

poised for
ACCELERATED
global **GROWTH**

ANNUAL REPORT
2023



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia)

200401019024 (657527-H)

LAMBDO 100

RACUN SERANGGA



Ulat Kuntum
(40mm)



ATURAN PENGGUNAAN :

LAMBDO 100 ialah sejenis racun serangga yang mengandungi perawis aktif daripada kumpulan 'pyrethroid' yang bertindak secara sentuhan dan keracunan perut.

TANAMAN	SERANGGA PEROSAK	KADAR RACUN		ISI PADU SEMBURAN SEHEKTAR	CATATAN
		10 LITER AIR	SEHEKTAR		
Kubis	Ulat Jantung Kubis (<i>Crocidolomia binotalis</i>) Ulat Pucuk Kubis (<i>Hellula undalis</i>)	2.5 ml	250 ml	1000 liter	Ulangi semburan selang 10-14 hari sekali, apabila serangan masih berkekalan. Bilangan semburan maksimum : 3 kali semusim
Kacang Panjang	Ulat Pengorek Lenggai (<i>Maruca testulalis</i>)	2.5 ml	250 ml	1000 liter	
Sawit (kurang 3 tahun)	Ulat Bungkus (<i>Metisa plana</i> , <i>Pteroma pendula</i> , <i>Mahasena corbetti</i>)	2.5 ml	112 ml	450 liter	Ulangi semburan selang 10-14 hari sekali, apabila serangan masih berkekalan. Bilangan semburan maksimum : 24 kali setahun
	Kumbang Tanduk (<i>Oryctes rhinoceros</i>)	8 ml	-	-	Semburkan 100 ml larutan bancuhan pada batang (spears and boles) sawit. Ulangi semburan selepas 1 bulan, apabila serangan masih berkekalan. Bilangan semburan maksimum : 12 kali setahun
Cili	Ulat Kuntum (<i>Helicoverpa armigera</i>)	2.5 ml	250 ml	1000 liter	Ulangi semburan selang 10-14 hari sekali, apabila serangan masih berkekalan. Bilangan semburan maksimum : 4 kali semusim
Bendi	Ulat Pengorek Bendi (<i>Earias fabia</i>)	2.5 ml	250 ml	1000 liter	
Terung	Ulat Pengorek Buah (<i>Leucinodes orbonalis</i>)	2.5 ml	250 ml	1000 liter	Ulangi semburan selang 10-14 hari sekali, apabila serangan masih berkekalan. Bilangan semburan maksimum : 5 kali semusim

Didaftarkan oleh :



IMASPRO RESOURCES SDN. BHD. (100955-M)

37, Jalan 5, Kaw. 16, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia.
Tel.: 03 - 3343 1633 Faks : 03 - 3343 1868 E-mel : imaspro@imaspro.com

BACA LABEL SEBELUM GUNA

JIRP. P/1022/717/

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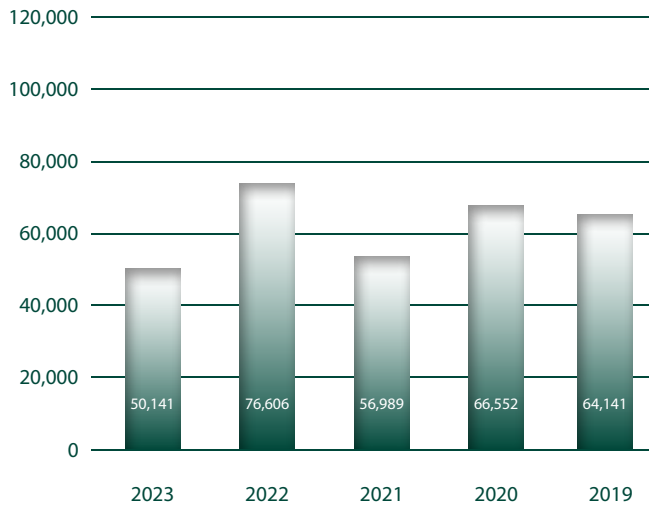
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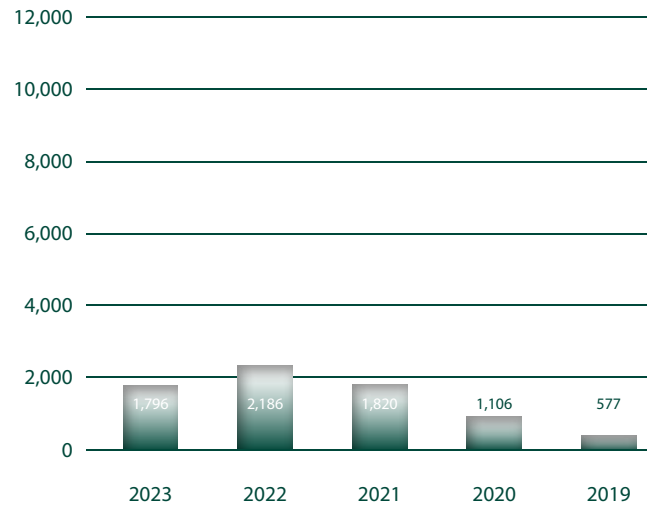
GROUP FINANCIAL HIGHLIGHTS

(for financial year ended 30 June)

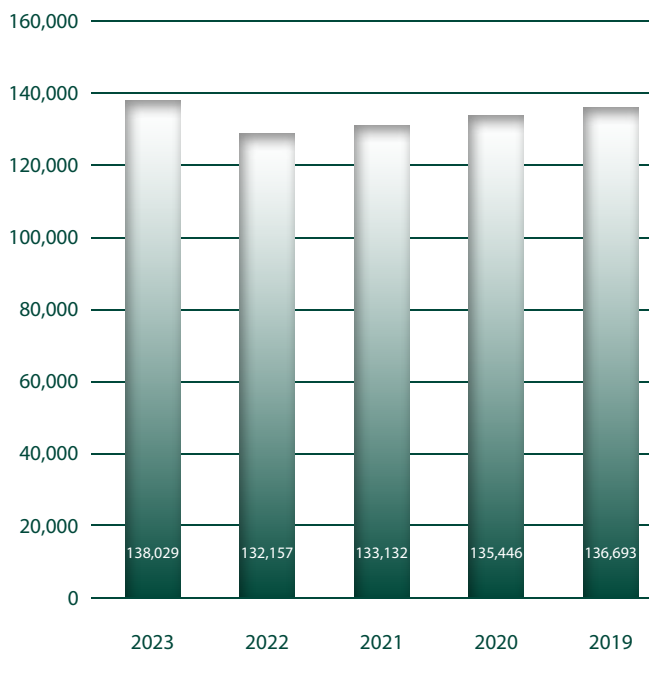
REVENUE (RM'000)



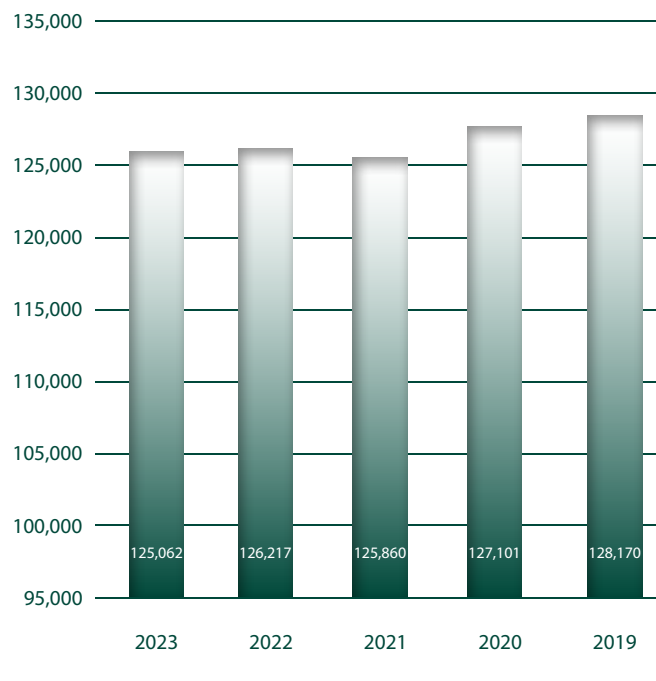
PROFIT AFTER TAXATION (RM'000)



TOTAL ASSETS (RM'000)



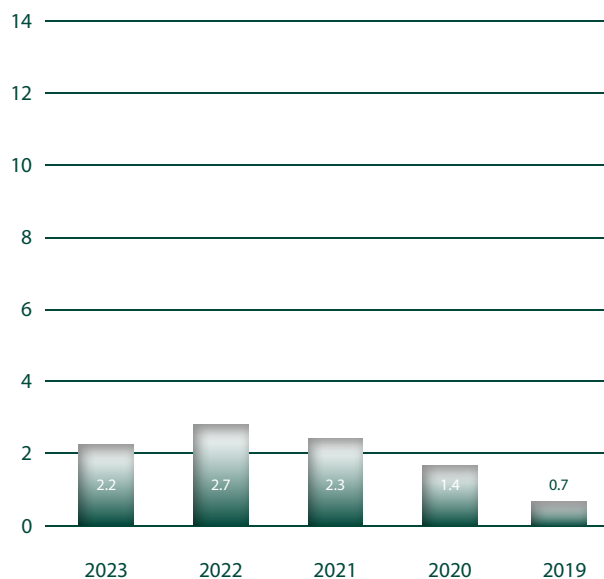
SHAREHOLDERS' EQUITY (RM'000)



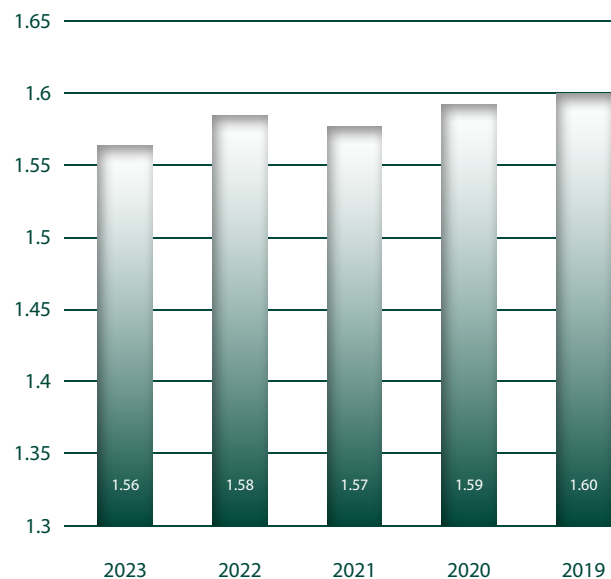
GROUP FINANCIAL HIGHLIGHTS

(for financial year ended 30 June)

EARNINGS PER SHARE (SEN)



NET ASSETS PER SHARE (RM)



		2023	2022	2021	2020	2019
Statements of Comprehensive Income						
Revenue	RM'000	50,141	76,606	56,989	66,522	64,141
Profit before taxation	RM'000	2,527	15,219	7,970	4,769	4,198
Profit after taxation	RM'000	1,796	2,186	1,820	1,106	577
Profit attributable to owners of the parent	RM'000	1,796	2,186	1,820	1,106	577
Gross dividend paid	RM'000	2,800	2,800	2,800	2,800	2,800
Statements of Financial Position						
Total assets	RM'000	138,029	132,157	133,132	135,446	136,693
Share capital	RM'000	42,857	42,857	42,857	42,857	42,857
Shareholders' equity	RM'000	125,062	126,217	125,860	127,101	128,170
Financial Ratios						
Return on equity	%	1.4	1.7	1.4	0.9	0.5
Earnings per share	sen	2.2	2.7	2.3	1.4	0.7
Gross dividend per share	sen	3.5	3.5	3.5	3.5	3.5
Net asset per share	RM	1.56	1.58	1.57	1.59	1.60

CHAIRMAN'S STATEMENT



While the past year presented us with unexpected challenges that affected our financial performance, we remained steadfast in our commitment to our customers and our mission. The resilience we have demonstrated during these trying times is a testament to our adaptability and determination.

Datuk Captain Hamzah Bin Mohd Noor
Chairman



Dear fellow Shareholders

On behalf of the Board of Directors ("Board"), I hereby present the Annual Report and Audited Financial Statements of Imaspro Corporation Berhad ("ICB") for the financial year ended 30 June 2023 ("FY2023"). It is with a sense of responsibility that we share our financial performance for this past year, which has presented us with unique challenges.

As we navigate the uncertainties of the upcoming year, we do so with a clear-eyed assessment of our current standing. Our experiences have imparted valuable lessons, emphasising the importance of adaptability and meticulous planning.

I wish to take this opportunity to acknowledge the dedication of our management team and every member of ICB and its subsidiaries ("ICB Group") for the remarkable resilience displayed during the challenging periods FY2023, marked by considerable uncertainty. Through the collective efforts, in partnership with our business associates and valued customers, we not only navigated the turbulent waters but also emerged from them with increased strength and unity.

FY2023 PERFORMANCE

ICB Group reported revenue of RM50.1 million for FY2023 (FY2022: RM76.6 million), marking a decrease of RM26.5 million or 35%. Profit before tax for the financial year amounted to RM2.5 million (FY2022: RM15.6 million), reflecting a decrease of RM13.1 million or 84%. This decline primarily stems from reduced demand in both domestic and international markets. Domestic market sales, contributing RM39.3 million or 78% (FY2022: RM53.7 million or 70%) to the total group revenue, recorded a 26.8% decrease compared to the previous financial year. Export market sales, continued to soften in FY2023, totalling RM10.8 million (FY2022: RM22.9 million), indicating a drop of RM12.1 million or 52.8% from the preceding year.

In summary, ICB Group's performance for FY2023 underscores our ongoing commitment to navigate challenges, with a comprehensive strategy aimed at recovery and growth, although it reflects a more challenging economic environment.

On another note, Malaysia continues to grapple with seasonal and recurring dengue outbreaks, which pose ongoing challenges to the country's healthcare system. Dengue remains a prominent public health concern in Malaysia, with no effective vaccine or specific treatment available. Therefore, the most effective primary preventive measure against dengue fever outbreaks is still focused on control and prevention. Community-based programmes are recognised as a successful approach in the fight against dengue.

As a socially responsible corporation, ICB Group is dedicated to upholding its commitment to promoting a safe and healthy community, free from the threat of dengue. We actively pursue this mission by conducting continuous dengue awareness programmes, often in partnership with healthcare agencies. These initiatives aim to create environments that are free from stagnant water containers, which serve as breeding grounds for dengue mosquitoes. Additionally, we will continue to support initiatives related to the prevention of malaria. Sustainability remains a cornerstone of our business, and in FY2023, we will further enhance our efforts in line with our sustainability strategy. We take great pride in our team's efforts to educate the general public and raise awareness in this regard.

Lastly, ICB remains unwavering in its commitment to maintaining high standards of excellence in occupational safety and health practices. We ensure compliance with all regulatory requirements and adhere to rigorous quality management standards. This commitment fosters a strong culture of safety and health within ICB, with the ultimate aim of providing our employees with a workplace that is free from injuries and illnesses, thereby optimising efficiency. In alignment with our ethical business principles, ICB Group firmly opposes all forms of bribery and corruption, taking a strong stance against such misconduct.

CHAIRMAN'S STATEMENT (continued)

PROPOSED DIVIDEND

The Board has, in the best interest of ICB Group, recommended a first and final single-tier dividend of 3.5 sen per ordinary share for the shareholders' approval at the upcoming Annual General Meeting.

OUTLOOK AND PROSPECTS

According to Bank Negara Malaysia ("BNM"), the Malaysian economy experienced moderate growth in the second quarter of 2023, with a 2.9% increase, down from 5.6% in the first quarter. This slowdown was primarily due to reduced external demand, while domestic demand is largely driven by private consumption and investment. Employment and wage growth supported household spending, and investment activities benefited from capacity expansion and government spending on fixed assets. The recovery in inbound tourism partially offset slower goods export growth, although the high base effect from the second quarter of 2022 also played a role in the reduced growth. Inflation during the second quarter continued to moderate, with headline inflation at 2.8%, down from 3.6% in the first quarter. Both non-core and core inflation contributed to this decline. Core inflation, although decreasing, remained relatively high compared to its long-term average.

Global developments significantly influenced domestic financial conditions, with concerns over the global economic outlook, China's economic rebound, the US debt ceiling crisis, and expectations of monetary policy tightening in advanced economies affecting market sentiments. Lower commodity prices and semiconductor demand also impacted domestic financial markets, resulting in a 5.8% depreciation of the Ringgit in the second quarter.

Looking ahead, the Malaysian economy is expected to grow close to the lower end of the 4.0% to 5.0% range in 2023. According to BNM, this growth will be supported by resilient domestic demand, improving employment and income, and the implementation of multi-year projects. However, downside risks remain due to weaker global growth.

As a global player, ICB Group takes heed of these macroeconomic variables and remains cautiously optimistic. In light of the adversity and less favourable results, we recognise the necessity for meaningful adjustments and enhancements. Given ICB Group's strong and resilient business fundamentals, we will work diligently to regain our financial footing and build a stronger, more resilient organisation in the coming financial year.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at ICB is shown in pages 22 to 35.

APPRECIATION AND ACKNOWLEDGEMENT

Once again, I extend my heartfelt gratitude, on behalf of the Board of ICB, to our dedicated management and staff for their unwavering loyalty, commitment, and tireless efforts in implementing ICB Group's business strategies. I also want to express my appreciation to our valued business associates, investors, and all stakeholders for their continuous belief in and support for ICB Group.

Looking ahead, we acknowledge the challenges we have faced in the past financial year and are committed to learning from these experiences. While our financial performance may not have met our expectations, we see it as an opportunity to recalibrate and strengthen our strategies. In the coming year, we will focus on implementing more robust financial management practices, exploring new avenues for growth, and enhancing our operational efficiency. We remain resolute in our commitment to providing exceptional value to our stakeholders, and we remain optimistic that with the right measures in place, we can navigate through these challenges and emerge stronger in the coming financial year.

I trust this note finds all of you in good stead and excellent health.

Thank you.

DATUK CAPTAIN HAMZAH BIN MOHD NOOR
Chairman

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)

OOI MING CHU
(Independent Non-Executive Director)

SECRETARIES

WONG WAI FOONG [SSM PC NO. 202008001472 (MAICSA 7001358)]

WONG PEIR CHYUN [SSM PC NO. 202008001742 (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
E-mail: info@my.tricorglobal.com

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
E-mail: is.enquiry@my.tricorglobal.com

AUDITORS

HLB Ler Lum Chew PLT
(201906002362 & AF 0276)
Chartered Accountants

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

AmFunds Management Berhad

OCBC Bank (Malaysia) 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	73
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 returned 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 Akademi Laut Malaysia (ALAM). In 1990-1991, he was appointed as a Consultant with the International Maritime Organisation (IMO), a specialised Maritime agency of the United Nations (UN) in advising ASEAN governments regarding certain aspects of their maritime national legislations. 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)

<p>Other directorships of public companies and listed issuers</p>	<p>Nil</p>
<p>Family relationship with any director and/or major shareholders of the Company</p>	<p>Nil</p>
<p>Conflict of interest with the Company</p>	<p>Nil</p>
<p>List of convictions for offences within the past 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</p>	<p>Nil</p>
<p>Committee</p>	<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	67
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 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 25 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	50
Nationality	Malaysian
Gender	Male
Position on Board	Senior Independent Non-Executive Director
Date of Appointment	22 May 2013
Qualification	Bachelor of Laws (Honours) Degree from the 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.</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	49
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 (now known as PwC Malaysia) 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 banking arm of Maybank)(now known as Maybank Investment Bank Berhad) in 1999 and began his career in corporate finance.</p> <p>Subsequently in 2001, he joined Arab-Malaysian Merchant Bank (now known as AmInvestment Bank Berhad), specialising in corporate finance and investment banking.</p> <p>After nine years in the banking industry, he left Arab-Malaysian Merchant Bank to join YNH Property Bhd in 2007 and ventured into property development and construction. He is currently the Director/Head of Corporate Strategy of YNH Property Bhd.</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 the Remuneration Committee

PROFILE OF DIRECTORS (continued)

Name	CHAN KIM HING
Age	56
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 in Computer Science and Accounting from Monash University, Melbourne, Victoria, Australia • Chartered Accountant (CA) of the Malaysian Institute of Accountants (Member No: 9099) • Fellow Certified Practising Accountant (FCPA) of CPA Australia (Member No: 1629170)
Working Experience	<p>He started his career with an audit firm in Malaysia in July 1991 as a Staff Assistant where he was involved in financial, management and computer audits, compliance review and due diligence audit, internal controls, as well as merger, acquisition and restructuring. He had successfully completed special advisory and consultancy jobs on accounting, reorganisation of front and back office's operation and trading activities as well as systems migration/automation for companies in Malaysia.</p> <p>In May 1994, he left the audit firm to join M&A Securities Sdn Bhd ("M&A") as an Accountant to head, manage and supervise the accounting, finance and treasury departments. He was promoted to the Executive Director of Operations in March 2001 where he oversaw the operations and business development activities. Subsequently, he was promoted to the Executive Director cum Head of Operations in September 2007 to oversee the finance, treasury, corporate finance, margin financing, credit control, IT systems and business development. In January 2013, pursuant to the internal restructuring of M&A, he became the Branch Head of Operations in Ipoh to oversee M&A's Ipoh branch office's management, operation, and reporting function.</p> <p>He left M&A in January 2016 to focus on his private interest in restoration and conservation works on Kapitan Chung Thye Phin Building (also known as Arlene House), curation and establishment of a history and heritage museum named Made In Ipoh. The restoration, conservation and museum works were successfully completed in March 2020.</p> <p>Aside from Imaspro Corporation Berhad, he is also an Independent Non-Executive Director of Mercury Securities Group Berhad as well as a director of various other private limited companies.</p>

PROFILE OF DIRECTORS (continued)

<p>Other directorships of public companies and listed issuers</p>	<p>Mercury Securities Group Berhad</p>
<p>Family relationship with any director and/or major shareholders of the Company</p>	<p>Nil</p>
<p>Conflict of interest with the Company</p>	<p>Nil</p>
<p>List of convictions for offences within the past 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</p>	<p>Nil</p>
<p>Committee</p>	<ul style="list-style-type: none"> • Member of the Audit Committee • Member of the Nomination Committee

PROFILE OF DIRECTORS (continued)

Name	OOI MING CHU
Age	47
Nationality	Malaysian
Gender	Female
Position on Board	Independent Non-Executive Director
Date of Appointment	17 May 2023
Qualification	Bachelor of Accountancy (Hons), Universiti Putra Malaysia (UPM)
Working Experience	<p>Ms. Ooi, a Chartered Accountant with the Malaysian Institute of Accountants (MIA: 21530) since August 2003, has also been a provisional member of the Malaysian Institute of Certified Public Accountants (MICPA) since April 2003.</p> <p>She embarked on her career in 2000 as an audit junior with a Malaysian audit firm that provides audit, accounting, and business advisory services to both private companies and multinational corporations. During her tenure, her responsibilities included reviewing group accounts, preparing accountants' reports for listing exercises, conducting financial due diligence, and valuing company shares. She concluded her tenure at the audit firm in early 2023, holding the position of Senior Manager.</p> <p>Currently, she serves as the Managing Partner of an accounting firm that specialises in accounting services and business advisory.</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 KEY SENIOR MANAGEMENT

DR. CHIA TIO HUAT

Techno Commercial Director

Dr. Chia Tio Huat (“Dr Chia”), Malaysian, aged 63, male, joined Imaspro Resources Sdn. Bhd. (“IRSB”), a wholly-owned subsidiary company of Imaspro Corporation Berhad (“ICB”), on 17 April 2019 as Techno Commercial Director. He graduated with a Bachelor’s Degree in Agricultural Science from Universiti Pertanian Malaysia and obtained his Doctor of Philosophy (“PhD”) Degree from the University of Reading, United Kingdom.

