

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

ANNUAL REPORT  
**2021**



**IMASPRO CORPORATION BERHAD**

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



# EX-TINGO<sup>®</sup>

## PADI

PERANGSANG TANAMAN  
植物增強劑



Mengurangkan risiko penyakit  
降低疾病的風險



Without  
Ex-Tingo

Ex-Tingo

Meningkat hasil tanaman  
提高產量



IMASPRO RESOURCES SDN. BHD. (100955-M)

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ANNUAL REPORT  
**2021**

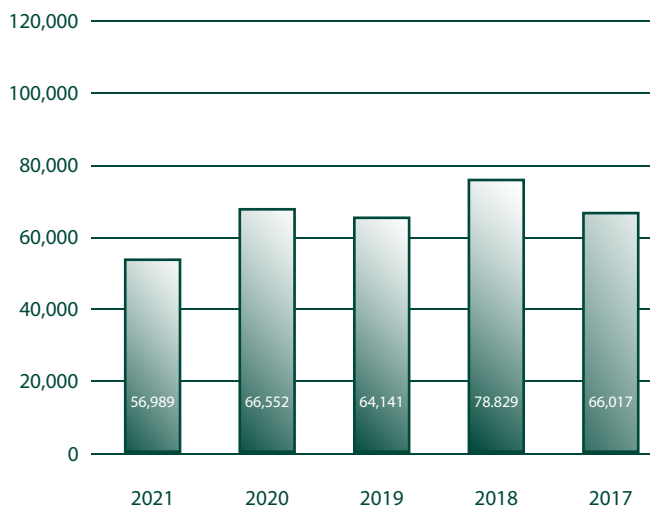
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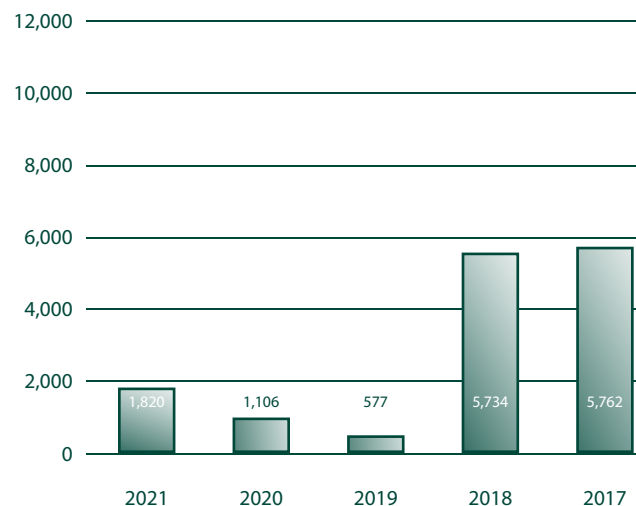
# GROUP FINANCIAL HIGHLIGHTS

(for financial year ended 30 June)

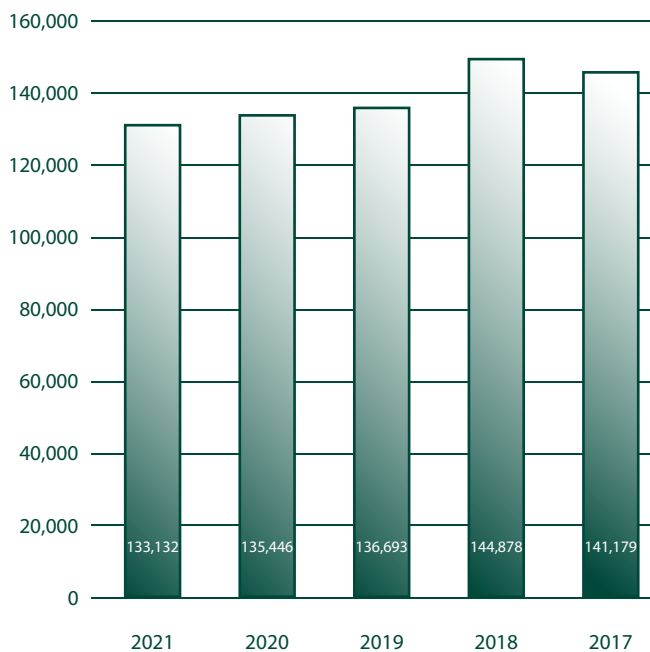
## REVENUE (RM'000)



