shall not exceed four (4) months.</p>	{Deleted}



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 Twelfth 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, 17 November 2016 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 2016 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 2016.	1		
3.	Approval on the payment of Directors' fees for the financial year ended 30 June 2016.	2		
4.	Re-election of Chen Sung Fang as Director of the Company pursuant to Article 75 of the Company's Articles of Association.	3		
5(i).	Re-election of Datuk Captain Hamzah Bin Mohd Noor as Director of the Company pursuant to Article 80 of the Company's Articles of Association.	4		
5(ii).	Re-election of Chan Kim Hing as Director of the Company pursuant to Article 80 of the Company's Articles of Association.	5		
6.	Re-appointment of Messrs HLB Ler Lum as Auditors and authorise the Directors to fix their remuneration.	6		
	Special Business			
7.	Authority to the Directors to Issue Shares pursuant to Section 132D of the Companies Act, 1965.	7		
8.	Proposed Renewal of Share Buy-Back Mandate.	8		
9.	Proposed Amendment to Articles of Association of the Company.	9		

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 _____ 2016

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 hisholdings 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 & Issuing House Services Sdn Bhd (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting. 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 9 November 2016 shall be entitled to attend, speak and/or vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

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

THE SHARE REGISTRAR
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. (11324-H)
UNIT 32-01, LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE
AVENUE 3, BANGSAR SOUTH
NO.8, JALAN KERINCHI
59200 KUALA LUMPUR

FIRST FOLD HERE

INI IKLAN RACUN MAKHLUK PEROSAK

DELTAKIN

RACUN SERANGGA / 殺蟲劑



**Formula Baharu
“Dua Perawis Aktif
dalam Satu Formulasi”**

**全新配方
“二合為一”**



BACA LABEL SEBELUM GUNA

JIRP. P/0616/294



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