He started his career with a multinational agrochemical company in 1985. Dr. Chia has been involved in research and development, market business development, technical support, product portfolio management and marketing in Malaysia for both agriculture and public health industries. In 1996, he expanded his career to cover the Professional Product business (Vector Control & Pest Product Management) covering the APAC region, and subsequently became Head of Specialty Crops and Product Portfolio in ASEAN before he joins IRSB in April 2019.

YAP KIM YOK

Accounts and Administration Manager

Ms. Yap Kim Yok (“Ms Yap”), Malaysian, aged 55, female, is the Accounts and Administration Manager of IRSB. She has been with ICB and its subsidiaries (“ICB Group”) since 1 August 2003.

She graduated in 1992 with a Diploma in Management Accounting from Tunku Abdul Rahman College (“TARC”). She is a finalist of the Chartered Institute of Management Accountants, 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 Hea Sing (“Mr Ngo”), Malaysian, aged 49, male, is the Production Manager of IRSB. He has been with ICB Group since 1 December 1999.

He received his Bachelor’s Degree in Chemical Engineering in 1998 and Master of Engineering Degree in Engineering Management from Universiti Teknologi Malaysia in 1999.

Prior to joining IRSB, he worked in gas technology, textile manufacturing and engineering project management industries.

TEE BEE HEOH

Product Development Manager

Ms. Tee Bee Heoh (“Ms Tee”), Malaysian, aged 49, female, is the Product Development Manager of IRSB. She has been with ICB Group since 16 January 2003.

She graduated with Bachelor’s Degree in Agricultural Science in 1999 and Master of Science Degree in 2001 from Universiti Putra Malaysia. She joined one of the leading publishing groups in Malaysia in 2001 as an editor and writer, responsible for educational books writing and editing.

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

PROFILE OF KEY SENIOR MANAGEMENT (continued)

LEE TAN YAN

Regulatory Affairs & Research and Development Manager

Ms. Lee Tan Yan (“Ms Lee”), Malaysian, aged 53, female, is the Regulatory Affairs & Research and Development Manager of IRSB. She has been with ICB Group since 1 April 1996.

She graduated in 1994 from Universiti Putra Malaysia with Bachelor of Science Degree 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 and was subsequently 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 role in 2004. Her responsibilities include overseeing ICB Group’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 ICB Group’s patent affairs, she is also in-charge of trademark registration of the Group’s products.

YU YONG HAO

Head of Business Development & Commercial Sales

Mr. Yu Yong Hao (“Mr Yu”), Malaysian, aged 43, male, joined IRSB on 1 March 2022 as Head of Business Development & Commercial Sales. He graduated with Bachelor’s Degree in Botany from Universiti Sains Malaysia and obtained his Master’s Degree in 2008 from Universiti Putra Malaysia.

He started his career with a multinational agrochemical company in 2005. He has been involved in market development, technical support, sales & marketing activities in Malaysia for several of types of crops including plantation crops, rice, vegetables, fruits and ornamentals. He was also involved in developing the Indonesia business in the past few years prior to joining IRSB.

Note:

- 1) None of the key senior management has any directorship in public companies and listed issuers.
- 2) None of the key senior management has any family relationship with any directors and major shareholders of the Group and the Company.
- 3) None of the key senior management has any conflict of interest with the Group and the Company.
- 4) None of the key senior management has any conviction for offences within the past five (5) years other than traffic offences, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF IMASPRO CORPORATION BERHAD

Imaspro Corporation Berhad (“ICB”) and its subsidiaries (“ICB Group”) is one of the leading agrochemical manufacturers in ASEAN. ICB Group manufactures and markets a comprehensive range of quality and cost-effective agrochemicals, public health and environmental science products to cater for both the crop and non-crop protection requirements of its customers.

ICB Group’s range of products comprises:

- Herbicides
- Insecticides
- Fungicides
- Specialty products

ICB Group carries out its research and development (“R&D”) at its own 52-acre agriculture R&D centre, which is equipped with facilities for bio-efficacy trials and houses the only custom-designed termite research facility in Malaysia. ICB Group stays at the forefront of the industry by undertaking continuous R&D so that its products continue to meet the evolving requirements of both crop and non-crop protection industries.

ICB Group has built up a comprehensive network of overseas distribution channels since its first export to Bulgaria in 1993. It will continue to grow its overseas market by leveraging on these efficient channels, seeking new products from its own R&D pipeline and through its agencies to add on to its existing products portfolio.

OBJECTIVES AND STRATEGIES

ICB Group’s vision is to emerge as a prominent agrochemical manufacturer within the ASEAN region. ICB Group’s long-term objective is to remain resilient and sustainable in its core business and at the same time, deliver sustainable value to all stakeholders. To accomplish its long-term objectives, ICB Group is committed to ongoing enhancements in cost efficiency, bolstering productivity, and elevating the quality and delivery of its products.

FINANCIAL REVIEW

Revenue for the financial year ended 30 June 2023 (“FY2023”) was RM50.1 million (FY2022: RM76.6 million), marking a decrease of RM26.5 million or 35%. Profit before tax for FY2023 amounted to RM2.5 million (FY2022: RM15.6 million), reflecting a decrease of RM13.1 million or 84%. This decline primarily stems from reduced demand in both domestic and international markets. Domestic market sales, contributing RM39.3 million or 78% (FY2022: RM53.7 million or 70%) to the total group revenue, recorded a 26.6% decrease compared to the previous financial year. Export market sales, totalling RM10.8 million or 22% (FY2022: RM22.9 million or 30%), have also softened in FY2023 due to slowdown in global growth and upward price pressures.

These challenging financial results underscore the need for strategic adjustments and a proactive approach to address the changing market dynamics.

SEGMENTAL REVIEW

The financial performance for the respective main business divisions of ICB Group is presented as follows:

Herbicides

Herbicides segment has recorded an overall revenue of RM20.6 (FY2022: RM42.5 million and a Profit Before Tax (“PBT”) of RM2.4 million for FY2023 (FY2022: RM8.0 million).

The performance of the herbicides segment was influenced by various factors. Increased competition and weak market sentiments led to lower consumption, and significant downward price pressures negatively impacted herbicides sales and profitability. To address these challenges, ICB Group is conducting a comprehensive review of its product portfolio, pricing strategies, and operational efficiencies. Furthermore, ICB Group is exploring opportunities for diversification and identifying growth markets that may be essential to revive this segment’s revenue and profitability.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Insecticides

Insecticides segment has recorded an overall revenue of RM11.1 million (FY2022: RM13.6 million) and a PBT of RM1.7 million (FY2022: RM3.2 million) for FY2023.

The main factor behind the performance of the insecticides segment was the impact of withdrawal of registrations for our chlorpyrifos and carbofuran products used for agriculture. However, this negative impact was partially set off by the launch of a new insecticide brand and the repositioning of other insecticide products to capture a larger market share.

Fungicides

The fungicides segment has recorded an overall revenue of RM14.9 million (FY2022: RM10.9 million) and a PBT of RM4.0 million (FY2022: RM3.2 million).

Domestic market sales for fungicides, which represent 82% (FY2022: 87%) of overall revenue from fungicides, recorded a revenue of RM12.2 million (FY2022: RM9.5 million). Export sales for fungicides has also improved on the back of our newly approved registration of innovative premix products.

This continued growth momentum in fungicide sales is attributed to enhanced brand awareness, product repositioning and increased cultivation. The introduction of a new brand in 2021, coupled with effective marketing campaigns, has increased brand recognition and expanded market reach. The strategic rebranding of a protective fungicide for use in rice and fruit crops segments has also helped in penetrating new markets. The rising trend in cash crop and high-value crop cultivation, particularly in durian farming, also contributed to higher demand for fungicides.

CHALLENGES

The disruptions to global supply chains persist, resulting in container shortages and escalating shipping costs for businesses worldwide. The vast network of ports, container vessels, and trucking companies that facilitate the movement of goods internationally remains severely disrupted, making it difficult for agrochemical manufacturers to get the raw materials and products they need. As such, cost of raw materials continues to rise leading to pressure on agrochemical manufacturers' margins. Governments around the world have also been increasing their scrutiny of agrochemicals, due to concerns about their potential impact on human health and the environment. This has led to delays in the approval of new products and increased costs for manufacturers. The falling Ringgit is also a challenge faced by ICB Group impacting the purchase of raw materials and other inputs, as well as to sell products. These challenges will continue to impact our procurement processes as predicting the arrival of raw materials becomes increasingly challenging.

The fluctuation of foreign currencies, notably the continued strengthening of the United States Dollar and the corresponding depreciation of the Ringgit Malaysia, has substantially raised the costs associated with raw materials. Furthermore, the global pandemic has led to shortages in raw materials, further driving up costs. Notably, prices for glyphosate-related products have witnessed steady increases over time.

One of the most prominent economic consequences of climate change is its profound impact on agriculture, primarily affecting developing countries due to their vulnerability and limited adaptive capacity. Many farms in regions with high temperatures are already grappling with challenging climates, exacerbating the strain on agriculture. Developing nations, in general, face greater losses from the agricultural effects of global warming compared to industrialised countries. Moreover, they often have limited resources to adapt, unlike their wealthier counterparts. In regions where temperatures are already near or beyond critical thresholds, further warming conditions are expected to diminish agricultural yields rather than enhance them.

While agrochemicals have made substantial contributions to society, concerns about their safety and residues on agricultural products have prompted a shift towards organic and higher-quality food products. This transition has also fuelled growing demand for biochemical products in recent years. With increasingly stringent regulations governing agrochemical products and the gradual phase-out of existing ones, biochemical products are poised to emerge as a viable alternative.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROSPECTS

The agrochemicals market is fragmented, with a mix of established players and new entrants, including startups. Leading companies in the market are focusing on new product launches, mergers and acquisitions, and partnerships to maintain their competitive positions. They are also investing heavily in innovation, collaboration, and expansion to increase market share.

Agriculture continues to be an important industry in Malaysia, ensuring food security and bolstering income levels in rural areas. The gradual reduction of available arable land can be attributed to the ongoing process of urbanisation. The combination of a rising population and diminishing arable land underscores the importance of sustaining agricultural practices in previously underutilised areas. The utilisation of agrochemicals has experienced significant growth within the country, particularly concerning pesticides and fertilisers. This growth is attributed to the adoption of modern farming techniques across various agricultural fields. The expansion of oil palm and rubber plantations, two of Malaysia's predominant plantation crops, has also contributed to the increased demand for agrochemicals. Notably, Malaysia's oil palm industry holds a pivotal role in the global edible oil trade.

As a result, agrochemical consumption has risen notably, with plantation crops like oil palm and rubber accounting for the largest share, followed by cereals and vegetables. Many local enterprises in Malaysia are venturing into the agricultural sector, further driving its development. Malaysia is also emerging as a regional centre for pesticide exports, as active chemicals are imported and transformed into finished products before being re-exported to neighbouring countries. Government initiatives aimed at supporting the agricultural sector are adding impetus to market growth. This confluence of factors, including increased consumption of economically significant crops, growing food demand, and government backing, is expected to fuel market growth during the forecast period.

With a growing population, there is an increasing demand for food, and the government is taking various steps to meet this demand. The government is actively supporting the agricultural sector through a range of measures aimed at ensuring stable and sustainable growth. For example, in 2022, the Department of Agriculture ("DoA") introduced the Fertiliser Act to enhance the capabilities of the agriculture industry. This includes technical assistance from the DoA to strengthen the oversight of fertilisers, including addressing issues related to counterfeit products, all in accordance with the Fertiliser Act. These efforts are part of the government's commitment to promoting a healthy and sustainable agricultural sector to meet the rising food requirements of the country's growing population.

Non-patented products are also becoming more accessible, prompting many agrochemical manufacturers to create their own products for commercial use. Pesticide companies, particularly in emerging economies, often await generic versions of active ingredient molecules. This presents huge opportunities for generic manufacturers to offer agrochemicals at affordable prices, benefiting farmers in safeguarding their crops from pests and diseases. Consequently, this intensifies competition, particularly regarding product pricing. While generics offer promising prospects, they also present challenges for manufacturers in terms of speed to market and distinguishing their products in a competitive and bustling market.

FINANCIAL COMPARISON FOR FINANCIAL YEARS ENDED 30 JUNE 2023 ("FY2023") AND 30 JUNE 2022 ("FY2022")

In FY2023, ICB Group generated RM50.1 million in revenue, reflecting a decrease of RM26.5 million or 35% compared to the previous fiscal year (FY2022), primarily attributable to reduced demand in both domestic and export markets.

PBT for FY2023 amounted to RM2.5 million, indicating a significant decline of RM13.1 million or 84% compared to FY2022 when it stood at RM15.6 million. This decline was primarily driven by the increase in raw material costs and price pressures arising from continued strengthening of the United States Dollar and the corresponding depreciation of Ringgit Malaysia.

Profits attributed to the owners of the Company was RM1.8 million in FY2023, reflecting a decrease of RM0.4 million compared to FY2022 when it was RM2.2 million.

Total assets of ICB Group as of 30 June 2023 stood at RM138.0 million (FY2022: RM132.2 million), while total liabilities have increased to RM13.0 million (FY2022: RM5.94 million). Share capital has remained unchanged from the previous year, standing at RM42.86 million. The financial health and fundamentals of ICB Group remain strong.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

STATEMENT OF CASH FLOWS

Operating Activities

Net cash generated from operating activities in FY2023 amounted to RM17.0 million as compared with net cash generated from operating activities of RM0.45 million in FY2022, mainly attributed to changes in working capital.

Investing Activities

Apart from the regular acquisitions and disposals of plant and equipment, there were no significant investment activities in FY2023.

Financing Activities

There were no new drawdowns of loans in FY2023. Net cash was used for the repayment of an existing term loan and payment of dividend.

IDENTIFICATION OF RISKS

Procurement risk

The severe supply chain disruptions experienced during the COVID-19 pandemic have now returned to pre-pandemic levels, providing some relief to our procurement planning efforts. However, the persistent high inflation rate and increased costs related to petroleum fuel energy have the potential to create headwinds in terms of raw materials, including packaging materials.

To proactively address these procurement challenges, ICB Group has implemented a more robust planning process for stock requisitions. Additionally, we have taken steps to secure alternative sourcing channels, particularly from local suppliers whenever feasible. This strategic approach aims to reduce the risk associated with procurement and ensure a reliable supply chain. ICB Group remains committed to ongoing supplier assessments to identify vulnerabilities within the supply chain. To further enhance resilience, we are actively working on diversifying our supplier base by establishing secondary supplier relationships. These measures reflect our dedication to maintaining a stable and efficient procurement process despite the current economic challenges.

Market competition and counterfeit products in the market

The use of illegal and counterfeit pesticides remains a pressing issue. In addition to its implications for human health and the environment, it presents various risks to ICB Group. These risks encompass not only potential sales losses but also jeopardise ICB Group's reputation, particularly due to counterfeit products bearing the ICB Group brand names in the market.

Furthermore, there has been a noticeable rise in the number of local, small generic companies entering the market with a cost-effective business model aimed at competing with lower prices. In response to this competitive landscape, ICB Group is implementing effective marketing and sales campaigns to enhance its brand value and offer compelling solutions that align with customer needs. This strategic approach is essential to remain competitive in the market.

Political and regulatory risks

The agrochemical industry operates under stringent global regulations that require registrations with national authorities. However, the industry faces challenges stemming from multiple government pesticide regulations, resulting in increased registration costs and longer approval timelines. Notably, the local Pesticide Board is currently reviewing the usage of older pesticide molecules with the intention of banning them, posing a significant risk to IGB's business.

Our new product development investment strategy has shifted its focus towards creating more environmentally-friendly and innovative formulations. This includes products designed to help plants mitigate heat stress caused by rising climate temperatures.

We take pride in our dedicated in-house research and development team. This team not only leads the way in product innovation but also manages the complex product registration processes. In line with ICB Group's commitment to achieving mutually beneficial outcomes for our employees and customers, we remain steadfast in our dedication to investing in employee training and development initiatives.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

CAPITAL MANAGEMENT

ICB Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of ICB Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. ICB Group manages its capital structure and makes adjustments, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, ICB Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made to the objectives, policies or processes of ICB Group in relation to its approach on capital management during the financial year ended 30 June 2023.

ECONOMIC AND INDUSTRY OUTLOOK

According to Bank Negara Malaysia ("BNM"), the Malaysian economy exhibited moderate growth in the second quarter of 2023, registering a 2.9% increase, which marked a decline from the 5.6% growth observed in the first quarter. This deceleration primarily resulted from reduced external demand, whereas domestic demand continued to be primarily driven by private consumption and investment. Employment and wage growth played a role in sustaining household spending, and investment activities benefited from capacity expansion and government investments in fixed assets. The partial recovery in inbound tourism helped offset slower growth in goods exports, although the reduced growth can also be attributed to the high base effect from the second quarter of 2022. In the second quarter of 2023, inflation continued to moderate, with headline inflation at 2.8%, down from 3.6% in the first quarter. This decline was influenced by both non-core and core inflation components, with core inflation, while decreasing, remaining relatively elevated compared to its long-term average.

The financial landscape in Malaysia is influenced by global developments, as concerns regarding the global economic outlook, China's economic recovery, the US debt ceiling crisis, and the anticipation of monetary policy tightening in advanced economies impacted market sentiments. Lower commodity prices and reduced demand for semiconductors also affected domestic financial markets, leading to a 5.8% depreciation of the Ringgit in the second quarter.

Looking forward, BNM anticipates that the Malaysian economy will experience growth close to the lower end of the 4.0% to 5.0% range in 2023. This growth trajectory is expected to be underpinned by robust domestic demand, improving employment and income levels, and the execution of multi-year projects. However, it is important to note that downside risks persist due to the potential for weaker global economic conditions.

DIVIDEND POLICY

The Company does not have a formal dividend policy, but it has a history of distributing dividends to its shareholders on an annual basis. Consistent with previous years, the Board is pleased to recommend a first and final single tier dividend of 3.5 sen per ordinary share for FY2023 (FY2022: 3.5 sen per ordinary share).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors (“the Board”) of Imaspro Corporation Berhad (“ICB” or “the Company”) and its subsidiaries (“ICB Group”) firmly believes that commitment to good business ethics and corporate governance (“CG”) is essential to maintain long term sustainability of ICB Group’s business and performance. The Board embraces good corporate governance and supports the principles and the recommended practices provided in the Malaysian Code on Corporate Governance (“MCCG”) as revised by the Securities Commission Malaysia on 28 April 2021.

With this, the Board is pleased to present this Corporate Governance Overview Statement (“CG Overview Statement”) which outlines the manner and extent ICB Group has adopted and applied the principles and recommended practices as set out in the MCCG during the financial year ended 30 June 2023. The detailed application by ICB Group for each CG practice during the financial year ended 30 June 2023 is reported in the CG Report which is available on the Company’s website at www.imaspro.com.

The Board consider that the Company has applied all Practices under the MCCG with the exception of the following Practice:-

- Practice 1.4 - The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.
- Practice 4.4 - Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.
- Practice 5.9 - The board comprises at least 30% women directors.
- Practice 8.2 - The board discloses on a named basis the top five senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The explanation for the departures is disclosed in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1) Board Responsibilities

The Board is acutely aware of its responsibilities in guiding and determining the strategic direction while overseeing the overall management of ICB Group. It ensures effective oversight of ICB Group’s business operations, including the establishment and regular review of appropriate risk management and internal control systems to ensure their adequacy, integrity, and effectiveness. The Board’s decision-making process is driven by consideration for the interests of all stakeholders, with a primary focus on achieving ICB Group’s long-term objective of creating shareholder value.

The Board is guided by a Board Charter. Pursuant to the MCCG and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board had on 24 August 2022 reviewed the Board Charter and noted that the Board Charter was in line with both MCCG and MMLR of Bursa Securities. The Board Charter sets out the Board’s strategic intent and outlines the roles and responsibilities of the Board and its Committees, individual Director and the Chairman as well as its meeting requirements. The Board Charter is subject to review as and when necessary and it is available on the Company’s website at www.imaspro.com.

In discharging the key fiduciary duties and leadership functions, the Board assumes the following principal responsibilities in line with the practices prescribed under the MCCG:

- a) Set the corporate values and promote good corporate governance culture within ICB Group which reinforces ethical, prudent and professional behaviour and ensure that the obligations to shareholders and other stakeholders are met;
- b) Review, challenge and decide on Management’s proposals for the Company and monitor the implementation by Management;
- c) Set the strategic aims of ICB Group and ensure that the strategy and business plan of ICB Group supports long-term value creation and promote sustainability taking into consideration the economic, environmental and the social aspects;
- d) Oversee the conduct of ICB Group’s business and operations as well as ensure the businesses are being properly managed;
- e) Ensure the adequacy and integrity of ICB Group’s internal controls and management systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- f) Understand the principal business risks and recognise that business decisions involve the taking of appropriate risks;
- g) Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- h) Ensure that all members of the Board and the Management team are of sufficient calibre including having in place of a process to provide for the orderly succession of the Board and the Management Team;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

1) Board Responsibilities (continued)

- i) Ensure the Company has in place procedures to ensure effective communication with and appropriate disclosure to its shareholders and other stakeholders; and
- j) Ensure the integrity of ICB Group's financial and non-financial reporting.

To assist the Board in discharging its oversight function, the Board has delegated specific responsibilities to the following Board Committees:

- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Audit Committee ("AC")

The Board decided that the Key Senior Management team would assume the risk management function and reports directly to AC, which has an oversight role for risk management governance. The Board had also reviewed the Terms of Reference of the NC, RC and AC to be aligned with the requirements of the applicable practices and guidance of the MCCG.

Each Board Committee operates its function within its respective terms of reference approved by the Board. The Chairman of the respective Board Committees reports to the Board on matters deliberated and recommendations of the Board Committees.

2) Separation of functions between Chairman and Managing Director

The position of Chairman and Managing Director are held by different individuals with a clear division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers in decision-making. The Chairman's role is currently held by Datuk Captain Hamzah Bin Mohd Noor, whilst Mr. Tong Chin Hen is the Managing Director of the Company.

The Chairman is primarily responsible for ensuring the effective functioning of the Board and leading the Board in its collective oversight of Management by focusing on strategy, governance and compliance. The Chairman also ensures all Executive and Non-Executive Directors 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.