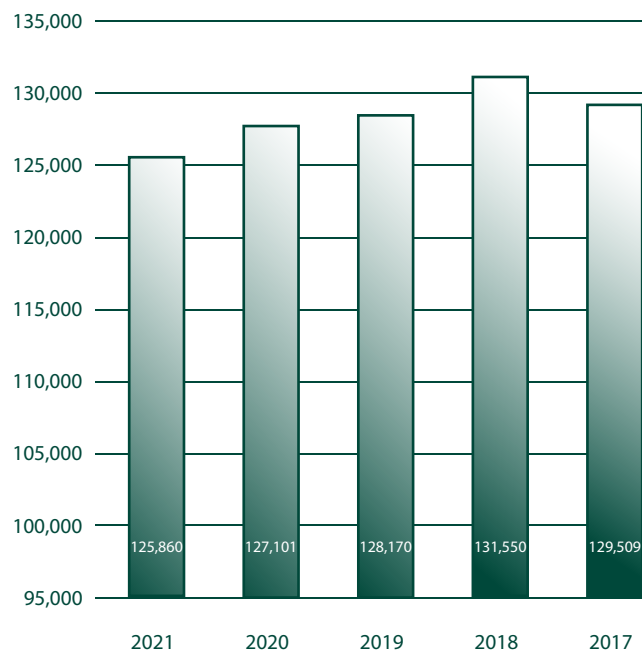
## PROFIT AFTER TAXATION (RM'000)



## TOTAL ASSETS (RM'000)



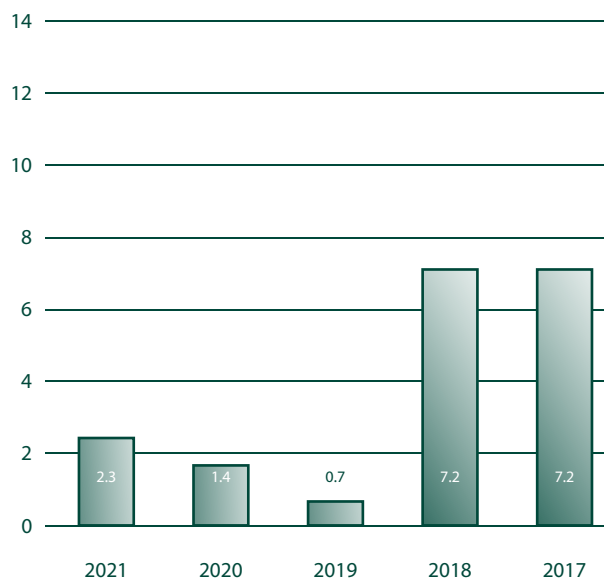
## SHAREHOLDERS' EQUITY (RM'000)



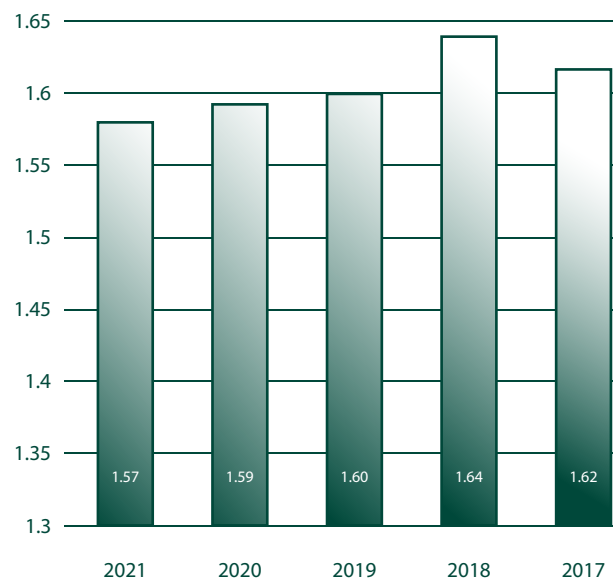
# GROUP FINANCIAL HIGHLIGHTS

(for financial year ended 30 June)