The Managing Director is appointed by the Board and is responsible for the day-to-day management of ICB Group's operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board. The Managing Director is supported by the Key Senior Management team and other management committees which are tasked to oversee key operating areas. The Managing Director develops and implements the strategic goals of ICB Group as well as assesses any potential business opportunities.

The Key Senior Management team, led by the Managing Director, is accountable for the conduct and performance of the business within the agreed business strategies. The Managing Director assumes the leadership role, oversees the day-to-day operations and management of the business within his assigned responsibilities. The Managing Director represents ICB Group at the highest level and is a decision maker on matters within his scope of authority.

3) Senior Independent Non-Executive Director

Mr. Chen Sung Fang ("Mr Chen"), the Chairman of NC, is designated as the Senior Independent Non-Executive Director of the Company. Details of the roles and responsibilities of the Senior Independent Non-Executive Director are disclosed in the Board Charter and CG Report.

Mr. Chen has served as an Independent Director of the Company for a cumulative term of nine (9) years and had obtained shareholder's approval to continue to serve as Independent Director through a two tier voting at the 18th Annual General Meeting ("AGM").

The NC is satisfied that Mr Chen meets the independence criteria as prescribed under Paragraph 2.20A of the MMLR of Bursa Securities and the required standards of fitness and propriety.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

4) Board Meetings

The Board holds regular quarterly meetings and convenes additional meetings as needed to address urgent proposals or important matters. Off-site board meetings are arranged when necessary to allow more time for in-depth discussions and sharing of views.

During the financial year, the Board had conducted four (4) meetings whereby 3 were held physically and one (1) virtual.

At the beginning of each financial year, a comprehensive corporate calendar is prepared and circulated to all directors. The corporate calendar includes meeting dates for the Board and its committees, as well as the AGM. This planning allows Directors to schedule their attendance at these meetings.

During these meetings, the Board discusses matters related to ICB Group's financial performance, significant investments, corporate developments, strategic issues, and business plans. The Company Secretaries are responsible for recording all proceedings of the Board and its Committees, and draft minutes are circulated to all Directors for confirmation before approval.

During the financial year ended 30 June 2023, the Board had four (4) Board meetings and the attendance of each Director at the meetings is as follows:

Name of Director	No. of meetings attended*
Datuk Captain Hamzah Bin Mohd Noor	3/4 (75%)
Tong Chin Hen	4/4 (100%)
Chen Sung Fang	4/4 (100%)
Chan Weng Fui	4/4 (100%)
Chan Kim Hing	4/4 (100%)
Ooi Ming Chu (appointed on 17 May 2023)*	-

* Ms. Ooi Ming Chu was appointed as Independent Director of the Company on 17 May 2023 and there was no board meeting after her appointment and before the financial year ended.

All other board members have met the minimum attendance requirement of at least 50%, as stipulated in the MMLR of Bursa Securities, by attending more than 50% of the board meetings during the financial year.

During board meetings, the Board reviews management reports on ICB Group's business and financial performance and discussed major operational and financial issues. The Chairman of the Board chairs the meetings, with the Managing Director leading the presentation and providing explanations on the management reports. Members of the Key Senior Management team were invited to attend these meetings to explain and clarify matters.

Directors are encouraged to actively participate and share their views. They are also encouraged to submit queries to management before each board meeting. If any Director has a direct or deemed interest in a subject, he or she declares his or her interest at the meeting and abstains from deliberation and voting on the related resolutions. Decisions of the Board are reached by consensus, and administrative matters may be decided through Directors' written resolutions.

To ensure all directors devote sufficient time to their responsibilities, they must notify the Chairman before accepting any new directorship, including the expected time commitment. The Chairman also informs the Board of any new directorship or significant commitments outside the Company. Currently, all Directors do not hold more than five (5) directorships in public-listed corporations, which complies with Paragraph 15.06 of the MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

5) Access to Information

All Directors have direct and unrestricted access to the Key Senior Management team, allowing for informal meetings to discuss matters or major developments related to ICB Group's operations. They also have unrestricted access to the Company Secretaries, who can provide advice and information on statutory and regulatory requirements.

The Company Secretaries, who are qualified Chartered Secretaries and members of The Malaysian Institute of Chartered Secretaries and Administrators, manage all board and board committee meetings, including the processes related to the Company's AGM. They attend and record minutes of these meetings and are responsible for ensuring adherence to corporate governance standards and relevant statutory and regulatory requirements. The Company Secretaries continuously engage in professional development. Further details regarding their roles and responsibilities can be found in the CG Report.

Subject to the approval of the Board, all Directors, whether in their capacity as members of the Board or a board committee, or in an individual capacity, have the authority to seek and obtain independent professional advice at ICB Group's expense when discharging their duties. Clear procedures are in place to facilitate access to such advice.

The Board recognises the importance of providing timely, relevant, and up-to-date information to facilitate effective decision-making. Directors receive structured agendas, management reports, and board papers at least five business days before scheduled meetings. The agenda is organised to consider the complexity of proposals, indicating whether matters are for approval, discussion, or notation.

When necessary, members of the Key Senior Management team are invited to attend board and board committee meetings to provide insights and clarify issues related to ICB Group operations. Directors are encouraged to share their views and engage in discussions.

All discussions, decisions, conclusions, including dissenting views, and whether any Director abstained from voting or deliberating, are documented by the Company Secretaries. Minutes are signed by the Chairman of the Board or Board Committees, confirming the accuracy of the proceedings. Decisions and approved policies are communicated to the relevant Key Senior Management team members for implementation after the meeting.

6) Directors' Training

The Board recognises the importance of continuous training and education for its Directors to ensure they possess the requisite skills and knowledge to fulfill their duties effectively.

All Directors have successfully completed the Mandatory Accreditation Programme, as required under the MMLR of Bursa Securities. They will further participate in relevant training programmes to stay updated with evolving requirements, in compliance with the MMLR of Bursa Securities.

For the financial year ended 30 June 2023, the Directors have attended the following training programme:

DIRECTOR	TRAINING PROGRAMME	DATE
Datuk Captain Hamzah Bin Mohd Noor	• Maritime Leadership in a Changing World	7 & 8 July 2022
	• Ikmal 2022 Ship to Ship (STS) Transfer Operations Best Practices Forum	8 December 2022
Tong Chin Hen	• MSPTM Mid-Year Seminar 2022 Combating Vector-Borne Disease: From Translational Research to Elimination	12 August 2022
	• Delegate Guide for the Asia Security Conference & Exhibition	8 & 9 November 2022
	• 3rd National Conference on Urban Pests 2023	16 & 17 May 2023
Chen Sung Fang	• Privacy and Internet Freedom in the Digital Age: A Review of Key Topics in Digital Privacy (Module 3)	12 May 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

6) Directors' Training (continued)

DIRECTOR	TRAINING PROGRAMME	DATE
Chan Kim Hing	• CNY Program by Datuk Bandar Ipoh/Majlis Bandaraya Ipoh - Lorong Seni @ Lorong Panglima, Ipoh	14 January 2023
	• Industrial Training Student Pre-Career Day of Kolej Poly-Tech Mara Ipoh	13 June 2023
Chan Weng Fui	• Decoding Transaction & RPT Rules (Advance Module)	7 July 2021
	• Conduct of Directors and Common Breaches in Listing Requirements	7 July 2021
	• Keys Updates in Listing Requirement 2019 – 2020	7 July 2021
	• Dealings in Listed Securities, Closed Period and Insider Trading	7 July 2021
Ooi Ming Chu (f)	• Remote Working – Security Challenges & Solutions	29 May 2023
	• Read, Interpret and Analyze Financial Statements for Company Directors and Company Secretaries	30 May 2023
* Appointed as an Independent Director of the Company on 17 May 2023	• Employer Statutory Obligation 2023	31 May 2023
	• Business Tax Deduction: Identify What Can Be Deducted and Evidential Proof Needed for Your Tax Filing	13 & 14 June 2023
	• Mandatory Accreditation Programme (MAP)	26 & 27 June 2023

The Board also receives regular updates and guidance from the Company Secretaries and other independent professionals regarding regulatory changes and governance matters. This enables the Directors to fulfill their responsibilities effectively. Directors are cognisant of the importance of ongoing skill and knowledge enhancement to aid them in their roles. The Board will continually assess and address the training requirements of its Directors.

7) Code of Ethics and Conduct

The Board has established and adopted a Code of Ethics and Conducts ("CEC") for Directors and employees of ICB Group. The CEC, as incorporated in the Board Charter, aims to elevate corporate governance standards and foster ethical behaviour among Directors.

The CEC applies to all Directors and employees of ICB Group, and its key principles are outlined in the CG Report.

The Board reviewed the CEC on 24 August 2022, as part of its Board Charter review mentioned earlier, to ensure its continued relevance and appropriateness. The CEC is also accessible on the Company's website at www.imaspro.com.

8) Board Composition

As of 30 June 2023, the Board consists of six members, including one (1) Executive Director (the Managing Director), one (1) Senior Independent Non-Executive Director, and four (4) Independent Non-Executive Directors. The composition of the Board complies with the MMLR of Bursa Securities, which requires at least one-third (1/3) of the Board comprising Independent Non-Executive Directors. It also complies with Practice 5.2 of the MCCG to have at least 50% representation of Independent Directors on the Board.

9) Board Diversity

The Board acknowledges the importance of boardroom diversity in terms of age, gender and ethnicity as well as recognises the benefits of such diversity. The Board also understands that having Board members with diverse backgrounds, skills, and experiences is crucial for ensuring a broad range of viewpoints and facilitating effective decision-making and governance. While promoting boardroom diversity is essential, the primary selection criteria for directors should continue to prioritise an effective blend of competencies, skills, and extensive experience to strengthen the Board. The Company has adopted a Gender Diversity Policy, which is available on the Company's website at www.imaspro.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

9) Board Diversity (continued)

The Board is well-balanced with an effective mix of Executive and Independent Non-Executive Directors, which is in line with MCCG. The Board is also of an appropriate size with the right mix of skills and experience. During the financial year, one (1) woman Director was appointed to the Board which fulfils the requirement of Paragraph 15.02(1)(b) of the MMLR of Bursa Securities. This balance enables the board with clear and effective leadership to ICB Group that brings informed and independent judgement to many aspects of ICB Group's strategies and performances, ensuring that the highest standards of professionalism, conduct, transparency and integrity are maintained within ICB Group.

The Managing Director, who possesses a deep understanding of the business, is responsible for developing and implementing the strategic business direction, plans, and policies of ICB Group. He ensures the efficiency and effectiveness of ICB Group's operations and supervises the heads of divisions and departments responsible for various functions, all of whom contribute to the success of ICB Group. Additionally, he oversees the day-to-day management of ICB Group with the powers, discretions, and delegations authorised by the Board as needed.

The Independent Directors play a pivotal role in corporate accountability. None of the Independent Directors are involved in the day-to-day management of ICB Group. The Board recognises that the presence of Independent Directors is essential for providing unbiased and independent opinions, advice, and judgements. This ensures that the interests of not only ICB Group but also shareholders, stakeholders, employees, customers, suppliers, and other communities where ICB Group conducts its business are well represented and considered.

The Board, through the NC, assesses the independence of all Independent Directors annually based on the criteria set out in the MMLR of Bursa Securities.

To maintain the independence of Independent Directors, the Board has adopted the following policies:

- Independent Directors' tenure should not exceed a cumulative term of nine years, subject to justification by the Board and approval by shareholders;
- An annual assessment of the independence of Independent Directors, focusing on events that might affect their ability to provide independent and objective judgement in board deliberations, as well as compliance with regulatory definitions of Independent Directors; and
- Independent Directors must declare their independence from management and confirm that they have no business or other relationships that could compromise their ability to exercise independent judgement and participate objectively in the decision-making process of the Board.

During the financial year 2022, the Board assessed the performance and independence of Mr. Chen Sung Fang as well as his suitability to continue office as an Independent Director. It was concluded that Independent Director acted to the best of his abilities, in the best interests of the Group and he met the independence criteria as set out in the MMLR of Bursa Securities. The Board sought the Shareholders' approval through a two-tier voting process pursuant to Practice 5.3 of the MCCG at the Company's 18th AGM held on 16 November 2022 for Mr. Chen Sung Fang to continue office as Independent Director of the Company. A statement to support his re-election and the justifications was also provided in the Notice of 18th AGM.

A Senior Independent Non-Executive Director serves as an additional communication channel between directors and shareholders. Mr. Chen Sung Fang, Chairman of the NC, has been appointed as the Senior Independent Non-Executive Directors. Shareholders can contact him through email at sungfangchen@imaspro.com to convey their concerns and seek clarifications from the Board.

10) Board Effectiveness Assessment

The Board, through the NC, conducts an annual assessment on the Board's effectiveness based on the composition, conduct, responsibilities of the Board and the Board Committees in accordance with the Board Charter and the respective board committees' TOR.

The assessment of the Board is structured around four (4) main areas: Board structure, Board operations, roles and responsibilities of the Board and Board Chairman, and the roles and responsibilities of the board committees. The individual director self/peer evaluation criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity, and participation in board and board committees' meetings, along with individual contributions to board processes, business strategies, and ICB Group's performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

10) Board Effectiveness Assessment (continued)

For the financial year ended 30 June 2023, the Board, through the NC, conducted an internally-facilitated board effectiveness assessment. This assessment was conducted using questionnaires and covered a broad spectrum of governance attributes, encompassing eight (8) main elements: performance, strategy, governance, talent, integrity, compliance, reporting, and planning. The assessment results indicated that the performance of the Board, the board committees, and the individual directors during the year had been satisfactory and effective in discharging their functions and duties. It was also noted that the relationships among board members were positive and constructive, with strong leadership demonstrated by the Chairman.

Based on the assessment, considering the nature and scope of ICB Group's operations and business requirements, the Board is satisfied with the current size and composition of the Board. They believe it is appropriate and well-balanced in terms of diversity of skill sets, knowledge, and experience, which facilitates effective decision-making. The Board also expressed satisfaction with the level of independence demonstrated by the Independent Directors throughout the year and their ability to act in the best interest of the Company. The results of the individual director's assessments supported the Board's decision to endorse the retiring Directors standing for re-election.

11) Appointment and Re-election of Board Members

The Board appoints its members through a formal process that is consistent with the Company's Constitution. The NC has been entrusted with the responsibilities for proposing and recommending the right candidates to the Board for appointment. In addition, the NC 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 Board Committees.

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

- identification of a candidate upon the recommendation by the existing Board Members, Key Senior Management team, shareholders and/or other consultants;
- the NC to consider, 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 NC to the Board based on the criteria as set out in the Directors' Fit and Proper Policy, as well as recommendation for appointment as a member of the various Board Committees, where necessary; and
- the Board makes the final decision regarding the proposed new appointment, including appointments to various board committees.

According to the Company's Constitution, Directors appointed during the financial year serve until the following AGM and are eligible for re-election.

The Constitution also requires all Directors including the Managing Director, to retire from office at least once 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.

The NC had assessed the performance of all the Directors particularly the Directors who were standing for re-election at the 18th AGM. The NC found that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the MMLR of Bursa Securities.

The NC would ensure that its recommendation shall be subject to a satisfactory performance evaluation outcome of the individual Director, with due consideration to the tenure of the Director and the extent to which the Director's expertise, skills, knowledge, and experience interplay with those of other Board members, as well as their roles as committee members. The Board will also include its statement of support in the notes accompanying the notice of Annual General Meeting together with any information shareholders may require in making an informed decision on the appointment.

The Company had in 2022 adopted a Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries. This policy enhances the governance of the Company by focusing on the quality and integrity of the Board. It ensures that each Director possesses the character, experience, integrity, competence, time, and commitment required to effectively fulfill their role as a director. The Directors' Fit and Proper Policy is available at the Company's website at www.imaspro.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

12) Board Committees

To assist in fulfilling its stewardship role, the Board has established board committees, namely the AC, NC, and RC, consisting solely of Independent Non-Executive Directors. These committees are delegated specific responsibilities and the authority to examine particular issues within their respective approved TOR. They report their proceedings, deliberations, and recommendations to the Board. However, the ultimate responsibility for decision-making rests with the Board.

The Board Committees for the financial year ended 30 June 2023 include:

(a) Audit Committee

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

The composition of the AC is as follows:-

- i) Chan Weng Fui (Independent Non-Executive Director) – Chairman
- ii) Chen Sung Fang (Senior Independent Non-Executive Director) – Member
- iii) Chan Kim Hing (Independent Non-Executive Director) – Member

The composition, attendance for meetings and work of activities of the AC are set out in the AC Report on pages 36 to 39 of this Annual Report. The AC's Terms of Reference ("TOR") is published on the Company's website at www.imaspro.com.

(b) Nomination Committee

The NC has been entrusted with the responsibility of proposing and recommending new nominees to the Board and assessing Directors on an on-going basis. The roles and responsibilities of the NC are set out in the NC's TOR, published on the Company's website at www.imaspro.com.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors. In compliance with the recommendation of MCCG, the Chairman of the NC is also the Senior Independent Non-Executive Director, to whom any concern from the shareholders may be conveyed.

The composition of the NC 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 NC meets as and when required. For the financial year ended 30 June 2023, the NC met twice and the meetings were attended by all NC members.

The NC had carried out the following activities in financial year ended 30 June 2023:

- reviewed and assessed the mix of skills, expertise, experience, composition and size of the Board;
- reviewed and assessed the performance of each individual director, the independence of the Independent Directors and the effectiveness of the Board and the board committees;
- discussed and recommended to the Board the Directors who retiring by rotation and be eligible for re-election at the 18th AGM;
- reviewed the Gender Diversity Policy of the Company and recommended to the Board for approval;
- reviewed the TOR of the NC to be line with the MMLR of Bursa Securities;
- discussed the appointment of new woman Independent Non-Executive Director to be line with the MMLR of Bursa Securities and recommended the same to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

(b) Nomination Committee (continued)

Each year, the NC 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 ICB Group is in place.

The NC 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 NC and determines the appointments to be made. The Company Secretaries ensure that all appointments are properly made, and that legal and regulatory obligations are met.

The Board has put in place a process to provide for the orderly succession of the Board and the Management team.

While the Board recognises the initiative set by the government to enlarge women's representation at boardroom and the requirement under the MMLR of Bursa Securities to appoint at least one (1) woman Director to the Board by 1 June 2023, the Board through the NC had appointed one (1) new woman Director on 17 May 2023 which the Company fulfills the requirement under the MMLR of Bursa Securities.

Nevertheless, ICB 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 NC are subject to the approval of the Board.

(c) Remuneration Committee

The RC 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 team, 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 roles and responsibilities of the RC are set out in the RC's TOR, which is published on the Company's website at www.imaspro.com.

The RC believes in a remuneration policy that fairly compensates Directors for their responsibilities and fiduciary duties in steering ICB Group towards its long-term goals and enhance shareholders' value. The main objective is to offer a competitive remuneration package that attract, develop develops, and retains talented individuals to serve as directors.

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

The composition of the RC 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 RC meeting is held as and when required, but at least once a year. For the financial year ended 30 June 2023, the RC met twice and the meetings were attended by all RC members.

All recommendations of the RC are subject to endorsement by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

13) Directors' Remuneration

The Board recognises that fair remuneration is critical for attracting, retaining, and motivating the directors of ICB Group, as well as directors serving on the board committees. To address this, the Board has established formal and transparent remuneration policies and procedures for the Board, board committees, and senior management of the Company. The remuneration package for the Executive Director includes a basic salary and other emoluments. Any salary review takes into account market rates and considers the performance of both the individual and ICB Group.

The remuneration for Non-Executive Directors consists of fees that align with 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 board committee's meeting they attended.

The Company will seek the shareholders' approval at the forthcoming 19th AGM for Directors' fees and benefits payable to the Directors for the period commencing on the date immediately after this 19th AGM until the next AGM of the Company in 2024. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

The shareholders of the Company had, at the 18th AGM held on 16 November 2022, approved the payment of Directors' fees and benefits up to RM162,000 to the Directors for the period from the 18th AGM until the forthcoming Nineteenth AGM. For the financial year ended 30 June 2023, a total of RM151,000 was paid to the Directors of the Company.

Details of the Directors' remuneration of the Company (including the Managing Director) who served during the financial year ended 30 June 2023 are as follows:

Name of Director	Fees & Chairman's Allowance* RM	Meeting Allowance* RM	Salaries & Fees [^] RM	Bonuses [^] RM	Benefits-in-kind [^] RM	Other emoluments [^] RM	Total RM
Managing Director							
Tong Chin Hen	24,000	2,000	1,380,000	210,000	23,950	249,900	1,889,850
Non-Executive Directors							
Datuk Captain Hamzah Bin Mohd Noor	30,000	2,000	-	-	-	-	32,000
Chen Sung Fang	30,000	2,000	-	-	-	-	32,000
Chan Weng Fui	30,000	2,000	-	-	-	-	32,000
Chan Kim Hing	24,000	2,000	-	-	-	-	26,000
Ooi Ming Chu	3,000	-	-	-	-	-	3,000
Total	141,000	10,000	1,380,000	210,000	23,950	249,900	2,014,850

* : received and receivable from the Company.

[^] : received and receivable on group basis. None of the amount was received from the Company.

Notes : Benefits-in-kind includes only one motor vehicle. Other emoluments include statutory contributions to the Employees' Provident Fund.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

13) Directors' Remuneration (continued)

The Company has seven (7) Key Senior Management, including the Managing Director who is an Executive Director. The top six (6) Key Senior Management (excluding the Managing Director) whose remuneration falls within the respective bands of RM50,000 is disclosed below:

Remuneration Bands	Number of Key Senior Management
RM100,001 – RM150,000	2
RM150,001 – RM200,000	2
RM200,001 – RM250,000	2
RM250,001 – RM300,000	0

The Board is of the view that disclosure on named basis of the Key Senior Management's remuneration components including salaries, bonuses, benefits-in-kind and other emoluments, in the bands of RM50,000 in accordance with the recommendation of Practice 8.2 of the MCCG, is not in the best interest of the Company due to privacy reasons.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1) Audit Committee

The AC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors. Mr. Chan Weng Fui, the Chairman of the AC, is not the Chairman of the Board so as not to impair the objective of the Board's view of the AC's findings and recommendation. The members of the AC are financially literate and have sufficient understanding of ICB Group's businesses. Details of the composition of the AC are set out in the AC Report on pages 36 to 39 of this Annual Report.

The AC assists the Board in discharging its statutory duties and responsibilities by ensuring:

- accurate and timely financial reporting and compliance with applicable financial reporting standards;
- adequate internal control in the systems and processes which enable ICB Group to operate effectively and efficiently;
- that an effective risk management framework is in place to manage risks impacting ICB Group;
- that internal audit functions effectively and audits are performed by external auditors objectively and independently; and
- ICB Group complies with applicable laws, rules and regulations and has an appropriate code of business conduct in place.

The Board through the NC assesses the composition and performance of the AC annually with an annual Board Committee effectiveness assessment. The Board is satisfied that the AC members discharged their functions, duties and responsibilities in accordance with the AC's TOR. The Board had also reviewed the AC's TOR on 24 August 2022.

The AC's TOR provides that any former key audit partner must have observed a cooling-off period of at least three (3) years before being appointed as a member of the AC to align with the requirements of the applicable practices and guidance of the MCCG. As of to-date, the Company had not appointed any former key audit partner as Director of the Company. The Board will adhere to the same when considering the appointment of an AC member in the future.

A summary of activities and the role of the AC in relation to both the internal and external auditors are described in the AC Report on pages 36 to 39 of this Annual Report.

2) Suitability and Independence of External Auditors

The Board through the AC has established a transparent and professional relationship with ICB Group's external auditors. The AC has explicit authority to communicate directly with the external auditors. The AC meets with the external auditors at least twice a year to discuss their audit plan and audit findings in relation to ICB Group's financial statements. A private session between the AC and the external auditors was also held without the presence of the Managing Director and Key Senior Management team on 24 August 2022 to discuss the audit findings and any other observations they might have during the audit process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

2) Suitability and Independence of External Auditors (continued)

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

The AC, 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-audit fees.

The external auditors, as part of the AC's assessment of their independence, will provide the AC 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 AC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors, Messrs. HLB Ler Lum Chew PLT, had provided their declaration in their annual audit plan (for the financial year ended 30 June 2023) presented to the AC.

Being satisfied with the external auditors' performance, technical competence and independence, the AC recommended the re-appointment of Messrs HLB Ler Lum Chew PLT as external auditors for the financial year ended 30 June 2023.

The AC reviews the audit and non-audit services provided by the external auditors. In reviewing such services, the AC ensures that the independence and objectivity of the external auditors are not compromised. The external auditors are engaged mainly to perform statutory audit on ICB Group's financial statements.

For the financial year ended 30 June 2023, the external auditors also undertook a non-audit related review on the Statement on Risk Management and Internal Control.

3) Risk Management and Internal Control Framework

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 ICB Group is reviewed periodically by the AC.

The internal audit function is outsourced to an independent consulting company namely Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC"), a corporate member of The Institute of Internal Auditors Malaysia, to assist the AC in assuming the task of internal control review and risk assessment functions of ICB Group. Areas for improvement were highlighted and the implementation of recommendations was monitored. The outsourced internal auditors report directly to the AC.

The Board is of the view that the overall risk management and internal control systems in place for the financial year ended 30 June 2023 are operating adequately and effectively for the purpose of safeguarding ICB Group's assets as well as shareholders' investments and the interests of employees and other stakeholders. The key features of the risk management and internal control systems are set out in the Statement on Risk Management and Internal Control on pages 44 to 46 of this Annual Report.

4) Financial Reporting

In presenting the quarterly financial reports and the annual audited financial statements to the stakeholders, primarily to the shareholders, investors and regulatory authorities, the Board is committed to provide a clear, balanced and meaningful assessment of ICB Group's financial position and prospects. The Board, assisted by the AC, oversees the financial reporting of ICB Group. The AC reviews ICB Group's quarterly financial reports and annual audited financial statements, as well as the appropriateness of ICB Group's accounting policies and the changes to these policies, to ensure compliance with the accounting standards and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

4) Financial Reporting (continued)

The Board is responsible for ensuring the financial statements of ICB Group are prepared in accordance with the requirements of the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR of Bursa Securities, to give a true and fair view of the financial position of ICB Group at the end of the financial year.

The Board is satisfied that in preparing the financial statements for the financial year ended 30 June 2023, ICB Group has adopted and applied consistently the appropriate accounting policies and presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. ICB Group had also implemented the relevant internal controls to ensure the financial statements are free from material misstatement. The Board also considered that all applicable approved accounting standards in Malaysia were being adopted and the financial statements were prepared on a going concern basis.

The Chairman's Statement and the Management Discussion and Analysis in this Annual Report provide additional analysis and insights on the state of ICB Group's business. A Statement of Directors' Responsibilities in respect of the Audited Financial Statements is presented on page 47 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ICB Group recognises the importance of being accountable to its shareholders and stakeholders and it remains committed to maintain an active and proactive communication approach with its shareholders and stakeholders to facilitate mutual understanding of each other's objectives and expectations. ICB Group firmly believes that timely, accurate and effective communication with its shareholders and stakeholders is the key to enable them to make informed decisions with respect to ICB Group's business, its policies on governance, the environment and corporate responsibility.

1) Communication with Stakeholders

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

ICB Group recognises the importance of being transparent and accountable to its shareholders and as such, a Communication Policy was adopted to enable the Board and Management to communicate effectively with investors, financial community and the public generally. The Communication Policy is made available for reference on the Company's website at www.imaspro.com.

2) Leveraging Information Technology for Effective Dissemination of Information

Shareholders are also encouraged to access ICB Group's corporate website at www.imaspro.com as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

3) Conduct of General Meetings

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 required to be sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. A presentation will be given by the Chairman to explain ICB Group's strategy, performance and major developments to shareholders during the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

3) Conduct of General Meetings (continued)

The Notice of the 18th AGM of the Company was circulated 28 days prior to the date of the meeting, to provide shareholders ample time to read through the Annual Report. The 18th AGM was conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on 16 November 2022. All resolutions set out in the Notice of AGM were put to vote electronically (e-vote) and all the resolutions tabled were carried. At the 18th AGM that was conducted virtually, shareholders participated at the AGM remotely and posed relevant questions to the Chairman and the Board via real time submission of typed texts.

Shareholders were encouraged to participate in the Questions and Answers session on the proposed resolutions or about ICB Group's operations in general. Shareholders who were unable to attend were allowed to appoint proxies in accordance with the Company's Constitution to attend virtually and vote on their behalf electronically. The Board and Key Senior Management were present to provide clarification to shareholders' queries. The external auditors, Messrs HLB Ler Lum Chew PLT, attended the AGM virtually to provide their professional and independent clarification on any issues and concerns raised by the shareholders.

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and are intended to be moved at any general meeting of the Company will be subject 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.

The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting facilities for its forthcoming Nineteenth AGM to be held on 22 November 2023.

4) 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 ICB Group 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 MMLR of Bursa Securities, 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 has 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.

The Corporate Disclosure Policy is made available for reference on the Company's website at www.imaspro.com.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors (“the Board”) of Imaspro Corporation Berhad (“ICB Group”) is pleased to present the Audit Committee Report for the financial year ended 30 June 2023.

MEMBERSHIP AND MEETINGS

The Audit Committee (“AC”) comprises three (3) members, all of whom are Independent Non-Executive Directors. Mr Chan Kim Hing, a member of the AC, is a member of the Malaysian Institute of Accountants and a Fellow of CPA Australia. Accordingly, the Company complies with Paragraph 15.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board assesses the composition and performance of the AC and its members through an annual Board Committee effectiveness assessment. Based on the outcome of assessment conducted for the financial year ended 30 June 2023, the Board was of the view that the present composition of the AC was appropriate. The Board was also satisfied that the AC and its members discharged their functions, duties and responsibilities, in accordance with the AC’s Terms of Reference.

During the financial year ended 30 June 2023, the AC had four (4) meetings and the attendance of each AC member at those meetings is as follows:

Name of Director	Designation	No. of Meetings Attended*
Chan Weng Fui	Chairman, Independent Non-Executive Director	4/4
Chen Sung Fang	Member, Senior Independent Non-Executive Director	4/4
Chan Kim Hing	Member, Independent Non-Executive Director	4/4

* The AC convened one (1) virtual meeting and three (3) physical meetings during the financial year.

The Chairman, Managing Director, Accounts & Administration Manager, and the outsourced internal auditors of ICB were invited to attend these meetings. Certain members of the management team were also invited to attend these meetings to assist in clarifying matters raised at the meetings on a need basis.

The AC met with the Group’s external auditors to discuss the external audit plan prior to the commencement of the audit and audit findings and any other observations they may have during the audit process. The AC also met with the external auditors in a separate private session without the presence of the Managing Director and key senior management on 24 August 2022. The AC enquired about management’s cooperation with the external auditors, their sharing of information, the proficiency and adequacy of resources in financial reporting functions as well as the operational efficiencies of the Group.

The AC Chairman reports to the Board on matters deliberated at every AC meeting and recommendations made by the AC.

TERMS OF REFERENCE OF THE AC

The Terms of Reference of the AC outlines the composition of the AC, Chairman of the AC, Committee Members, objectives of the Committee, authority of the Committee, functions of the Committee, procedures of Committee meetings, Secretary of the Committee, disclosures and revision. The Terms of Reference of the AC is accessible on the Company’s website at www.imaspro.com.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

SUMMARY OF WORK OF THE AC DURING THE YEAR

The AC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the AC in the financial year ended 30 June 2023 were as follows:

1) Financial Reporting

- a) Reviewed the quarterly financial results of the Group, the Audited Financial Statements of the Group, the Annual Report and the relevant announcements to Bursa Securities before recommended to the Board for approval.
- b) In reviewing the quarterly financial results and Audited Financial Statements, the AC focused particularly on changes in or implementation of major accounting policy or accounting standards and significant matters highlighted including financial reporting issues, key judgement and estimates made by Management on items that may affect the financial results and statements, significant unusual events or exceptional transactions as well as deliberated on Management's explanations and recommendations of the external auditors on these issues. The review was to ensure that the financial reporting and disclosures are in compliance with the MMLR, provisions of the Companies Act 2016, Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and any other relevant legal and regulatory requirements.
- c) The following reviews were carried out to ensure that the Group and the Company's quarterly interim financial statements and related disclosures presented a true and fair view of the Group's and the Company's financial position and performance and were in compliance with MFRS 134 – Interim Financial Reporting Standards in Malaysia and International Accounting Standards (IAS) 34 – Interim Financial Reporting as well as the applicable disclosure provisions of the MMLR of Bursa Securities:-

Date of Meetings	Review of Quarterly Interim Financial Statements
24 August 2022	Fourth quarter financial results as well as the unaudited results of the Group for the financial year ended 30 June 2022
16 November 2022	First quarter financial results for the financial year ended 30 June 2023
22 February 2023	Second quarter financial results for the financial year ended 30 June 2023
17 May 2023	Third quarter financial results for the financial year ended 30 June 2023

2) External Audit

- a) Reviewed with the external auditors their audit scope and audit plan and their proposed fees for the statutory audit.
- b) Reviewed the external audit reports and areas of concern highlighted in the Management Letter, including Management's responses to findings raised by the external auditors.
- c) Discussed with the external auditors the significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements applicable to the Group and the plans, processes and controls in place to ensure effective and efficient financial reporting and disclosures under the Financial Reporting Standards.
- d) Assessed the independence and objectivity of the external auditors in carrying out statutory audit for the Group and prior to the engagement of the external auditors for ad-hoc non-audit services.

The AC received confirmation from the external auditors, Messrs HLB Ler Lum Chew PLT ("HLB") that they adhered to the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") in relation to communication of breaches of auditor independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

2) External Audit (continued)

The AC undertook annual assessment of the performance of the external auditors for the financial year ended 30 June 2023, covering areas such as scope of work, calibre, quality control processes, audit team, audit communication, audit governance and independence as well as the audit fees of the external auditors. The AC was satisfied that HLB were unlikely to create any conflict of interest nor impair the independence, suitability and performance of HLB and thus, recommended to the Board to seek shareholders' approval for the re-appointment of HLB as external auditors for the financial year ended 30 June 2023 at its meeting held on 24 August 2022.

3) Internal Audit

a) The AC reviewed four (4) internal audit reports during the financial year which covered the following areas:

- i) Production Planning, Packing Process, Laboratory and Quality Assurance;
- ii) Product Development, and Sales & Marketing (Overseas and Local sales);
- iii) Inventory Management, Maintenance, and Logistic Management; and
- iv) Follow-up status review on previously reported audit findings.

The AC reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective management responses thereto. The internal auditors monitored the implementation of management action plan on outstanding issues through follow-up reports to ensure that all key risks and control weaknesses are being properly addressed.

b) The AC also reviewed and approved the Internal Audit Plan for the financial year ending 30 June 2023 to ensure there is adequate scope and comprehensive coverage over the activities of ICB and the significant risk areas identified are audited annually.

4) Recurrent Related Party Transactions and Related Party Transactions

a) Reviewed the Recurrent Related Party Transactions ("RRPT") and Related Party Transactions ("RPT") that arose and discussed possible conflict of interest situations that may arise within the Group to ensure that:

- transactions with related parties and/or interested persons were conducted at arm's length basis and on normal commercial terms and that the internal control procedures with regards to such transactions were sufficient, not prejudicial to the interests of the Group 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 MMLR of Bursa Securities); and
- the transactions are fair and reasonable and are not detrimental to the minority shareholders.

b) Reviewed the processes that the Group has in place for identifying, evaluating, approving, reporting and monitoring of RRPT. The AC was satisfied that the processes were adequate to ensure the transactions have been made at arm's length basis and not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner.

5) Other Activities

Reviewed the Corporate Governance Overview Statement, Corporate Governance Report, AC Report and the Statement on Risk Management and Internal Control and recommended to the Board to approve the same for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The AC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The internal audit function is an integral part of the assurance framework and its principal role is to undertake independent and systematic reviews on the Group's internal control system so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The AC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

The internal audit function, which is outsourced to an independent consulting company specialised in internal audit services, Sterling Business Alignment Consulting Sdn Bhd ("SBAC"), assists the AC in ensuring the adequacy and effectiveness of the Group's internal control systems. Each audit review is engaged by approximately two to three internal auditors depending on the areas of audit. From the review, opportunities for improvement to the system of internal control were identified and presented to the AC via internal audit reports, whilst Management formulated the relevant action plans to address the issues noted.

The AC is chaired by an Independent Non-Executive Director and its members comprise of Independent Non-Executive Directors. Internal audit reports were reviewed and adopted by the AC on a quarterly basis. During the financial year, the outsourced internal auditors have 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 2023, the following activities were conducted:

- 1) Tabled the internal audit plan for the financial year ending 30 June 2023 for AC's review and endorsement.
- 2) Conducted internal audit reviews based on the previously approved internal audit plan.
- 3) Performed follow-up reviews on previously reported findings and recommendations.
- 4) Issued internal audit reports incorporating audit recommendations and management responses in relation to audit findings on weaknesses in the systems and controls to the AC and management.
- 5) Presented internal audit reports to the AC for review.

The total costs incurred by the Company in respect of the internal audit services for the financial year ended 30 June 2023 performed by SBAC was RM38,800.

NOMINATION COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.08A(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors of Imaspro Corporation Berhad (the “Company”) is pleased to present the Nomination Committee (“NC”) Report for the financial year ended 30 June 2023.

COMPOSITION OF THE NOMINATION COMMITTEE

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

The Board conducts annual assessment of the composition and performance of the NC and its members as an integral part of the annual board effectiveness evaluation process.

The Board has also expressed satisfaction with the NC and its members, that they have discharged their functions, duties and responsibilities, in accordance with the NC’s Terms of Reference.

MEETINGS OF THE NC

During the financial year ended 30 June 2023, the NC had two meetings and the attendance of each NC member at those meetings is as follows:

Name of Director	Designation	No. of Meetings Attended*
Chen Sung Fang	Chairman, Senior Independent Non-Executive Director	2/2
Datuk Captain Hamzah Bin Mohd Noor	Member, Independent Non-Executive Chairman	2/2
Chan Kim Hing	Member, Independent Non-Executive Director	2/2

* Two (2) meetings were held, with one (1) physical (in-person) and one (1) virtual

The meeting was conducted in an open and constructive manner where focused discussions, questioning and expressions of differing opinions were encouraged. The management team were invited to attend the NC meetings to assist in clarifying matters raised.

TERMS OF REFERENCE OF THE NC

The NC is governed by its Terms of Reference (“TOR”) which is established pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The TOR of the NC outlines the NC’s composition, Chairman and Secretary, procedures for NC meetings, as well as the authority, duties and responsibilities of the NC.

The NC’s TOR was last reviewed by the Board on 24 August 2022 and can be accessed from the Company’s website at www.imaspro.com.

NOMINATION COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.08A(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE NC

The NC carried out its duties in accordance with its TOR. The main activities carried out by the NC during the financial year ended 30 June 2023 are as follows:

- reviewed and assessed the mix of skills, expertise, experience, composition and size of the Board;
- reviewed and assessed the performance of each individual director, the independence of the Independent Directors and the effectiveness of the Board and the board committees;
- discussed and recommended to the Board the Directors who retiring by rotation and be eligible for re-election at the 18th AGM;
- reviewed the Gender Diversity Policy of the Company and recommended to the Board for approval;
- reviewed the TOR of the NC to be in line with the MMLR of Bursa Securities;
- discussed the appointment of new woman Independent Non-Executive Director to be in line with the MMLR of Bursa Securities and recommended the same to the Board for approval.

ASSESSMENT OF DIRECTORS

Independence of Directors

The Board adopts a standard which is met by all individual directors where it considers “independence” as a matter of individual judgement and conscience. A director is independent only when he or she is free from any business or other relationships that might interfere with the exercise of his or her independent judgement.

During the financial year ended 30 June 2023, the NC carried out a review of director’s independence. It concluded that all five Independent Non-Executive Directors (“INEDs”) are independent and have carried out their duties in an objective and professional manner. The Board is satisfied that all five INEDs have represented the interest of minority shareholders as required of them by virtue of their roles and responsibilities.

The Board will continue to monitor and review whether there are relationships or circumstances that could potentially affect their independence. The Board undertakes that the rights of minority shareholders shall not be impaired in any manner and that the number and strength of INEDs are adequate to promote the independence of the Board and safeguard the rights of the minority shareholders.

Director’s independence is assessed based on the independence criteria as set out in paragraph 1.01 of the MMLR of Bursa Securities. For the financial year ended 30 June 2023, all five INEDs satisfied the independence criteria.

Board effectiveness evaluation

Each year, the NC 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 succession plan for the board and management is in place.

The NC 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 NC and determines the appointments to be made. The Company Secretaries ensure that all appointments are properly made, and that legal and regulatory obligations are met.

The NC did not engage an independent expert to facilitate the annual board effectiveness evaluation as recommended in MCCG for this financial year. However, it has taken note that an independent expert or party would lend greater objectivity to the assessment by providing an unbiased perspective on the Board, Board Committees and individual Director’s performance. The NC would consider adopting such a practice in the next financial year.

NOMINATION COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.08A(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

Fit and proper assessment

The NC is responsible for conducting a 'fit and proper' assessment on any person identified to be appointed as Director or to continue holding the position of a Director within the Company and the Group prior to initial appointment or proposed re-election/re-appointment as a Director. The 'fit and proper' assessment of a Director may also be conducted whenever the Company becomes aware of any information that could materially compromise a Director's fitness and propriety. The 'fit and proper' assessment is guided by the Directors' Fit and Proper Policy, approved and adopted by the Board on 18 May 2022. The policy can be accessed from the Company's website at www.imaspro.com.

Newly appointed Directors and existing Directors seeking for re-election at an Annual General Meeting ("AGM") are required to complete a 'fit and proper' declaration. All INEDs had, during the 'fit and proper' assessment, declared their conflict of interest (if any) and affirmed their independence and ability to act in an independent and objective manner. Each INED also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence. Such declarations are verified against independent sources.

For the financial year ended 30 June 2023, the NC is satisfied that the existing Directors who are seeking for re-election at the forthcoming AGM have met the required standards of fitness and propriety. The NC is also satisfied that the new INED, who has been recommended for the Board's approval for the upcoming financial year, has also met the required standards of fitness and propriety.

APPOINTMENT OF NEW DIRECTORS

The nomination and appointment of Directors is a vital process as it determines the Board's composition and quality of board members as well as their competency. The NC is entrusted by the Board to review candidates for new appointments to the Board and determine the criteria for the selection of new Directors. The NC, in making its recommendation, will consider the following criteria in the selection of candidates:

- skills, knowledge, competencies, expertise, and experience;
- professionalism, integrity, diversity;
- commitment, contribution and performance; and
- in the case of candidates for INEDs, the candidate's ability to discharge such responsibilities or functions as expected of INEDs and them having met the criteria as set out in paragraph 1.01 of the MMLR.

On 17 May 2023, the Company appointed Ms Ooi Ming Chu as an additional Independent Director of the Company.

NOMINATION COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.08A(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (continued)

RE-ELECTION OF DIRECTORS

The performance of Directors who are subject to re-election at the AGM were assessed by the NC as stipulated in the Assessment of Directors section above. The NC has recommended to the Board the re-election of the following retiring Directors pursuant to Clause 76(3) of the Company's Constitution at the Company's 18th Annual General Meeting ("AGM"):

Directors	Designation
Chen Sung Fang*	Senior Independent Non-Executive Director
Chan Weng Fui	Independent Non-Executive Director

The NC is satisfied that all the INEDs meet the independence criteria as prescribed under Paragraph 2.20A of the MMLR of Bursa Securities. The NC is also satisfied that both INEDs who are seeking for re-election at the 18th AGM have met the fit and proper criteria as guided by the Group's Directors' Fit and Proper Policy.

The Board also sought the shareholders' approval for the continuation of Mr Chen Sung Fang, who had served as Independent Director of the Company for a cumulative term of nine (9) years, as the Independent Director, through a two tier voting at the Company's 18th AGM.

CONCLUSION

This NC Report is approved by the Board on 13 October 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Introduction

The Board of Directors (“the Board”) of Imaspro Corporation Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control (“SORMIC”) of the Company and its subsidiaries (“the Group”) for the financial year ended 30 June 2023. The SORMIC is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Malaysian Code on Corporate Governance and the Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers.

Board Responsibility for Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining the Group’s system of risk management, internal control and reviewing its adequacy, integrity and effectiveness. The Board recognises the importance of risk management and internal control 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 regularly receives and reviews the reports on the effectiveness of the risk management and internal control and is of the view that it 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 a suitable system of internal controls to manage these risks. The Board has obtained assurances from the Managing Director 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 the date of issuance of this SORMIC.

Risk Management

As part of the risk management process, a Risk Registry and a Risk Management Handbook are maintained by the Group. The Risk Registry is maintained to identify principal business risks and updated for on-going changes in the risk profiles which identify the risk factors, statement of risks, risk owners, impacts, likelihood and proposed risk control actions. The Risk Management Handbook summarises the 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 external business environment and internal operating conditions. The risk measurement guidelines comprise 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 to ensure that adequate control systems are implemented to mitigate 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 and Management team.

The Board confirms that there is an on-going process of identifying risks, evaluating and managing the significant risks faced by the Group. This process is in place for the financial year under review and up to the date of issuance of this SORMIC.

Key Elements of Internal Control

Key features of the processes established within the Group that contribute to a sound system of internal control and enable 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 delegated 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 on-going basis.
- Limits of Authority are established within the Group to provide a functional framework of authority in approving revenue, operating expenses and capital expenditure.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

Key Elements of Internal Control (continued)

- Operating policies and procedures that serve as a general management guide for daily operations. These policies and procedures are reviewed on a regular basis to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.
- As part of the performance monitoring process, management information in the form of forecasts and quarterly management accounts and reports are provided to the Board for review and approval.
- 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 areas 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 programmes are established to ensure that staff is constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

Internal Audit Function

The Group, in its efforts to provide adequate and effective internal control system, has appointed an independent consulting company, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), a corporate member of The Institute of Internal Auditors Malaysia, to undertake its internal audit function. Sterling acts as internal auditors and reports directly to the Audit Committee ("AC") on quarterly basis during the AC meetings. Sterling is free from any relationships or conflicts of interest which could impair their objectivity and independency of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited.