## EARNINGS PER SHARE (SEN)



## NET ASSETS PER SHARE (RM)



		2021	2020	2019	2018	2017
<b>Statements of Comprehensive Income</b>						
Revenue	<b>RM'000</b>	56,989	66,522	64,141	78,829	66,017
Profit before taxation	<b>RM'000</b>	7,970	4,769	4,198	9,148	8,098
Profit after taxation	<b>RM'000</b>	1,820	1,106	577	5,734	5,762
Profit attributable to owners of the parent	<b>RM'000</b>	1,820	1,106	577	5,734	5,762
Gross dividend paid	<b>RM'000</b>	2,800	2,800	2,800	2,800	2,800
<b>Statements of Financial Position</b>						
Total assets	<b>RM'000</b>	133,132	135,446	136,693	144,878	141,179
Share capital	<b>RM'000</b>	42,857	42,857	42,857	42,857	42,857
Shareholders' equity	<b>RM'000</b>	125,860	127,101	128,170	131,550	129,509
<b>Financial Ratios</b>						
Return on equity	%	1.4	0.9	0.5	4.4	4.4
Earnings per share	<b>sen</b>	2.3	1.4	0.7	7.2	7.2
Gross dividend per share	<b>sen</b>	3.5	3.5	3.5	3.5	3.5
Net asset per share	<b>RM</b>	1.57	1.59	1.60	1.64	1.62

# CHAIRMAN'S STATEMENT



Financial Year (“FY”) 2021 was another challenging year filled with unprecedented challenges. As we faced the threat of the highly disruptive COVID-19 pandemic, which began in early 2020, millions have been affected at unprecedented scale globally across almost all industries and sectors. Although the outlook for FY2022 remains largely uncertain, the ramping up of vaccination programmes and the easing of movement restrictions in Malaysia may provide increasing optimism for a sustained economic recovery moving forward.



**Datuk Captain Hamzah Bin Mohd Noor**  
Chairman

Dear Fellow Shareholders

On behalf of the Board of Directors, I am pleased and honoured to present the Annual Report and Audited Financial Statements of Imaspro Corporation Berhad (“ICB”) for the financial year ended 30 June 2021.

Looking back, FY2021 was another challenging year filled with unprecedented challenges. With the threat of the COVID-19 pandemic globally, we have seen governments around the world implementing lockdowns in a bid to keep infection rates under control. We see societies learning many ‘new normals’ such as face masking and hand sanitising, while social distancing has become a part of our daily lives. We have also seen travel plans being put on hold indefinitely, workers transitioning to working from home, and students learning through virtual environments. Quarantines and lockdowns were amongst some of the most commonly used terms in our daily conversations, and the list goes on.

As mentioned in my previous year’s statement, the impact of the Movement Control Order (“MCO”) implemented by the Malaysian Government since 18 March 2020 was immediately felt and the economy went to a complete stop. Only industries recognised as essential were allowed to continue operating. Conditional MCO and Recovery MCO have then been implemented throughout the first half of FY2021. Due to the rising number of COVID-19 infections in Malaysia, the Malaysian Government re-implemented the MCO which came into effect on 13 January 2021 (“MCO 2.0”). During this period, only selected sectors of the economy were allowed to operate, subject to certain restrictions and compliance to standard operating procedures. As ICB Group was one of the selected sectors that were allowed to operate, the operations and business activities have not been significantly impacted by the implementation of MCO 2.0.

As of the end of August 2021, according to the official announcement made by Kementerian Kesihatan Malaysia (“KKM”), there has been more than 1.7 million people who are being tested positive with COVID-19, with more than 16,000 fatalities. Meanwhile, according to the COVID-19 Vaccine Supply Access Guarantee Special Committee, more than 60% of Malaysia’s adult population have completed two doses of the COVID-19 vaccination as of the end of August 2021. With the acceleration of the national vaccination programme, this may provide some optimism for a sustained economic recovery moving forward.