The AC is chaired by an Independent Non-Executive Director and its members comprise all Independent Non-Executive Directors. The AC is of the opinion that the internal audit function is effective and is able to function independently.

Sterling adopts the internal control framework as promulgated by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control-Integrated Framework as the basis for evaluating the effectiveness of the internal control systems and carries out review procedures by referring to the applicable standards of the International Professional Practices Framework as adopted and recommended by The Institute of Internal Auditors Malaysia.

Based on the internal audit reviews, observations were presented by Sterling, together with Management's response and proposed action plans to the AC for review during the quarterly AC meeting. In addition, the internal auditors followed up on the implementation of recommendations from previous cycles of internal audit and updated the AC on the status of management agreed action plans. For the financial year ended 30 June 2023, the total costs incurred for the outsourced internal audit function is RM38,800.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURSUANT TO PARAGRAPH 15.26(b) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

Internal Audit Function (continued)

For the financial year ended 30 June 2023, the following internal audit reviews and follow-up status report were carried out and reported by Sterling:

Audit Period	Name of Entity(ies) Audited	Audited Areas
1st Quarter (July 2022-September 2022)	Imaspro Resources Sdn Bhd	<ul style="list-style-type: none"> Product Development Sales & Marketing (overseas and local sales)
2nd Quarter (October 2022-December 2022)	Imaspro Resources Sdn Bhd	<ul style="list-style-type: none"> Inventory Management Maintenance Logistic Management
3rd Quarter (January 2023-March 2023)	Imaspro Group of Companies	<ul style="list-style-type: none"> Follow-up status review on previously reported audit findings
4th Quarter (April 2023-June 2023)	Imaspro Resources Sdn Bhd	<ul style="list-style-type: none"> Safety and Health

Assurance to the Board

The Board has received assurance from the Managing Director that the Group's risk management and internal control system has been operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

Review of Statement by the External Auditors

The External Auditors have reviewed this SORMIC in accordance with Paragraph 15.23 of the MMLR of Bursa Securities and the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the SORMIC factually inaccurate.

Conclusion

For the financial year under review and up to the date of approval of this SORMIC, 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. The Board remains committed towards maintaining a sound system of internal control and risk management to achieve a balance between the Group's business objectives and operational efficiency. For the coming year, the Board will continue to assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

This SORMIC is approved by the Board on 13 October 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 ("the Act") in Malaysia. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2023, the Directors have:

- a) adopted suitable accounting policies and then applied them consistently;
- b) presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) stated whether the applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements; and
- d) assessed the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website at www.imaspro.com. Legislation in Malaysia governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SUSTAINABILITY STATEMENT

INTRODUCTION

Sustainability forms an integral part of the corporate strategy at Imaspro Corporation Berhad (“ICB”) and its subsidiary companies (“ICB Group”). With growth, comes the realisation of the significance and impact of our business to the environmental, economic and social matters. ICB aspires to achieve sustainability best practices in all its business activities by integrating sustainable practices into our daily businesses and aligning them to our core values. At ICB, we believe in the long-term future sustainability of our business and in creating value for our key stakeholders.

Sustainability Governance

The Board acknowledges the importance for ICB Group to adopt and continuously practise good governance throughout ICB Group’s operations to ensure accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of ICB Group. The Board has outlined the applications as set out in the Malaysian Code on Corporate Governance (“MCCG”) updated and issued by the Securities Commission of Malaysia in April 2021 with reference to the Corporate Governance Guide (4th edition) (“CG Guide”) updated by Bursa Malaysia Securities Berhad (“Bursa Securities”) in December 2021.

To integrate sustainability, ICB Group has instituted a clear governance model for sustainability that provides a solid foundation to effectively steer ICB Group towards achieving its objectives and review the progress of its sustainability initiatives. It ensures that ICB Group focusses on embedding sustainability areas that are relevant to the business.

ICB Group Governance Model for Sustainability

BOARD OF DIRECTORS

- Reviews and approves the sustainability strategies, policies and initiatives recommended by Key Senior Management and the Sustainability Working Group
- Reviews and approves the Sustainability Statement

KEY SENIOR MANAGEMENT

- Recommends and advises the Board on matters pertaining to sustainability strategies, policies and initiatives
- Reviews material sustainability matters identified by the Sustainability Working Group and recommends to the Board
- Provides regulatory updates to the Board
- Oversees the implementation of sustainability initiatives and strategies by the Sustainability Working Group
- Reviews the Sustainability Statement and recommends it for Board’s approval

SUSTAINABILITY WORKING GROUP

- Identifies material sustainability matters relevant to ICB Group
- Plans and implements sustainability initiatives for ICB Group
- Collates, records and compiles sustainability data
- Oversees the compilation and preparation of the Sustainability Statement
- Oversees stakeholder engagement taking into consideration all issues, grievance and suggestions raised in managing sustainability matters.
- Oversees the management of sustainability matters and focus on matters that are material to ICB Group

Scope of Disclosure

The information provided in this Sustainability Statement covers the sustainability efforts in respect of environmental impacts, economic enhancements and our social contributions. The scope of disclosure is for the period from 1 July 2022 to 30 June 2023 and applies to ICB Group’s Malaysian operations only.

Basis of Preparation

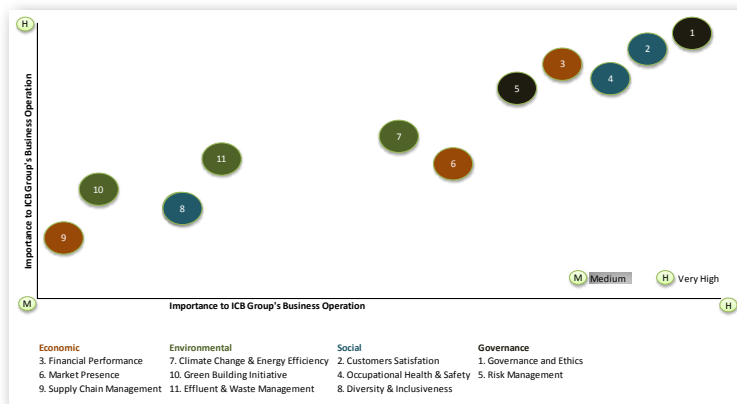
This statement has been prepared based on all available internal information and is guided by the Main Market Listing Requirements and Sustainability Reporting Guide and Toolkits issued by Bursa Securities.

SUSTAINABILITY STATEMENT (continued)

Materiality Assessment and Strategy

Materiality is a critical input into our corporate sustainability strategy because it ensures we provide our stakeholders with the sustainability information most relevant to them and our business as well as our ability to create value in the short, medium and the longer term. We have identified our material sustainability matters in accordance with the value chain and impact analysis relevant to our activities and categorised them into three (3) main themes, environmental impacts, economic enhancements and social contributions.

This year, ICB Group repeated the materiality assessment to further streamline, identify and prioritise its material matters. We reviewed the previously identified material sustainability matters, which remained relevant for this financial year. During the materiality assessment, we ranked and prioritised the material sustainability matters based on their importance to our business operations and our stakeholders.



Materiality Matrix

The matrix reflects the ranking of top four material sustainability matters. The priorities for ICB Group are Governance & Ethics and Customer Satisfaction. Occupational Health and Safety and Financial Performance are ranked very high in materiality assessment, due to the impact of the pandemic on people's wellbeing and the economy. Even though Climate Change and Energy Efficiency is ranked seven, ICB Group saw the importance of this and has initiated preliminary efforts in response to this important global challenge.

ENVIRONMENTAL IMPACTS

ICB Group recognises the importance of environmental protection for the sustainability of its businesses and is committed to:

- encourage continuous improvement in environmental performance by incorporating suitable monitoring mechanisms and improvement targets on aspects which are material to its operations;
- integrate the consideration of environmental concerns and impacts into its decision making and activities; and
- promote environmental awareness among its employees.

As a responsible corporation, ICB Group has initiated various sustainable environmental conservation efforts. ICB Group is focused on the efficient use of resources and proper management of waste generated from our manufacturing processes. Investments made in automation and process engineering over the years have not only resulted in costs reduction but have also minimised wastages of resources used and reduced the production of waste materials.

Waste and Effluent Management

ICB Group acknowledges its responsibility in ensuring that the disposal of wastes especially Scheduled Waste is done in a proper manner and in accordance with the relevant laws and regulations such as the Environmental Quality Act, 1974. Trainings have been conducted for innovative waste management practices to be applied in our production process. Chemical and other hazardous wastes are conscientiously dealt with. Chemical wastes, contaminated washing water and packaging materials are sent to Kualiti Alam, Negeri Sembilan for proper disposal and all reporting procedures are in compliance with Malaysia's Department of Environment (DOE) e-reporting system, namely Electronic Scheduled Waste Information System ("eSWIS"). Non-contaminated used materials such as papers, paper cartons and cardboard boxes are re-used, where possible, or sent to recycling centres.

SUSTAINABILITY STATEMENT (continued)

ENVIRONMENTAL IMPACTS (continued)

Energy Consumption

ICB Group is continuously looking for ways to ensure its operations are energy efficient. By minimising energy consumption, ICB Group is able to improve operational costs and reduce its carbon footprint. To minimise energy usage, energy-saving LED lightings are used whenever possible throughout our operations while ICB Group's procurement department considers energy efficiency features when procuring for new equipment. The efficient usage of resources and shorter machine hours due to increased efficiency have contributed in reducing ICB Group's carbon footprint, as lower kilowatt hours of electricity were consumed.

Water Consumption

Water is used primarily for manufacturing and drinking at our facilities and is obtained solely from municipal suppliers. We implement measures to minimise water consumption as part of our environmental management efforts. Rainwater harvesting is practiced where rainwater is collected and stored in our manufacturing plant. The harvested water is subsequently used for sanitation purposes such as toilet flushing and cleaning. We are committed to understanding and reducing our operational water footprint, advocating an effective water consumption policy and encouraging our employees to be water stewards at work.

ECONOMIC ENHANCEMENTS

Supplier Management & Procurement Practices

ICB Group operates a procurement function which provides both guidance and direction that underpins an all-encompassing approach towards maximising value creation by reducing supply chain costs, improving transactional processes, maintaining long term relationship with suppliers, complying with laws and regulations and enhancing efficiency, while providing sustainable fit for purpose solutions. This approach is embodied throughout ICB Group's procurement function, which has a common vision to deliver excellence in procurement practices through the operational effectiveness, cross-functional collaboration and savings transparency.

Community Engagement & Investments

ICB Group is aware of its role in society, especially in an international and multicultural setting. ICB Group's social engagement also includes sharing our knowledge and professional skills. Management selects initiatives that are closely related to ICB Group's competences and business, in areas where management believes can add most value through ICB Group's expertise and the ability to provide meaningful work placements and/or traineeships. From time to time, ICB Group has been providing industrial training and internship opportunities to students from local institutes of higher learning.

The seasonal and recurring outbreak of dengue and malaria in Malaysia continue to pose serious threats to the community. ICB Group remains committed in CSR initiatives in promoting a safe and healthy community, free from the threat of mosquito-borne diseases. Some of the initiatives include the distribution of dengue and malaria awareness materials and the provision of free larvicides samples to the community in order to eradicate mosquitoes' breeding sites.

Indirect Economic Enhancements

The growth of ICB Group has contributed to the employment of the local communities where some employees have been with ICB Group for over 27 years. ICB Group is always working towards instilling a culture of well-being, enabling them to grow and prosper within ICB Group. Employees are being offered competitive salaries and benefits coupled with a conducive working environment.

During the critical period of Covid-19 pandemic, ICB Group provided support to all employees and customers that required vaccinations from private healthcare facilities. ICB Group has also extended help to those affected by flash floods during the year and donated various aids to flood victims to ease their sufferings and burdens.

SUSTAINABILITY STATEMENT (continued)

SOCIAL CONTRIBUTIONS

ICB Group is guided by the fundamental principles in the Human Rights Commission of Malaysia (Suhakam and Suruhanjaya Hak Asasi Malaysia) and is committed to good workplace practices such as non-discrimination, fair employment conditions, health and safety, workplace security, privacy or data protection, no child or forced labour and human trafficking, no sexual harassment, grievance handling, community rights, etc. Besides, ICB Group also has separate policies on whistle blowing and gender diversity.

ICB Group expects all its employees at all levels to conduct themselves responsibly, honestly and with integrity in carrying out their duties and responsibilities, and to comply with ICB Group's policies, procedures and applicable laws and regulations. ICB Group also sets out the Code of Conduct and Ethics to maintain a uniform set of values and ethics within the Group.

Workplace Diversity & Inclusion

ICB Group believes that discrimination prevents people from living up to their full potential, creates inequality as well as less stable and prosperous societies. Talent is diverse by nature and ICB Group aims to build a diverse workforce that begins with offering equal opportunities and career perspectives to both men and women, regardless of race and nationality.

ICB Group is well represented by all races and age groups with men outnumbering women. We strive to increase the number of women in all positions especially management role over the longer term. We encourage our people to perform the best of their abilities by motivating, connecting and valuing their contributions.

Occupational Safety & Health

Keeping our people safe is ICB Group's first and primary responsibility as a responsible company. It is a core value for ICB Group, and an unequivocal expectation from our employees, their families and communities. We aim to establish a "Safety First" culture at ICB Group. Training, coaching, and recognition are critical components to continuously encouraging a culture of safety. Various activities focusing on safety and health were organised by ICB Group to promote a healthy and positive work environment for its employees.

Training programmes and initiatives carried out during the year in relation to occupational safety and health awareness for the employees include:

Safety & health training

ICB Group had conducted 'Fire Drill Exercise' training for all employees. The purpose for this training is to evacuate, or risk the dangers of a burning building. Besides that, the department's leaders need to know how to conduct a fire drill at work in order to prepare employees to stay safe in the event of a fire. By scheduling regular fire drill and training employees to act quickly and safely, company had plan for an organized emergency response and a better chance of preventing injury or loss of life.

Chemical Handling and Spillage Management

In line with ICB Group's commitment to ensure all guidelines and standard operating procedures issued by the Malaysian Government are adhere to, numerous preventive and control measures have been adopted and implemented at the workplace.

As for health benefits for employees, ICB Group provides medical coverage and insurance benefits. ICB Group is also constantly reviewing our policies and management systems on Occupational Safety & Health and to ascertain they are effective, appropriate and could be continually used in the organisation. ICB Group is committed in making Occupational Safety & Health as a culture and behaviour in the daily work of all employees. ICB Group also provides training to the employees for cultivation of talent within the Group to sustain growth in future.

The Occupational Safety & Health requires employers to train employees on chemical spillage control & safety in chemical handling in the workplace. With correct training and equipment in place, staff can minimise the risk to themselves and visitors. After training, employees able to respond to spills, they will be trained to be aware of the dangers the spill presents and how to respond in a safe manner.

ICB Group believe that chemicals play a large part in our daily lives. Everything from cleaning products in our homes to industrial chemicals in our workplaces contain potentially hazardous ingredients with the possibility of causing harm to users.

SUSTAINABILITY STATEMENT (continued)

Product and Services Responsibility

As a manufacturer and marketer of agrochemical products, ICB Group plays an important part in the customers' supply chains. ICB Group strives to provide its customers with products and services with integrity, quality and care. The Group seeks to continuously enhance the reputation of and trust in its brands through its commitment to deliver products of the highest safety and quality standards. The Group takes the quality and safety of its products very seriously and will not compromise on compliance, safety and quality in any way.

Data Privacy Protection and Cyber Security Measures

ICB Group is mindful of the consequences of a data breach or data loss may have on its customers and business activities, and its impact on its corporate reputation. Hence, we have made efforts to implement stringent customer personal data security measures and internal controls within ICB Group. ICB Group adheres to the Malaysian Personal Data Protection Act, 2010, to ensure customer personal data are properly managed during its collection, storage and usage. Our employees are also made aware of their roles in safeguarding customers' information as well as the consequential penalties in case of any data breach. This is done by communicating the rules and regulations related to data protection through the signing of a compliance form by all employees. In addition, employees are obligated to sign a confidentiality clause before commencing work with any entities within ICB Group.

ICB Group considers cyber security as a crucial element of our business in protecting customer personal data from the increasingly widespread threat of data theft, data breaches and data loss. Hence, ICB Group has implemented cyber risk reduction measures, such as the installation of anti-virus programmes and firewall systems. No complaints were received concerning the breach of customer privacy and loss of customer data for the financial year ended 30 June 2023.

Compliance

An effective governance structure and risk management system forms the backbone of ICB Group's business operations. Risk assessments are conducted on an annual basis to identify and mitigate significant risks that are affecting our business operations. Annually, we review the adequacy of insurance coverage of all our business operations to safeguard against potential threats. Employees of ICB Group are involved in identifying and mitigating sustainability risks across all areas of operations.

In terms of ethics and integrity, ICB Group remains steadfast in conducting its business with integrity and the highest standard of ethical conduct. This shapes a culture of responsibility among employees at all levels, which helps uphold our corporate reputation and maintain our brand positioning to further build our thriving business.

ICB Group's Code of Ethics and Conduct ("CEC") lays down ICB Group's expectations of directors' and employees' behaviour while conducting business. The Board has reviewed the CEC on 24 August 2022, as part of its review of the Board Charter, to ensure it continues to remain relevant and appropriate. In addition to the CEC, ICB Group has a number of policies in place that are aimed at strengthening its business conduct and practices, such as Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy, etc, which are publicly available in the Policies section of our ICB Group's corporate website at www.imaspro.com.

Whistleblowing Policy

Our Whistleblowing Policy provides a clear reporting channel for all employees and members of the public to disclose any improper conduct or any action that is harmful to the reputation of ICB Group or compromise the interest of stakeholders. Any concerns about malpractices are escalated in writing through the Company website at www.imaspro.com.

All reports are treated with high confidentiality and whistleblowers making the allegation will remain anonymous. No whistleblowing cases were reported for the financial year ended 30 June 2023.

SUSTAINABILITY STATEMENT (continued)

Anti-Bribery and Anti-Corruption Policy

ICB Group has adopted a zero-tolerance approach and takes a strong stance against all forms of corruption and bribery throughout our value chain. To further enforce our commitment towards zero corruption and bribery within ICB Group, the Anti-Bribery and Anti-Corruption Policy has been adopted effective 1 June 2020, setting out the relevant measures to prevent any form of corruption and bribery throughout the organisation. Such concerns will be escalated to the Audit Committee, where the report will be investigated.

CONCLUSION

With the various initiatives carried out, ICB Group strives to work towards a sustainable balance between our commitments to our customers and also other stakeholders in the economic environment i.e. our environment through our carbon footprints; our economy through our continuous growth and creating a mutually beneficial relationship with suppliers as well as sustaining employment for our local communities and our assets by empowering our employees through various career development initiatives and promoting a conducive, healthy and safe working environment.

FINANCIAL STATEMENTS

ANNUAL REPORT
2023

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

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	1,796,333	3,900,626
Profit attributable to:		
Owners of the Company	1,796,333	3,900,626
Non-controlling interests	-	-
	<u>1,796,333</u>	<u>3,900,626</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 2022 was as follows:

In respect of the financial year ended 30 June 2022

	RM
A first and final single tier dividend of 3.5 sen per share paid on 16 January 2023	<u>2,800,000</u>

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 30 June 2023 amounting to RM2,800,000 will be proposed for shareholders' approval.

DIRECTORS

The Directors who served on the Board of the Company during the financial year until the date of this Report are:-

Tong Chin Hen
 Chan Weng Fui
 Chen Sung Fang
 Datuk Captain Hamzah Bin Mohd Noor
 Chan Kim Hing
 Ooi Ming Chu (Appointed on 17 May 2023)

DIRECTORS' REPORT (continued)

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 remunerations received or due and receivable by the Directors as shown below) 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 that certain Directors received remuneration from the Company's related corporations.

Directors' remuneration

	Group 2023 RM	Company 2023 RM
Fees	261,000	141,000
Salaries	1,260,000	-
Bonus	210,000	-
Defined contribution plan	249,900	-
Others*	10,000	10,000
Benefits-in-kind	23,950	-
	2,014,850	151,000

* Others include meeting allowance

DIRECTORS' INTERESTS IN SHARES

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 in the Company			At 30.6.2023
	At 1.7.2022 & At Date of Appointment	Acquired	Disposed	
Shareholdings in the name of the Director:				
Tong Chin Hen	6,940,000	-	-	6,940,000
Chan Weng Fui	672,900	600,400	-	1,273,300
Ooi Ming Chu	100	-	-	100
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 8 of the Companies Act 2016

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)

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a Directors' and Officers' liability insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium effected for any director and officer of the Company as at the financial year ended was RM4,000. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

The Company has agreed to indemnify the Auditors, HLB Ler Lum Chew PLT as permitted under Section 289 of the Companies Act, 2016 in Malaysia.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, 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 including the values of current assets had been written down to an amount which the current assets 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)

SUBSIDIARY/SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the Financial Statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year is RM94,998 and RM40,000.

AUDITORS

The auditors, HLB Ler Lum Chew PLT, 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

CHAN WENG FUI

Dated: 23 August 2023

Petaling Jaya

STATEMENT BY DIRECTORS

We, TONG CHIN HEN and CHAN WENG FUI, being two of the Directors of IMASPRO CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2023 and of their financial performance and cash flows for the financial year then ended.

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

TONG CHIN HEN

CHAN WENG FUI

Date: 23 August 2023

Petaling Jaya

STATUTORY DECLARATION

I, TONG CHIN HEN, being the Director primarily responsible for the financial management of IMASPRO CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are 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.

TONG CHIN HEN

Subscribed and solemnly declared by the abovenamed TONG CHIN HEN at Kuala Lumpur on 23 August 2023

Before me :

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Imaspro Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2023 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 year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 12 to 68.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Classification and measurement of disposal group as held for sale

The risk

We refer to Notes 2(d)(iii), 3(g) and 13, respectively to the Financial Statements.

In the prior financial year, the Group made a strategic decision to exit from trading of mosquito coils, disinfectants and household insecticides in Malaysia and Vietnam ("the Segment"). The assets and liabilities of the Segment since then are to be re-assessed whether they still meet the criteria for classification of asset/disposal group held for sale under MFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("MFRS 5"). These assets and liabilities are required to be re-measured at the lower of their carrying amount and fair value less costs to sell ("FVLCS").

The Group had performed an assessment and concluded that the Segment's assets and liabilities still meet the criteria for classification of asset/disposal group held for sale and continued to be classified as assets held for sale. The Group subsequently re-assessed these assets and liabilities at the lower of their carrying amount and FVLCS. This assessment involves complex management judgement and is based on assumptions that are affected by expected future market and economic conditions.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

Our response:

Our audit procedures included, among others, an evaluation of the client's conclusions on the classification of the disposal group as held-for-sale and the results of Mosfly International Sdn. Bhd. ("Mosfly") as discontinued operations.

- Evaluated consistent application of MFRS 5 requirements on the continued classification of the assets and liabilities of the Segment as asset/disposal group held for sale.
- Tested the FVLCS computation of the assets and liabilities classified as asset/disposal group held for sale.
- Assessed that the asset and liabilities of the Segment are carried at the lower of their carrying amount and FVLCS.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF IMASPRO CORPORATION BERHAD

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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 CHEW PLT
201906002362 & AF 0276
Chartered Accountants

WONG CHEE HONG
03160/09/2024 J
Chartered Accountant

Dated: 23 August 2023

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non – current assets					
Property, plant and equipment	4	26,402,837	27,056,213	-	-
Investment properties	5	14,620,160	14,860,605	-	-
Investment in subsidiary companies	6	-	-	31,467,623	31,467,623
Investment	7	8,147,785	8,292,821	8,147,785	8,292,821
		<u>49,170,782</u>	<u>50,209,639</u>	<u>39,615,408</u>	<u>39,760,444</u>
Current assets					
Inventories	9	15,931,814	22,577,889	-	-
Trade and other receivables	10	13,622,131	16,032,872	20,049,486	20,473,894
Contract cost asset	11	-	-	-	-
Income tax assets		4,399,097	2,165,752	-	-
Cash and bank balances	12	51,008,198	37,444,888	3,031,402	1,508,514
		<u>84,961,240</u>	<u>78,221,401</u>	<u>23,080,888</u>	<u>21,982,408</u>
Assets of disposal group classified as held-for-sale	13	3,897,094	3,725,479	3,680,000	3,680,000
		<u>88,858,334</u>	<u>81,946,880</u>	<u>26,760,888</u>	<u>25,662,408</u>
TOTAL ASSETS		<u>138,029,116</u>	<u>132,156,519</u>	<u>66,376,296</u>	<u>65,422,852</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:					
Share capital	14	42,857,032	42,857,032	42,857,032	42,857,032
Fair value reserve	15	1,001,277	1,177,915	1,032,879	1,177,915
Foreign currency translation reserve	16	2,133,669	2,108,475	-	-
Retained profits	17	79,069,681	80,073,348	22,445,585	21,344,959
		<u>125,061,659</u>	<u>126,216,770</u>	<u>66,335,496</u>	<u>65,379,906</u>
Non – current liabilities					
Deferred tax liabilities	8	1,078,000	1,142,000	-	-
Loan and borrowings	18	2,051,727	2,363,403	-	-
		<u>3,129,727</u>	<u>3,505,403</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	19	9,448,593	2,027,347	40,800	42,946
Loan and borrowings	18	321,194	320,361	-	-
Income tax liabilities		55,943	74,638	-	-
		<u>9,825,730</u>	<u>2,422,346</u>	<u>40,800</u>	<u>42,946</u>
Liabilities directly associated with disposal group classified as held-for-sale	13	12,000	12,000	-	-
		<u>9,837,730</u>	<u>2,434,346</u>	<u>40,800</u>	<u>42,946</u>
TOTAL LIABILITIES		<u>12,967,457</u>	<u>5,939,749</u>	<u>40,800</u>	<u>42,946</u>
TOTAL EQUITY AND LIABILITIES		<u>138,029,116</u>	<u>132,156,519</u>	<u>66,376,296</u>	<u>65,422,852</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Continuing Operations					
Revenue	20	50,140,990	76,606,222	4,269,857	4,642,857
Cost of sales		(39,954,832)	(58,012,762)	-	-
Gross profit		10,186,158	18,593,460	4,269,857	4,642,857
Other operating income	21	3,091,556	6,517,625	80,712	56,170
Distribution cost		(523,920)	(931,214)	-	-
Administration expenses		(7,908,120)	(6,945,656)	(449,943)	(10,666,736)
Other operating expenses		(2,206,843)	(1,494,232)	-	-
Operating profit/(loss)		2,638,831	15,739,983	3,900,626	(5,967,709)
Finance cost	22	(111,649)	(104,836)	-	-
Profit/(Loss) before tax	23	2,527,182	15,635,147	3,900,626	(5,967,709)
Income tax expense	26	(972,719)	(3,119,654)	-	-
Profit/(Loss) from continuing operations		1,554,463	12,515,493	3,900,626	(5,967,709)
Discontinued operations					
Profit/(Loss) from discontinued operations	13	241,870	(10,329,757)	-	-
Profit/(Loss) for the year		1,796,333	2,185,736	3,900,626	(5,967,709)
Other comprehensive income/(loss)					
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Continuing operations					
- Foreign currency translation		25,194	173,824	-	-
Discontinued operations					
- Share of other comprehensive income/(loss) of associated company		-	44,117	-	-
- Foreign currency translation		-	(161,532)	-	-
- gain		-	-	-	-
- reclassification		-	-	-	-
<u>Items that may not be reclassified subsequently to profit or loss:</u>					
Changes in the fair value of equity investment at fair value through other comprehensive (loss)/income					
- Continuing operations		(145,036)	914,701	(145,036)	914,701
- Discontinued operations		(31,602)	-	-	-
Total comprehensive income/(loss) for the year		1,644,889	3,156,846	3,755,590	(5,053,008)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) attributable to:					
Owners of the Company		1,796,333	2,185,736	3,900,626	(5,967,709)
Non-controlling interests		-	-	-	-
		<u>1,796,333</u>	<u>2,185,736</u>	<u>3,900,626</u>	<u>(5,967,709)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,644,889	3,156,846	3,755,590	(5,053,008)
Non-controlling interests		-	-	-	-
		<u>1,644,889</u>	<u>3,156,846</u>	<u>3,755,590</u>	<u>(5,053,008)</u>
Total comprehensive income/(loss) attributable to equity holders of the Company relates to:					
Total comprehensive income from continuing operations		1,434,621	13,604,018	-	-
Total comprehensive income/(loss) from discontinued operations		210,268	(10,447,172)	-	-
		<u>1,644,889</u>	<u>3,156,846</u>	<u>-</u>	<u>-</u>
Earnings/(Loss) per share attributable to owners of the Company:					
Basic (sen)	27				
From continuing operations		1.94	15.64		
From discontinued operations		0.30	(12.91)		
		<u>2.24</u>	<u>2.73</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Note	Attributable to owners of the Company					Total Equity RM
		Non - Distributable		Distributable			
		Share Capital RM	Fair Value Reserve RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Reserve of Disposal Group Classified As Held-For-Sale (Note 13) RM	
At 1 July 2021		42,857,032	263,214	1,934,651	80,687,612	117,415	125,859,924
Profit for the year		-	-	-	2,185,736	-	2,185,736
Other comprehensive income/(loss) for the year		-	914,701	173,824	-	(117,415)	971,110
Transaction with owners							
Dividends	28	-	-	-	(2,800,000)	-	(2,800,000)
At 30 June 2022		42,857,032	1,177,915	2,108,475	80,073,348	-	126,216,770
Profit for the year		-	-	-	1,796,333	-	1,796,333
Other comprehensive (loss)/income for the year		-	(176,638)	25,194	-	-	(151,444)
Transaction with owners							
Dividends	28	-	-	-	(2,800,000)	-	(2,800,000)
At 30 June 2023		42,857,032	1,001,277	2,133,669	79,069,681	-	125,061,659

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Company	Note	Attributable to owners of the Company			Total Equity RM
		Non - Distributable		Distributable	
		Share Capital RM	Fair Value Reserve RM	Retained Profits RM	
At 30 June 2021		42,857,032	263,214	30,112,668	73,232,914
Loss for the year		-	-	(5,967,709)	(5,967,709)
Other comprehensive income for the year		-	914,701	-	914,701
Transaction with owners					
Dividends	28	-	-	(2,800,000)	(2,800,000)
At 30 June 2022		42,857,032	1,177,915	21,344,959	65,379,906
Loss for the year		-	-	3,900,626	3,900,626
Other comprehensive income for the year		-	(145,036)	-	(145,036)
Transaction with owners					
Dividends	28	-	-	(2,800,000)	(2,800,000)
At 30 June 2023		42,857,032	1,032,879	22,445,585	66,335,496

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	2,769,052	5,319,878	3,900,626	(5,967,709)
Profit/(Loss) before tax				
Adjustments for:				
Depreciation of property, plant and equipment (Note 13 and 23)	1,235,718	1,254,810	-	-
Depreciation of investment properties (Note 23)	240,445	239,582	-	-
Dividend income (Note 20)	(219,857)	(142,857)	(4,269,857)	(4,642,857)
Gain on disposal of property, plant and equipment (Note 21)	(197,369)	(4,576,715)	-	-
Impairment losses on receivables - net (Note 23)	9,148	57,676	-	-
Impairment loss on remeasurement of disposal group (Note 13 and 23)	-	6,852,645	-	10,220,000
Interest expenses (Note 22)	111,649	104,836	-	-
Interest income (Note 21)	(692,322)	(350,766)	(80,665)	(56,170)
Inventories written-off (Note 13 and 23)	-	337,788	-	-
Inventories written down (Note 23)	280,440	1,271,923	-	-
Gain on foreign exchange - unrealised (Note 21 and 23)	(19,510)	(181,027)	-	-
Property, plant and equipment written-off (Note 23)	22	4	-	-
Share of associate's results (Note 13)	-	3,523,940	-	-
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	3,517,416	13,711,717	(449,896)	(446,736)
Inventories	6,367,641	(6,324,630)	-	-
Contract cost asset	-	25,565	-	-
Receivables	2,184,471	(3,469,673)	4,474,408	4,462,546
Payables	7,421,246	(1,094,260)	(2,146)	14,346
CASH GENERATED FROM OPERATIONS	19,490,774	2,848,719	4,022,366	4,030,156
Dividend received	219,857	142,857	219,857	142,857
Interest paid	(111,649)	(104,836)	-	-
Interest received	692,322	350,766	80,665	56,170
Taxes paid	(3,342,499)	(2,805,083)	-	-
Taxes refunded	3,740	20,235	-	-
NET CASH FROM OPERATING ACTIVITIES	16,952,545	452,658	4,322,888	4,229,183

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,061,715)	(1,426,136)	-	-
Proceeds from disposal of property, plant and equipment	676,720	6,027,936	-	-
Purchase of investment	-	(2,592,406)	-	(2,592,406)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(384,995)	2,009,394	-	(2,592,406)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(310,843)	(312,074)	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
NET CASH USED IN FINANCING ACTIVITIES	(3,110,843)	(3,112,074)	(2,800,000)	(2,800,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,456,707	(650,022)	1,522,888	(1,163,223)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	25,194	12,292	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	40,698,950	41,336,680	1,508,514	2,671,737
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12 AND NOTE 13)	54,180,851	40,698,950	3,031,402	1,508,514

NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Acquisition of property, plant and equipment

Cash	1,061,715	1,426,136	-	-
Trade in	-	1,200	-	-
	1,061,715	1,427,336	-	-

(b) Reconciliation of liabilities arising from financing activities:

	Group	
	2023 RM	2022 RM
<u>Loan and borrowings</u>		
At 1 July	2,683,764	2,995,838
<u>Cash outflows</u>		
Interest paid	(111,649)	(104,836)
Repayment	(310,843)	(312,074)
<u>Non-cash changes</u>		
Finance costs	111,649	104,836
As at 30 June	2,372,921	2,683,764

The accompanying accounting policies and explanatory 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.

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 address of the registered office of the Company is as follow:-

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

The address of the principal place of business of the Company is as follow:-

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

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 ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

(i) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year, except in current financial year, the Group and the Company adopted all the new and revised standards which are effective for financial year beginning on or after 1 July 2022.

Effective for financial year beginning on or after 1 July 2022

Annual Improvements to MFRS Standards 2018–2020

Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework

Amendments to MFRS 112

Amendments to MFRS 116

Amendments to MFRS 137

Income Taxes – International Tax Reform – Pillar Two Model Rules (paragraphs 4A and 88A)

Property, Plant and Equipment - Proceeds before Intended Use

Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract

The adoption of these amendments to MFRSs and IC Int does not have any significant financial impact to the Group and to the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

(ii) Standards issued but not yet effective (continued)

As at the date of authorisation of these financial statements, the following new and revised standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group and the Company.

Effective for financial year beginning on or after 1 July 2023

MFRS and IC Interpretations (Including The Consequential Amendments)

MFRS 17, Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes – International Tax Reform – Pillar Two Model Rules (paragraphs 88B-88D)

Amendments to MFRS 16 Leases - Lease Liabilities in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year 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 Group’s and the Company’s functional currency.

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(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.

The Directors are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(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 trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 10.

The carrying amount of the Group's trade receivables as at 30 June 2023 are RM12,495,528 (2022: RM14,595,755).

(iii) Measurement, presentation and disclosure of the Group's and the Company's disposal of its 100% equity interest in Mosfly International Sdn. Bhd. including its investment in a company being Mosfly Vietnam Industries Co., Ltd. ("Mosfly")

Significant judgement is required in determining the appropriateness of the classification of Mosfly as discontinuing operations. The Board have assessed and concluded that the subsidiary meets the discontinuing operations requirements of MFRS 5, after having considered the progress and the status of the sale of Mosfly.

Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. The assumption made by management which includes unobservable inputs being used as basis for the valuation.

For more details on the discontinued operation, refer to Note 13 to the Financial Statements.

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's 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment and Depreciation

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

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

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

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

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

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

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

(d) Investment 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. Leasehold land carried at cost are depreciated over its lease periods ranging from 62 years to 93 years. Buildings are depreciated over its lease periods ranging from 30 years to 50 years.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) Intangible Assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible Assets (continued)

(i) Goodwill (continued)

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

Trademarks are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 8 to 10 years, which is the shorter of their estimated useful lives and periods of contractual rights. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(h).

(g) Non-Current Assets Held-For-Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

- (i) A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:
 - (a) represents a separate major line of business or geographical area of operations; or
 - (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
 - (c) is a subsidiary acquired exclusively with a view to resale.
- (ii) Non-current assets (or disposal groups) classified as held for sale are:
 - (a) Measured at the lower of the carrying amount and fair value less costs to sell;
 - (b) Not depreciated or amortised; and
 - (c) Present separately in the balance sheet (assets and liabilities should not be off-set).

(h) 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)

(h) 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.

(i) 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.

(j) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Investments in equity instruments

The Company subsequently measures all its equity investments at their fair values. The Company has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial Assets (continued)

Initial recognition and measurement (continued)

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the assets 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 for debt instrument is recognised in profit or loss.

(k) Impairment of Financial Assets

Initial recognition and measurement

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of Financial Assets (continued)

Initial recognition and measurement (continued)

For trade receivables, the Group applies a simplified approach in calculation of ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) 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.

(m) 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.

(n) 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 incurred in connection with the borrowing of funds.

(o) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) 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.

(q) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(r) Operating Leases – accounting as lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(s) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of pesticides products

The Group manufactures and sells pesticides and plant micronutrients to the customers. Sales are recognised when control of the products have transferred to its customers, being when the products are delivered to the customers. There is no unfulfilled obligation that could affect the customer's acceptance of the products. The risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provision have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 120 days, which is consistent with market practice.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Royalty income

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

Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

(i) Interest income

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

(ii) Rental income

Rental income from investment properties is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services have been rendered.

(iii) Dividend income

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

(u) Employee Benefits

(i) Short term employee 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Employee Benefits (continued)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities 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.

(v) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) 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.

(x) 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.

(y) Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land		Long term leasehold land		Buildings	Office equipment	Furniture and fittings	Renovation	Motor vehicles	Plant and machinery	Farm structure & equipment	Total
	RM	RM	RM	RM								
Cost												
At 1 July 2021	12,866,608	3,269,162	10,101,985	1,224,157	259,468	710,073	3,576,083	12,161,851	123,078	44,292,465		
Additions	-	-	38,732	1,203	6,000	1,259,931	113,830	7,640	1,427,336			
Disposals	-	-	(2,000)	(13,900)	(60,502)	(543,327)	(9,490)	-	(629,219)			
Written off	-	-	-	-	-	(53,600)	(39,500)	-	(93,100)			
At 1 July 2022	12,866,608	3,269,162	10,101,985	1,260,889	246,771	655,571	4,239,087	12,226,691	130,718	44,997,482		
Additions	-	-	-	61,968	1,340	889,307	102,200	6,900	1,061,715			
Disposals	-	-	(14,600)	(71,196)	-	(1,333,300)	(83,800)	-	(1,431,700)			
Written off	-	-	-	-	-	-	-	-	(71,196)			
At 30 June 2023	12,866,608	3,269,162	10,101,985	1,237,061	248,111	655,571	3,795,094	12,245,091	137,618	44,556,301		
Accumulated depreciation												
At 1 July 2021	-	635,716	1,928,034	1,149,611	254,697	709,972	2,720,041	9,775,599	117,717	17,291,387		
Depreciation charge for the year	-	51,081	208,671	30,765	1,447	1,250	439,952	518,757	2,705	1,254,628		
Disposals	-	-	-	(1,600)	(13,896)	(60,471)	(427,273)	(8,410)	-	(511,650)		
Written off	-	-	-	-	-	-	(53,598)	(39,498)	-	(93,096)		
At 30 June 2022	-	686,797	2,136,705	1,178,776	242,248	650,751	2,679,122	10,246,448	120,422	17,941,269		

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group	Long term		Buildings	Office equipment	Furniture and fittings	Renovation	Motor vehicles	Plant and machinery	Farm structure & equipment	Total
	Freehold land	leasehold land								
Accumulated depreciation										
At 1 July 2022	-	686,797	2,136,705	1,178,776	242,248	650,751	2,679,122	10,246,448	120,422	17,941,269
Depreciation charge for the year	-	51,891	211,894	37,124	1,244	1,502	478,492	448,341	5,230	1,235,718
Disposals	-	-	-	(14,599)	-	-	(853,952)	(83,798)	-	(952,349)
Written off	-	-	-	(71,174)	-	-	-	-	-	(71,174)
At 30 June 2023	-	738,688	2,348,599	1,130,127	243,492	652,253	2,303,662	10,610,991	125,652	18,153,464
Net carrying amount										
At 30 June 2023	12,866,608	2,530,474	7,753,386	106,934	4,619	3,318	1,491,432	1,634,100	11,966	26,402,837
At 30 June 2022	12,866,608	2,582,365	7,965,280	82,113	4,523	4,820	1,559,965	1,980,243	10,296	27,056,213

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT PROPERTIES

	2023 RM	Group 2022 RM
Cost		
At 1 July/30 June	16,421,835	16,421,835
Accumulated depreciation		
At 1 July	1,561,230	1,321,648
Depreciation charge for the year	240,445	239,582
At 30 June	1,801,675	1,561,230
Net carrying amount		
At 30 June	14,620,160	14,860,605
Estimated fair value	17,370,596	17,370,596
Included in the above are:		
Net carrying amount	7,681,703	7,729,482
Land	6,938,457	7,131,123
Buildings	14,620,160	14,860,605

Investment properties comprise of land and buildings. Rental income generated from the investment properties during the financial year amounted to RM154,400 (2022: RM64,000).

Direct operating expenses from investment properties that did not generate rental income of the Group during the year amounted to RM177,917 (2022: RM156,257).

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM46,515 (2022: RM11,564).

The fair values of the above investment properties 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 32(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 RM5,496,038 (2022: RM5,584,986) pledged to a licensed bank for a term loan facility granted to a subsidiary company (Note 18).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2023 RM	2022 RM
Unquoted shares – at cost	31,467,623	31,467,623

Details of the subsidiary companies are as follows:

Name of Companies	Country of Incorporation	Effective Ownership Interest		Principal Activities
		2023 (%)	2022 (%)	
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 to pesticides and agrochemicals
Millennium Station Sdn. Bhd.	Malaysia	100	100	Investment holding
Direct subsidiary companies of IRSB				
Imaspro Biotech Sdn. Bhd.	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products
Mosfly International Sdn. Bhd. Δ	Malaysia	100	100	Manufacturing and trading of mosquito coils, disinfectants and household insecticides

Δ Disposal of group and classified as held-for-sale (Refer Note 13 to the Financial Statements for further details)

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.

7. INVESTMENT

	Group/Company	
	2023	2022
	RM	RM
Financial assets at fair value through other comprehensive income ("FVOCI") (Note 35)		
Quoted equity investments		
- Within Malaysia	8,147,785	8,292,821
	<u>8,147,785</u>	<u>8,292,821</u>

Financial assets at fair value through other comprehensive income ("FVOCI")

For non-trading equity investments above, the Group and the Company has irrevocably elected at initial recognition to present its fair value changes in OCI. The Group and the Company considers this classification to be more relevant as these instruments are strategic investments of the Group and the Company and are not held for trading purpose.

The fair value measurement of the Company's financial assets at FVOCI are categorised within Level 1 of the fair value hierarchy.

8. DEFERRED TAX LIABILITIES

	Group	
	2023	2022
	RM	RM
At 1 July	1,142,000	1,070,000
Recognised in profit or loss (Note 26)	(64,000)	72,000
At 30 June	<u>1,078,000</u>	<u>1,142,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DEFERRED TAX LIABILITIES (continued)

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

	Receivables RM	Property, plant and equipment RM	Investment properties RM	Total RM
Deferred tax asset/ (liabilities) of the Group				
As at 1 July 2022	64,000	(463,478)	(742,522)	(1,142,000)
Recognised in profit or loss	10,000	69,892	(15,892)	64,000
At 30 June 2023	74,000	(393,586)	(758,414)	(1,078,000)
As at 1 July 2021	171,000	(515,264)	(725,736)	(1,070,000)
Recognised in profit or loss	(107,000)	51,786	(16,786)	(72,000)
As at 30 June 2022	64,000	(463,478)	(742,522)	(1,142,000)

Deferred tax assets have not been recognised in respect of the following items:

	2023 RM	Group 2022 RM
Temporary differences arising from excess of book depreciation over capital allowances	-	(200)
Unutilised tax losses	-	34,000
Potential tax benefits calculated at 24%	-	8,112

The unutilised tax losses are subject to agreement with the Inland Revenue Board.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVENTORIES

	Group	
	2023 RM	2022 RM
Raw materials	10,709,087	15,525,118
Finished goods	3,757,677	5,679,677
Packaging materials	826,822	586,620
Work-in-progress	638,228	786,474
	15,931,814	22,577,889

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM37,155,462 (2022: RM54,786,173).

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables				
- Third party	13,069,357	13,677,443	-	-
- Amount due from related parties	51,676	1,561,308	-	-
	13,121,033	15,238,751	-	-
Less: Allowance for impairment	(625,505)	(642,996)	-	-
Trade receivables, net	12,495,528	14,595,755	-	-
Other receivables				
- Deposits	102,806	89,952	-	-
- Prepayments	468,575	508,845	-	-
- Dividend receivables	-	-	4,050,000	4,500,000
- Amount due from subsidiary companies	-	-	15,999,486	15,973,894
- Sundry receivables	243,510	320,229	-	-
- Advance paid to suppliers	311,712	518,091	-	-
	1,126,603	1,437,117	20,049,486	20,473,894
Total trade and other receivables (Note 35)	13,622,131	16,032,872	20,049,486	20,473,894

(a) Trade receivables

Trade receivables are non-interest bearing and generally have credit terms of 30 to 180 days (2022: 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)

10. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Expected credit losses

The movement in allowance for expected credit losses of receivables computes based on 12-months and individual impairment are as follows:-

	Group	
	2023	2022
	RM	RM
At 1 July	642,996	871,439
Charge during the year - net	9,148	57,676
Bad debts written off	(26,639)	(286,119)
At 30 June	<u>625,505</u>	<u>642,996</u>

(b) Related party balances

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

11. CONTRACT COST ASSETS

	Group	
	2023	2022
	RM	RM
Cost to obtain contracts with customers		
At 1 July	-	25,565
Charge to Profit or Loss	-	(25,565)
At 30 June	<u>-</u>	<u>-</u>

In the previous financial year, the Group capitalised those professional and agency fees paid for contracts obtained to sell the investment property, freehold land and building, respectively when they represent incremental costs of obtaining a contract. These costs and related revenue were recognised in the Statement of Profit or Loss during the year upon fulfilment of the contract, being completion of the sale.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash on hand and at banks	20,633,330	31,855,047	199,872	235,550
Fixed deposits	709,603	679,242	-	-
Short term cash investments	29,665,265	4,910,599	2,831,530	1,272,964
Cash and bank balances (Note 35)	51,008,198	37,444,888	3,031,402	1,508,514

- (a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2022: 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 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.
- (c) Short term cash investments are highly liquid which have an insignificant risk of changes in value which bear effective interest rates at the financial year end ranging from 2.62% to 2.98% (2022: 1.38% to 2.20%) and 2.62% to 2.98% (2022: 1.38% to 2.20%) of the Group and of the Company respectively.

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Mosfly Group				
- Assets	3,897,094	3,725,479	3,680,000	3,680,000
- Liabilities	(12,000)	(12,000)	-	-
	3,885,094	3,713,479	3,680,000	3,680,000

Mosfly Group

In the prior financial year, the Board of Directors of Imaspro Corporation Berhad ("Imaspro") had decided to dispose a wholly-owned subsidiary, Mosfly International Sdn. Bhd. ("MISB") including its investment in a company being Mosfly Vietnam Industries Co., Ltd. ("MVI") ("collectively known as Mosfly") as part of the Group's restructuring strategy.

The process for disposal of Mosfly had been delayed due to the COVID-19 pandemic, on-going process of liquidation of MVI and a legal proceeding involving MISB as stated in Note 36 to the Financial Statements.

Notwithstanding the above, the interested buyer has in June 2023 confirmed their continued interest and remain committed to purchase Mosfly.

The assets and liabilities related to Mosfly have been presented in the Statements of Financial Position as "Assets of disposal group classified as held-for-sale" and "Liabilities directly associated with disposal group classified as held-for-sale", and its results are presented separately on the Statements of Profit or Loss and Other Comprehensive Income as "Loss from discontinued operations".

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (continued)

(a) Information related to Statement of Profit or Loss and Other Comprehensive Income

(i) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	Group	
	2023 RM	2022 RM
Revenue	2,322	185,674
Other operating income	418,922	187,543
Cost of sales	(2,006)	(141,094)
Expenses	(177,368)	(170,807)
Share of associated losses	-	(3,523,940)
Profit/(Loss) before tax from discontinued operations	241,870	(3,462,624)
Income tax expense (Note 26)	-	(14,488)
Profit/(Loss) after tax from discontinued operations	241,870	(3,477,112)
Pre-tax loss recognised on the re-measurement of disposal group to fair value less costs to sell	-	(6,852,645)
Profit/(Loss) for the year from discontinued operations	241,870	(10,329,757)
Other comprehensive income/(loss)		
Foreign currency translation	-	44,117
- gain	-	(161,532)
- reclassification	(31,602)	-
Fair value changes	-	-
Total comprehensive income/(loss) for the year	210,268	(10,447,172)

(ii) Details of profit/(loss) before tax in discontinued operations and disposal group classified as held-for-sale were as follows:

	Group	
	2023 RM	2022 RM
Auditors' remuneration	5,000	5,000
Depreciation of property, plant and equipment	-	182
Inventories written-off	-	7,021
Impairment loss on re-measurement of disposal group	-	6,852,645
Gain on forex - realised	(172,612)	(187,543)
Royalty income	(246,310)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Information related to Statement of Cash Flows

(i) The impact of the discontinued operations on the cash flows of the Group for the financial year ended was as follows:

	Group	
	2023	2022
	RM	RM
Operating cash flow	(81,409)	(23,921)
Total cash outflow	<u>(81,409)</u>	<u>(23,921)</u>

(c) Information related to Statement of Financial Position

(i) Details of the assets, liabilities and reserves of disposal group classified as held-for-sale were as follows:

	Group	
	2023	2022
	RM	RM
Assets		
Property, plant and equipment	1	1
Other investment	1	31,603
Inventories	41,380	43,386
Trade and other receivables	277,415	40,783
Cash and cash equivalents	3,172,653	3,254,062
Income tax assets	405,644	355,644
	<u>3,897,094</u>	<u>3,725,479</u>
Liabilities		
Trade and other payables	<u>12,000</u>	<u>12,000</u>

(ii) Details on the loss of significant influence and power – derecognition of an associate company (“Mosfly Vietnam Industries Co., Ltd.”) are as follows:

	Group	
	2023	2022
	RM	RM
Financial assets at fair value through other comprehensive income (“FVOCI”)		
Other investment	<u>-</u>	<u>31,603</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (continued)

(c) Information related to Statement of Financial Position (continued)

(iii) Fair value information

The following table shows the valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	
<p>The Group considers both the cost approach and the discounted cash flow method, and reconciles and weighs the estimates under each technique based on its assessment.</p> <p>The cost approach considers the adjusted net assets value. Discounted cash flows considers the present value of the net cash flows expected to be generated from the operations of the disposal group, taking into account the growth rate and budgeted capital expenditure growth rate. The expected net cash flows are discounted using a risk-adjusted discount rate.</p>	2023	2022
	RM	RM
	Discount rate	
	9.34%	8.84%

(d) Asset held-for-sale

	Company	
	2023	2022
	RM	RM
Investment in subsidiary		
Unquoted shares, at cost	26,000,000	26,000,000
Less: Impairment loss	(22,320,000)	(22,320,000)
	<u>3,680,000</u>	<u>3,680,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares		Amount	
	2023	2022	2023 RM	2022 RM
Issued and fully paid				
Ordinary shares with no par value	80,000,000	80,000,000	42,857,032	42,857,032

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

15. FAIR VALUE RESERVE

	Group/Company	
	2023 RM	2022 RM
At beginning of the financial year	1,177,915	263,214
Change in fair values	(176,638)	914,701
At end of the financial year	1,001,277	1,177,915
Representing: -		
- Continuing operations	1,032,879	1,177,915
- Discontinued operations	(31,602)	-
	1,001,277	1,177,915

16. 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.

17. RETAINED PROFITS

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

18. LOAN AND BORROWINGS

	Group	
	2023 RM	2022 RM
Term loan - secured		
- Non-current	2,051,727	2,363,403
- Current	321,194	320,361
	2,372,921	2,683,764

The weighted average effective interest rate at the reporting date for the term loan of the Group is 4.42% (2022: 3.69%).

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables				
- Third parties	8,735,062	933,869	-	-
Other payables				
- Tenants' deposits	113,500	87,000	-	-
- Accruals	562,134	973,191	40,800	38,600
- Sundry payables	37,897	33,287	-	4,346
	713,531	1,093,478	40,800	42,946
Total trade and other payables (Note 35)	9,448,593	2,027,347	40,800	42,946

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2022: 30 to 90 days)

(b) Other payables

Other payables are non-interest bearing. Other payables are normally settled on average terms of 30 to 90 days (2022: 30 to 90 days).

20. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customer				
- Sale of pesticides products	49,787,233	76,415,365	-	-
Revenue from other sources				
- Dividend income				
- Subsidiary	-	-	4,050,000	4,500,000
- Investment	219,857	142,857	219,857	142,857
- Rental income	133,900	48,000	-	-
	50,140,990	76,606,222	4,269,857	4,642,857

The sale of pesticides products are recognised at a point of time and denominated in one segment (Note 31 to the Financial Statements).

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Gain on disposal of property, plant and equipment	197,369	4,576,715	-	-
Gain on foreign exchange				
- realised	1,718,683	974,896	-	-
- unrealised	20,306	182,660	-	-
Interest income from financial assets measured at amortised cost				
- Short term cash investments	673,906	350,346	80,665	56,170
- Bank deposits	18,416	420	-	-
Rental income	262,000	232,000	-	-
Sundry income	144,097	97,127	-	-
Other income	56,779	103,461	47	-
	<u>3,091,556</u>	<u>6,517,625</u>	<u>80,712</u>	<u>56,170</u>

22. FINANCE COST

	Group	
	2023 RM	2022 RM
Interest expenses on:		
Term loan	111,649	104,836

23. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax (other than those disclosed in Note 20, 21 and Note 22 to the Financial Statements) :

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Employee benefits expense (Note 24)	6,226,827	6,209,755	26,000	25,500
Non-Executive Directors' remuneration (Note 25)	125,000	120,000	125,000	120,000
Auditors' remuneration				
- statutory audit	89,998	105,254	40,000	40,000
- under-provision in prior year	4,261	5,000	2,000	5,000
- others	3,000	3,000	3,000	3,000
Impairment loss on trade receivables -net (Note 10)	9,148	57,676	-	-
Depreciation of property, plant and equipment (Note 4)	1,235,718	1,254,628	-	-
Depreciation of investment properties (Note 5)	240,445	239,582	-	-
Inventories written-off	-	330,767	-	-
Inventories written down	280,440	1,271,923	-	-
Impairment loss – asset held-for-sale	-	-	-	10,220,000
Property, plant and equipment written-off (Note 4)	22	4	-	-
Lease expenses not capitalised in lease liabilities				
- short term leases	8,630	13,380	-	-
(Gain)/Loss on foreign exchange				
- unrealised	796	1,633	-	-
- realised	(521,219)	(456,121)	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries, bonuses and allowances	5,457,240	5,481,988	26,000	25,500
Social security contribution	56,720	48,282	-	-
Contributions to defined contribution plan	712,773	679,304	-	-
Other benefits	94	181	-	-
	<u>6,226,827</u>	<u>6,209,755</u>	<u>26,000</u>	<u>25,500</u>

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,865,900 (2022: RM1,865,400) and RM26,000 (2022: RM25,500) respectively as further disclosed in Note 25.

25. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive:				
- Salaries and other emoluments	1,472,000	1,471,500	2,000	1,500
- Fees	144,000	144,000	24,000	24,000
- Contributions to defined contribution plan	249,900	249,900	-	-
	<u>1,865,900</u>	<u>1,865,400</u>	<u>26,000</u>	<u>25,500</u>
Non-Executive:				
- Fees	117,000	114,000	117,000	114,000
- Others	8,000	6,000	8,000	6,000
	<u>1,990,900</u>	<u>1,985,400</u>	<u>151,000</u>	<u>145,500</u>
Benefits-in-kind	23,950	23,950	-	-
	<u>2,014,850</u>	<u>2,009,350</u>	<u>151,000</u>	<u>145,500</u>

26. INCOME TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:				
Malaysian income tax				
- Continuing operations	882,000	2,724,300	-	-
Real property income tax				
- Continuing operations	-	416,273	-	-
Under/(Over) - provision in prior year				
- Continuing operations	154,719	(92,919)	-	-
- Discontinued operations	-	14,488	-	-
	<u>1,036,719</u>	<u>3,062,142</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. INCOME TAX EXPENSE (continued)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax :				
Relating to origination and reversal of temporary differences				
- Continuing operations (Note 8)	(64,000)	72,000	-	-
	(64,000)	72,000	-	-
TOTAL	972,719	3,134,142	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax expenses is attributable to:				
- Continuing operations	972,719	3,119,654	-	-
- Discontinued operations (Note 13)	-	14,488	-	-
	972,719	3,134,142	-	-

A reconciliation of income tax expense applicable to profit/(loss) 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax				
- Continuing operations	2,527,182	15,635,147	3,900,626	(5,967,709)
- Discontinued operations	241,870	(10,315,269)	-	-
	2,769,052	5,319,878	3,900,626	(5,967,709)
Taxation at Malaysian statutory tax rate of 24%	664,572	1,276,771	936,150	(1,432,250)
Expenses not deductible for tax purposes	481,342	2,829,417	107,987	2,560,017
Income not subject to tax	(223,355)	(230,334)	(1,044,137)	(1,127,767)
Expenditure qualified for double deduction	-	(1,525)	-	-
Different tax rates in real property gain tax	-	(668,160)	-	-
Under/(Over) - provision of tax expense in prior year	154,719	(78,431)	-	-
Utilisation of reinvestment allowances	(13,500)	(16,392)	-	-
Tax effect of unrecognised deferred tax asset	(91,059)	22,796	-	-
Tax expense for the year	972,719	3,134,142	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated based on the profit/(loss) 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.

	Continuing operations		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022
Profit/(Loss) after tax attributable to owners of the Company (RM)	1,554,463	12,515,493	241,870	(10,329,757)	1,796,333	2,185,736
Weighted average number of ordinary shares in issue	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Basic earnings per share (sen)	1.94	15.64	0.30	(12.91)	2.24	2.73

(b) Diluted

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

28. DIVIDENDS

	Group and Company	
	2023 RM	2022 RM
For financial year ended 30 June 2021:		
- A first and final single tier dividend of 3.5 sen per share paid on 20 January 2022	-	2,800,000
For financial year ended 30 June 2022:		
- A first and final single tier dividend of 3.5 sen per share paid on 16 January 2023	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 ordinary share in respect of the financial year ended 30 June 2023 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 2024.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Dividend income from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,050,000	4,500,000
Sales to entity controlled by key management personnel - IMP Biotech Sdn. Bhd.	1,501,062	4,921,465	-	-
Rental income from entity controlled by key management personnel - IMP Biotech Sdn. Bhd.	6,000	6,000	-	-
Purchase from entity controlled by key management personnel - IMP Biotech Sdn. Bhd.	663,200	127,735	-	-

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.

(b) Related party balances

The significant related party balances as at financial year end are as follow :-

	Group	
	2023 RM	2022 RM
<u>Trade receivable</u> IMP Biotech Sdn. Bhd.	51,676	1,561,308

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term employee benefits	3,019,291	2,983,218	151,000	145,500
Post-employment benefits - Defined contribution plan	376,501	391,734	-	-
	<u>3,395,792</u>	<u>3,374,952</u>	<u>151,000</u>	<u>145,500</u>

Other members of key management personnel comprise persons other than Directors, 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' remuneration (Note 25)	<u>1,990,900</u>	<u>1,985,400</u>	<u>151,000</u>	<u>145,500</u>

30. CONTINGENT LIABILITIES/FINANCIAL GUARANTEE

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Unsecured: Corporate guarantee given to a licensed bank for credit facilities granted to subsidiary companies	<u>-</u>	<u>-</u>	<u>4,675,000</u>	<u>4,675,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. 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 (2022)
- (iii) Bulgaria
- (iii) Others: these consist of segments which cover mainly Australia, Cambodia, China, Lebanon, Russia, Singapore, Taiwan, Vietnam, Philippines, Indonesia (2023) and New Zealand which individually fall below the 10% threshold of a reportable segment

	Malaysia RM	Bulgaria RM	Others RM	Elimination RM	Total RM
Group					
At 30 June 2023					
Segment revenue:					
Sales to external customers					
- sales	38,991,942	5,792,320	5,002,971	-	49,787,233
- rental income	133,900	-	-	-	133,900
- dividend income	219,857	-	-	-	219,857
Inter-segment sales	5,610,347	-	-	(5,610,347)	-
	<u>44,956,046</u>	<u>5,792,320</u>	<u>5,002,971</u>	<u>(5,610,347)</u>	<u>50,140,990</u>
Profit before tax					2,527,182
Income tax expense					<u>(972,719)</u>
Profit for the year					<u>1,554,463</u>
At 30 June 2022					
Segment revenue:					
Sales to external customers					
- sales	53,508,011	11,914,847	10,992,507	-	76,415,365
- rental income	48,000	-	-	-	48,000
- dividend income	142,857	-	-	-	142,857
Inter-segment sales	6,061,422	-	-	(6,061,422)	-
	<u>59,760,290</u>	<u>11,914,847</u>	<u>10,992,507</u>	<u>(6,061,422)</u>	<u>76,606,222</u>
Profit before tax					15,635,147
Income tax expense					<u>(3,119,654)</u>
Profit for the year					<u>12,515,493</u>

There is one (2022: Nil) major customer with revenue equals or more than 10 percent over the Group's total revenue. country other than Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. OPERATING SEGMENTS (continued)

There are no segment results, assets and capital expenditure 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 business segment involving manufacturing and trading of mosquito coils, disinfectants and household insecticides is not substantial for disclosure.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its interest rate risks, liquidity risk, credit risk and foreign currency risk. The Board reviews 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 and the Company'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 and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company'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 loan and borrowings which bears 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 before tax would have been RM23,729 (2022: RM26,838) higher/lower, arising mainly as a result of lower/higher interest expense on the floating rate of loan and borrowings.

The excess funds of the Group are invested in bank deposits and other short term instruments. The Group manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 100 basis points, interest income of the Group for the financial year would increase/decrease by RM303,749 (2022: RM55,898).

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company'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 and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Group							
2023							
Financial liabilities:							
Trade and other payables (Note 19)	9,448,593	-	9,448,593	9,448,593	-	-	-
Loan and borrowings (Note 18)	2,372,921	4.42	2,694,063	392,726	381,350	1,075,793	844,194
	<u>11,821,514</u>		<u>12,142,656</u>	<u>9,841,319</u>	<u>381,350</u>	<u>1,075,793</u>	<u>844,194</u>
2022							
Financial liabilities:							
Trade and other payables (Note 19)	2,027,347	-	2,027,347	2,027,347	-	-	-
Loan and borrowings (Note 18)	2,683,764	3.69	3,103,733	404,751	393,375	1,111,867	1,193,740
	<u>4,711,111</u>		<u>5,131,080</u>	<u>2,432,098</u>	<u>393,375</u>	<u>1,111,867</u>	<u>1,193,740</u>
Company							
2023							
Financial liabilities:							
Other payables (Note 19)	40,800	-	40,800	40,800	-	-	-
2022							
Financial liabilities:							
Other payables (Note 19)	42,946	-	42,946	42,946	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. 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 minimises 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.

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's and the Company's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group and the Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than one year past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment. The loss allowance provision is determined as follows, the expected credit losses below also incorporate forward looking information.

Group	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	More than 61 days past due RM	Total RM
30 June 2023					
Gross carrying amount	12,526,290	158,865	14,014	421,864	13,121,033
Loss allowance provision	(154,954)	(42,995)	(5,692)	(421,864)	(625,505)
30 June 2022					
Gross carrying amount	12,155,335	18,660	2,770,879	293,877	15,238,751
Loss allowance provision	(62,929)	(2,253)	(283,937)	(293,877)	(642,996)

Information regarding loss allowance movement of trade receivables are disclosed in Note 10 to the Financial Statements.

(ii) Amount due from related parties/other receivables

The Group consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Other financial assets

Cash and cash equivalents are subject to immaterial credit loss.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by four (4) (2022: 10) customers which constituted approximately 62% (2022: 67%) 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:	Group	
	2023 RM	2022 RM
Malaysia	6,058,131	10,288,098
Vietnam	226,021	490,600
Indonesia	-	3,304,341
Lebanon	-	708,367
Bulgaria	5,792,320	-
Taiwan	499,079	-
Others	545,482	447,345
	<u>13,121,033</u>	<u>15,238,751</u>

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or a future cash flow 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), Singapore Dollars (SGD) and Chinese Yuan Dollars (CNY). 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)

32. 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	SGD RM	CNY RM	TOTAL RM
At 30 June 2023					
Cash and bank balances	2,292,958	1,030,869	547,558	-	3,871,385
Trade receivables	1,616,842	-	-	5,829,360	7,446,202
Trade payables	(2,511,850)	-	-	(5,766,316)	(8,278,166)
	<u>1,397,950</u>	<u>1,030,869</u>	<u>547,558</u>	<u>63,044</u>	<u>3,039,421</u>
At 30 June 2022					
Cash and bank balances	9,862,702	1,692,914	504,842	-	12,060,458
Trade receivables	5,748,507	-	-	-	5,748,507
Trade payables	(516,301)	-	-	-	(516,301)
	<u>15,094,908</u>	<u>1,692,914</u>	<u>504,842</u>	<u>-</u>	<u>17,292,664</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	2023	2022
	Increase/ (Decrease) RM	Increase/ (Decrease) RM
USD		
- Strengthened by 5%	69,898	754,745
- Weakened by 5%	(69,898)	(754,745)
AUD		
- Strengthened by 5%	51,543	84,646
- Weakened by 5%	(51,543)	(84,646)
SGD		
- Strengthened by 5%	27,378	25,242
- Weakened by 5%	(27,378)	(25,242)
CNY		
- Strengthened by 5%	3,152	-
- Weakened by 5%	(3,152)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. 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 borrowings of the Group and of the Company at the financial year end approximate 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 2023 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.

33. OPERATING LEASE ARRANGEMENTS/LEASES – THE GROUP AS A LESSOR

The Group had leased out its property, plant and equipment and investment properties to third parties for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follow: -

	Group	
	2023 RM	2022 RM
Not later than 1 year	459,730	161,400
Between 1 to 2 years	451,330	129,600
Between 2 to 3 years	34,500	137,160
	945,560	428,160

34. 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 make 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 2022 and 30 June 2023.

The Group monitors capital using a gearing ratio, which is total net debt 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)

35. FINANCIAL INSTRUMENTS

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

	Note	Financial assets at amortised cost			
		Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade and other receivables	10	13,622,131	16,032,872	20,049,486	20,473,894
Less: Prepayment		(468,575)	(508,845)	-	-
		<u>13,153,556</u>	<u>15,524,027</u>	<u>20,049,486</u>	<u>20,473,894</u>
Cash and bank balances	12	51,008,198	37,444,888	3,031,402	1,508,514
Total		<u>64,161,754</u>	<u>52,968,915</u>	<u>23,080,888</u>	<u>21,982,408</u>

	Note	Financial assets at fair value through other comprehensive income			
		Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Investment	7	8,147,785	8,292,821	8,147,785	8,292,821
		<u>8,147,785</u>	<u>8,292,821</u>	<u>8,147,785</u>	<u>8,292,821</u>

	Note	Financial Liabilities at amortised cost			
		Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade and other payables	19	9,448,593	2,027,347	40,800	42,946
Loan and borrowings	18	2,372,921	2,683,764	-	-
Total		<u>11,821,514</u>	<u>4,711,111</u>	<u>40,800</u>	<u>42,946</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. MATERIAL LITIGATION

Vietnam Pesticide Joint Stock Company (“Vipesco”), being the other shareholder with 50% equity interest in Mosfly Vietnam Industries Co., Ltd. (“MVI”) has taken legal action against Mosfly International Sdn. Bhd. (“MISB”).

Vipesco’s claims requires MISB to pay 50% of the amount of damage incurred to MVI which is VND9,207,806,980 (RM1,823,146), due to MISB not complying with the MVI Charter.

The case is currently awaiting trial. Based on legal advice sought by the Board, Vipesco is unlikely to succeed in their claims. Therefore, no provision has been made for potential losses that may arise from the claims.

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 23 August 2023.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO PARAGRAPH 9.25(1) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Group and the Company respectively for the financial year ended 30 June 2022 were as follows:

	Company RM	Group RM
Statutory audit fee paid/payable to:		
- HLB Ler Lum Chew PLT	40,000	94,998
Non-audit fee paid/payable to:		
- HLB Ler Lum Chew PLT	3,000	3,000
- Firms or corporations affiliated to HLB Ler Lum Chew PLT	-	-
	3,000	3,000
Total	43,000	97,998

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 2023.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE ("RRPT")

The Company had at the 18th Annual General Meeting of the Company held on 16 November 2022 obtained shareholders' mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming 19th Annual General Meeting. The Company intends to seek shareholders' mandate in respect of RRPT of the Group at the forthcoming 19th AGM of the Company. The details of the mandate RRPT transacted during the financial year ended 30 June 2023 are as follows:-

Transacting parties				
Imaspro Group	Related party	Nature of relationship	Nature of transaction	Actual Value transacted (RM'000)
Imaspro and its subsidiaries	IMP Biotech or its affiliates	Tong Chin Hen is a Director and Major Shareholder of Imaspro. He is also a Major Shareholder holding 99.96% shareholdings of IMP Biotech	Sale and supply of Vector control and other pest Control related Finished products.	1,501

PROPERTIES OF THE GROUP

AS AT 30 JUNE 2023

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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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	39	119	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	39	119	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	39	541	21 May 2004
H.S.(D) 268621 Lot No. P.T. 27861 Mukim Bukit Raja Daerah Petaling State of Selangor 2A, Jalan Setia Dagang AK, U13/AK, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan	3-storey Semi Detached Shop Office/Rented out	Land area: 7,804 Built-up area: 7,350	Freehold	7	5,302	15 February 2017

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2023

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	35	3,608	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	41	4,724	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	9	3,136	20 November 2014

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2023

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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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 / Rented out	Built-up area: 11,076	Leasehold interest (Master Title)	8	5,496	26 March 2015
No. BP-33A, Jalan BPD 1, Business Park D'Alpinia , 47100 Puchong, Selangor Darul Ehsan						
H.S.D 524538 P.T.D 167010, Mukim Tebrau District of Johor Bahru	2-storey Semi Detached Cluster Factory / Rented out	Land area: 8,073 Built-up area: 2,436	Freehold	7	1,971	15 August 2016
No 1, Jalan Perniagaan Setia ½, Taman Perniagaan Setia, 81100 Johor Bahru						

PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2023

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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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	21	1,876	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)

AS AT 30 JUNE 2023

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	9	3,898	24 December 2014
No.12, Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan						

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 21 SEPTEMBER 2023

Total Number of Issued Shares	:	80,000,000 ordinary shares
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 21 SEPTEMBER 2023

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 99	16	2.797	200	0.00
100 – 1,000	284	49.650	73,500	0.091
1,001 – 10,000	112	19.580	476,200	0.595
10,001 – 100,000	116	20.279	4,624,908	5.781
100,001 – 3,999,999 (*)	43	7.517	40,878,128	51.097
4,000,000 and above (**)	1	0.174	33,947,064	42.433
Grand total	572	100.00	80,000,000	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 21 SEPTEMBER 2023

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Yu Kuan Chon	11,456,004	14.32	1,090,300##	1.36
Tong Chin Hen	6,940,000	8.68	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 21 SEPTEMBER 2023

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Tong Chin Hen	6,940,000	8.68	33,947,064#	42.43
Chan Weng Fui	1,273,300	1.59	-	-
Chen Sung Fang	-	-	-	-
Datuk Captain Hamzah Bin Mohd Noor	-	-	-	-
Chan Kim Hing	-	-	-	-
Ooi Ming Chu	100	-	-	-

Deemed interest through Swiss Revenue Sdn. Bhd.

SHAREHOLDERS' INFORMATION (continued)

LIST OF TOP 30 HOLDERS AS AT 21 SEPTEMBER 2023

No.	Name of Shareholders	No. of shares held	%
1.	SWISS REVENUE SDN BHD	33,947,064	42.433
2.	TONG SIEW LING	3,445,190	4.306
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	3,393,300	4.241
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	3,000,000	3.750
5.	TONG CHIN HEN	2,890,000	3.612
6.	YEO SOO MING ANGELINE	2,600,100	3.250
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	2,559,400	3.199
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TONG CHIN HEN (PB)	2,400,000	3.000
9.	STEPHEN KUEK HOCK ENG	2,274,300	2.842
10.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIEW KOK TZE	2,072,500	2.590
11.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	1,676,300	2.095
12.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TONG CHIN HEN (MY3681)	1,500,000	1.875
13.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KOK TZE (MY3654)	1,416,000	1.770
14.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN WENG FUI (MY3499)	1,243,000	1.553
15.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG KAI MENG	950,000	1.187
16.	AGRIMART SDN BHD	821,800	1.027
17.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	744,200	0.930
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	659,000	0.823
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG PEI YEE	598,000	0.747
20.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN TAT CHOY	588,300	0.735
21.	KU KOOI KHANG	583,538	0.729
22.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON (3002941)	482,800	0.603
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HO SWEE MING	397,000	0.496
24.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH LIONG BOON (M03)	361,800	0.452
25.	NEO KHOON SENG	350,700	0.438
26.	HO SWEE MING	313,100	0.391
27.	HSBC NOMINEES (ASING) SDN BHD SOCIETE GENERALE PARIS	280,000	0.350
28.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON (CEB)	280,000	0.350
29.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHING LEE FONG	279,200	0.349
30.	NGO HEA SING	254,500	0.318
TOTAL		72,361,092	90.451

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth (“19th”) Annual General Meeting of **IMASPRO CORPORATION BERHAD** will be conducted entirely through live streaming from the broadcast venue at Tricor Boardroom, Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (“Broadcast Venue”) on Wednesday, 22 November 2023 at 10.00 a.m. to transact the following businesses:-

AGENDA

Ordinary Business

- | | |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 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 2023. | (Resolution 1) |
| 3. To approve the payment of Directors’ Fees of up to RM175,500 and Benefits of up to RM15,000 for the period commencing on the date immediately after this 19th Annual General Meeting until the next Annual General Meeting of the Company. | (Resolution 2) |
| 4. To re-elect Datuk Captain Hamzah Bin Mohd Noor, who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. | (Resolution 3) |
| 5. To re-elect Tong Chin Hen, who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. | (Resolution 4) |
| 6. To re-elect Ooi Ming Chu, who retires pursuant to Clause 78 of the Company’s Constitution, as Director of the Company. | (Resolution 5) |
| 7. To re-appoint Messrs HLB Ler Lum Chew PLT 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 Resolutions of the Company:-

- | | |
|---|-----------------------|
| 8. Ordinary Resolution
Authority for Chen Sung Fang to Continue in Office as Independent Non-Executive Director
“THAT authority be and is hereby given to Chen Sung Fang who has served as the Independent Non-Executive Director of the Company for a cumulative term of ten years, to continue to serve as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.” | (Resolution 7) |
| 9. Ordinary Resolution
Authority for Chan Weng Fui to Continue in Office as Independent Non-Executive Director
“THAT authority be and is hereby given to Chan Weng Fui who will have served as the Independent Non-Executive Director of the Company for a cumulative term of nine years, to continue to serve as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.” | (Resolution 8) |

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

10. Ordinary Resolution

Proposed Renewal of Shareholders' Mandate for the Company and/or its Subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties

(Resolution 9)

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 1.4 of Part A of the Circular/Statement to Shareholders dated 24 October 2023 ("Related Party") provided that such transactions and/or arrangement are:-

- (i) necessary for the day-to-day operations;
- (ii) undertaken in the ordinary course of business at an arm's length basis and are on normal commercial terms and transaction prices which are not more favourable to the Related Party than those generally available to the public; and
- (iii) not to the detrimental of the minority shareholders of the Company,

("Proposed Renewal of RRPT Mandate").

AND THAT such approval, shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed, at which time, it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised under the Proposed Renewal of RRPT Mandate."

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

11. Ordinary Resolution

Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares

(Resolution 10)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("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 number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution is passed, at which time, the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised 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 Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

12. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Nineteenth 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 2023 will be paid to the shareholders on 16 January 2024. The entitlement date for the said dividend shall be 3 January 2024.

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 3 January 2024 in respect of ordinary transfers;
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
(SSM PC NO. 202008001472)
WONG PEIR CHYUN (MAICSA 7018710)
(SSM PC NO. 202008001742)
Company Secretaries

Kuala Lumpur

Date: 24 October 2023

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

NOTES:

I. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend this Annual General Meeting (“AGM”) in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at this AGM via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“TIIH”) via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 19th AGM in order to participate remotely via RPV facilities.

II. NOTES ON APPOINTMENT OF PROXY

- 1) For the purpose of determining who shall be entitled to participate in this AGM via RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 10 November 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV facilities.
- 2) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
- 3) A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- 4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), 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.
- 6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- 7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 8) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV facilities **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the 19th AGM.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

9) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia.

(ii) By electronic means via TIIH Online

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the 19th AGM on the procedure for electronic lodgement of proxy form via TIIH Online.

10) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

11) Last date and time for lodging the proxy form is Monday, 20 November 2023 at 10.00 a.m.

12) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

13) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

Explanatory Notes on Ordinary Business

1) Agenda item 1 - Audited Financial Statements for the financial year ended 30 June 2023

Agenda item 1 is meant for discussion only as the provisions of Section 340(1)(a) of the Companies Act 2016 do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2) Resolution 2 – Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting.

The Proposed Resolution 2 for the Directors’ Fees and Benefits proposed for the period commencing on the date immediately from this 19th AGM until the date of next AGM are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held from this 19th AGM until the date of next AGM. This resolution is to facilitate payment of Directors’ Fees and Benefits on a current financial year basis. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

3) Resolutions 3, 4 and 5 – Re-election of Directors

Datuk Captain Hamzah Bin Mohd Noor, Tong Chin Hen and Ooi Ming Chu are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 19th AGM.

Please refer to Statement Accompanying Notice of the 19th AGM for further information.

4) Resolution 6 – Re-appointment of Auditors

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs HLB Ler Lum Chew PLT and considered the re-appointment of Messrs HLB Ler Lum Chew PLT as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs HLB Ler Lum Chew PLT has the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board approved the Audit Committee’s recommendation to seek the shareholders’ approval for the re-appointment of Messes HLB Ler Lum Chew PLT as auditors of the Company.

Explanatory Notes on Special Business

5) Resolutions 7 and 8 – Continuing in Office as Independent Non-Executive Directors

The Board had via the Nomination Committee conducted an annual performance evaluation and assessment of Chen Sung Fang and Chan Weng Fui, who will have served the Board as Independent Non-Executive Director (“INED”) for a cumulative term of ten (10) years and nine (9) years respectively. The Board recommended that they shall continue to act as INEDs based on the following justifications:-

- a. They fulfill the criteria under the definition of “Independent Director” as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, they would be able to function as a check and balance, bring an element of objectivity to the Board;
- b. Their tenure with the Company has neither impaired nor compromised their independent judgement and ability to act in the best interest of the Company. They continue to remain objective and are able to exercise their independence judgement in expressing their view and participating in deliberations and decision making of the Board and Board Committee in the best interest of the Company;
- c. They have vast experience in a diverse range of business and have good understanding of the Company’s business operations;

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (continued)

- d. They continue to exercise due care during their tenure as INED of the Company and carry out their professional duties in the interest of the Company and shareholders;
- e. They have devoted sufficient time and commitment to discharge their responsibility and professional obligations as INED; and
- f. They do not have any business dealings with the Company.

6) Resolution 9 – Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature

The proposed Resolution 9, if passed, will allow the Company and/or its subsidiaries to enter into RRPT of a revenue of trading nature, which are necessary for the day-to-day operations of the Company, being in the ordinary course of business and are made at an arm’s length basis and on normal commercial terms which are not detrimental to the interest of the minority shareholders of the Company. Please refer to the Circular/Statement to Shareholders dated 24 October 2023 for further information.

7) Resolution 10 – Proposed Renewal of Share Buy-Back Mandate

The proposed Resolution 10, if passed, will give the Company the authority to purchase its own ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Circular/Statement to Shareholders dated 24 October 2023 for further information.

STATEMENT ACCOMPANYING NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.29(2) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad)

DIRECTORS STANDING FOR ELECTION/RE-ELECTION

As of the date of this notice, there are no individuals who are standing for election or appointment as Directors at this 19th Annual General Meeting ("19th AGM").

The Directors who are standing for re-election at the 19th AGM are Datuk Captain Hamzah Bin Mohd Noor, Mr Tong Chin Hen and Ms Ooi Ming Chu. The profiles of Datuk Captain Hamzah Bin Mohd Noor, Mr Tong Chin Hen and Ms Ooi Ming Chu are set out in pages 7 to 8, 9 and 14 of the Annual Report 2023 and their detail of interest in securities of the Company can be found on page 122.

The Board through its Nomination Committee ("NC") had considered the assessment of the performance and contribution of the retiring Directors from the Board Effectiveness Evaluation conducted for the financial year ended 30 June 2023. In carrying out the assessment, the following factors were also taken into consideration:-

- (i) Fit and proper assessment;
- (ii) contribution and performance; and
- (iii) calibre and personality.

Based on the outcome of the assessment, the Board and the NC agreed that the retiring Directors meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board (save for Datuk Captain Hamzah Bin Mohd Noor, Mr Tong Chin Hen and Ms Ooi Ming Chu, who have abstained from deliberation on discussions relating to their own re-election at the Board meeting) approved and supported the re-election of Datuk Captain Hamzah Bin Mohd Noor, Mr Tong Chin Hen and Ms Ooi Ming Chu as Directors as the Board believes Datuk Captain Hamzah Bin Mohd Noor, Mr Tong Chin Hen and Ms Ooi Ming Chu have discharged their duties and responsibilities effectively, demonstrated commitment to their role, and will continue to make a strong contribution to the work of the Board and to the long-term sustainable success of the Company.

ADMINISTRATIVE GUIDE FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”)

Date	:	Wednesday, 22 November 2023
Time	:	10.00 a.m.
Broadcast Venue	:	Tricor Boardroom, Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (“Broadcast Venue”)
Meeting Platform	:	TIIH Online, provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website, https://tiih.online (Domain registration number with MYNIC: D1A282781)

1. MODE OF MEETING

The Company’s 19th AGM will be conducted entirely virtual through live streaming from the Broadcast Venue.

The Broadcast Venue of the 19th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxy(ies) **WILL NOT BE ALLOWED** to attend the 19th AGM in person at the Broadcast Venue on the day of the meeting.

2. SHAREHOLDERS’ PARTICIPATION AT THE 19TH AGM VIA REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 19th AGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”).

The RPV facilities are available on Tricor’s TIH Online website at <https://tiih.online>.

We **strongly encourage** you to participate the 19th AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 19th AGM.

Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

ADMINISTRATIVE GUIDE FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”) (continued)

3. PROCEDURES FOR RPV VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 19th AGM using the RPV facilities:

PROCEDURE	ACTION
BEFORE THE 19TH AGM DAY	
(a) Register as a user with TIH Online	<ul style="list-style-type: none"> Using your computer, access to website at https://tiah.online. Register as a user under the “e-Services” by selecting “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via email. If you are already a user with TIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIH Online.
(b) Submit your request to attend 19th AGM remotely	<ul style="list-style-type: none"> Registration is open from Tuesday, 24 October 2023 up to the day of the 19th AGM on Wednesday, 22 November 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 19th AGM to ascertain their eligibility to participate the 19th AGM using the RPV facilities. Login with your user ID (i.e. e-mail address) and password and select the corporate event: “(REGISTRATION) IMASPRO 19TH AGM”. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 10 November 2023, the system will send you an e-mail after 20 November 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIH Online and registration for the RPV.)</i></p>
ON THE DAY OF THE 19TH AGM	
(a) Login to TIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 19th AGM at any time from 9.00 a.m., i.e. an hour before the commencement of the 19th AGM on Wednesday, 22 November 2023 at 10.00 a.m.
(b) Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAMING MEETING) IMASPRO 19TH AGM” to engage in the proceedings of the 19th AGM remotely. If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavor to respond to questions submitted by remote participants during the 19th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

ADMINISTRATIVE GUIDE FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”) (continued)

3. PROCEDURES FOR RPV VIA RPV FACILITIES (continued)

PROCEDURE	ACTION
(c) Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 10.00 a.m. on Wednesday, 22 November 2023 until a time when the Chairman announces the end of the voting session of the 19th AGM. Select the corporate event: “(REMOTE VOTING) IMASPRO 19TH AGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(d) End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 19th AGM, the live streaming will end.

Note to users of the RPV facilities:

- Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-4080 5616/ 011-4080 3168/ 011-4080 3169/ 011-4080 3170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

4. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as at 10 November 2023 shall be eligible to participate in the 19th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to participate and vote on his/her behalf.

In view that the 19th AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

If you wish to participate in the 19th AGM yourself, please do not submit any Form of Proxy for the 19th AGM. You will not be allowed to participate in the 19th AGM together with a proxy appointed by you.

Accordingly, proxy forms and/or documents relating to the appointment of proxy/ corporate representative/ attorney for the 19th AGM, whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 20 November 2023 at 10.00 a.m.**

- In hard copy form:
 - By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or
 - By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com.

ADMINISTRATIVE GUIDE FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”) (continued)

4. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY (continued)

(ii) By electronic means via TIIH Online

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

PROCEDURE	ACTION
i. Steps for Individual Shareholders	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: “IMASPRO 19TH AGM – SUBMISSION OF PROXY FORM” Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(ies) appointment. Print proxy form for your record.

ADMINISTRATIVE GUIDE FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”) (continued)

4. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY (continued)

PROCEDURE	ACTION
ii. Steps for Corporation or Institutional Shareholders	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online • Select the corporate exercise name: “IMASPRO 19TH AGM – SUBMISSION OF PROXY FORM”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate exercise name: “IMASPRO 19TH AGM – SUBMISSION OF PROXY FORM”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”) (continued)

5. VOTING AT MEETING

The voting at the 19th AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The Company has appointed Tricor to conduct the poll voting electronically (“e-voting”) via Tricor e-Vote application (“Tricor e-Vote App”) and Asia Securities Sdn Berhad as Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the 19th AGM at 10.00 a.m. Kindly refer to **“Procedures to Remote Participation and Voting via RPV Facilities”** provided above for guidance on how to vote remotely via TIH Online.

6. RESULTS OF THE VOTING

The resolutions proposed at the 19th AGM and the results of the voting will be announced at the 19th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

7. PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The Board recognises that the 19th AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 19th AGM, shareholders may in advance, before the 19th AGM, submit questions to the Board of Directors via Tricor’s TIH Online website at <https://tiah.online>, by selecting “e-Services” to login, pose your questions and submit electronically no later than **Monday, 20 November 2023 at 10.00 a.m.** The Board of Directors will endeavour to address the questions received at the 19th AGM.

8. ANNUAL REPORT AND CIRCULAR/STATEMENT TO SHAREHOLDERS

The Annual Report and Circular/Statement to Shareholders are available on the Company’s website at www.imaspro.com and Bursa Malaysia’s website at www.bursamalaysia.com under Company’s announcements.

You may request for a printed copy of the Annual Report and/or the Circular/Statement to Shareholders at <https://tiah.online> by selecting **“Request for Annual Report / Circular”** under the “Investor Services”.

Kindly consider the environment before you decide to request for the printed copy of the Annual Report / Circular/Statement to Shareholder. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

9. NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the 19th AGM since the meeting is being conducted on a virtual basis.

10. ENQUIRY

If you have any enquiries on the above, please contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line / Fax No. : +603 - 2783 9299 / +603 - 2783 9222
Email : is.enquiry@my.tricorglobal.com



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia) Registration No. 200401019024 (657527-H)

PROXY FORM

CDS account no.

No. of shares held

I/We _____ Tel _____
[Full name in block as per NRIC/Passport, NRIC/Passport/Company No.]

of _____
[Address]

being member(s) of **Imaspro Corporation Berhad**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings No. of Shares	%
Address			

and

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Nineteenth Annual General Meeting of the Company, which will be conducted entirely through live streaming from the broadcast venue at Tricor Boardroom, Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("Broadcast Venue") on **Wednesday, 22 November 2023 at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:-

RESOLUTION	DESCRIPTION OF RESOLUTION	FOR	AGAINST
1	Approval on a first and final single tier dividend of 3.5 sen per share, for the financial year ended 30 June 2023.		
2	Approval on the payment of Directors' Fees and Benefits for the period commencing on the date immediately after this 19th Annual General Meeting until the next Annual General Meeting of the Company.		
3	Re-election of Datuk Captain Hamzah Bin Mohd Noor as Director		
4	Re-election of Tong Chin Hen as Director		
5	Re-election of Ooi Ming Chu as Director		
6	Re-appointment of Messrs HLB Ler Lum Chew PLT as Auditors		
7	Authority for Chen Sung Fang to continue in Office as Independent Non-Executive Director.		
8	Authority for Chan Weng Fui to continue in Office as Independent Non-Executive Director.		
9	Proposed Renewal of Shareholders' Mandate for the Company and/or its Subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10	Proposed Renewal of Shareholders' Mandate for the Authority to the Company to purchase its own Shares of up to ten per centum (10%) of the Total Number of Issued Shares		

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

Signed this _____ day of _____ 2023

Signature*
Member

^ Delete whichever is not applicable

* Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



NOTES:

I. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend this Annual General Meeting (“AGM”) in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at this AGM via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“TIIH”) via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 19th AGM in order to participate remotely via RPV facilities.

II. NOTES ON APPOINTMENT OF PROXY

- 1) For the purpose of determining who shall be entitled to participate in this AGM via RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 10 November 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV facilities.
- 2) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
- 3) A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- 4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), 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.
- 6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- 7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 8) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV facilities **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the 19th AGM.



IMASPRO CORPORATION BERHAD

(Incorporated in Malaysia) Registration No. 200401019024 (657527-H)

- 9) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
- (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia.
 - (ii) By electronic means via TIH Online

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the 19th AGM on the procedure for electronic lodgement of proxy form via TIH Online.
- 10) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 11) Last date and time for lodging the proxy form is Monday, 20 November 2023 at 10.00 a.m.
- 12) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 13) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

THE SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

[REGISTRATION NO. 197101000970 (11324-H)]

UNIT 32-01, LEVEL 32, TOWER A, VERTICAL BUSINESS SUITE,
AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI,
59200 KUALA LUMPUR, MALAYSIA

FIRST FOLD HERE

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

JIRP.P/0522/295



IMASPRO CORPORATION BERHAD

[Registration No. 200401019024 (657527-H)]

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

Tel: +(603) 3343 1633 Fax: +(603) 3343 1868

E-mail: imaspro@imaspro.com Website: www.imaspro.com