# CHAIRMAN'S STATEMENT (continued)

## HOW WE DID IN FY2021?

ICB Group has registered revenue of RM57.0 million for the FY2021 (FY2020: RM66.5 million). While revenue for FY2021 has dropped by RM9.5 million or 14.3% from the last financial year, ICB Group recorded a profit before tax of RM7.97 million for FY2021 (FY2020: RM4.77 million), an improvement of RM3.2 million or 67% over last year. The softer revenue is mainly due to lower contribution from the export market, partially cushioned by an increase in domestic market sales. Sales from the export market have deteriorated by RM19.8 million or 58.4%, while sales from the domestic market have registered a 27% improvement, translating to an increase of RM10.7 million as compared with FY2020.

Overall, ICB Group's performance for FY2021 remains positively encouraging despite the various 'on and off' national lockdowns implemented in Malaysia as well as the rest of the world. Our rapid response and agility in handling the pandemic, in addition to our well executed marketing strategy will augur well in steering ICB Group through the constantly changing, challenging and highly competitive environment.

There will be considerable uncertainty over the scale and duration of the impacts arising from this COVID-19 pandemic. Nonetheless, we will keep our stakeholders informed proactively through announcements with Bursa Malaysia as well as our corporate website. I am proud of our strong and capable management team, who has worked tirelessly in steering ICB Group through these challenging times, keeping our employees engaged and focused, whilst always putting the health and safety of our people as a key priority.

On a different note, the seasonal and recurring outbreaks of dengue continue to challenge the healthcare system in Malaysia, which has already been overwhelmed by the ongoing surges in COVID-19 infections. Dengue continues to be a major public health concern in Malaysia. In the absence of an effective vaccine against dengue with no specific treatment for the disease, controlling and preventing dengue fever outbreaks remain the most effective primary preventive measure for keeping people healthy. Community based programmes are touted as an effective strategy towards successful dengue control.

As a socially responsible corporation, ICB Group strives to continue its commitment towards ensuring a safe and healthy community, free from the threat of dengue by educating the people through continuous dengue awareness programmes. This includes collaborating in partnership with health agencies in maintaining an environment that is free from containers filled with stagnant, clean and clear water, where dengue mosquitoes breed. In addition, we will continue to carry out our planned initiatives that also support anti-malaria related activities. Sustainability remains as the core of our business and in FY2022, we will continue to strengthen our initiatives in line with our sustainability strategy and I am proud of our team's efforts in educating the general public to increase such awareness.

Last but not least, ICB has upheld its standards of excellence in occupational safety and health practices by conforming to all regulatory requirements and exercising quality management standards, thus creating and maintaining ICB's strong culture of safety and health. Our goal has always been to provide an injury and illness free environment for our employees in order to achieve maximum efficiency. In support of ethical business practices, ICB Group adopts a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. The adoption of a group-wide Anti-Bribery and Anti-Corruption Policy since 1 June 2020 ensures that we have adequate procedures in place to fully comply with the applicable laws and regulatory requirements in relation to bribery and corruption.

## PROPOSED DIVIDEND

The Board of Directors has recommended a first and final single tier dividend of 3.5 sen per ordinary share to the shareholders for approval at the forthcoming Annual General Meeting.

# CHAIRMAN'S STATEMENT (continued)

## OUTLOOK AND PROSPECTS

In August 2021, Bank Negara Malaysia ("BNM") has revised its full-year gross domestic product ("GDP") growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021 announced in March 2021. According to BNM, Malaysia's GDP grew 16.1% year-on-year in the second quarter of 2021, although it contracted 2% on a quarter-on-quarter ("q-o-q") basis. This revision in the annual growth forecast was made after taking into account the reimposition of nationwide containment measures in dealing with the resurgences of COVID-19 cases. For instance, a nationwide Full Movement Control Order ("FMCO") was undertaken in June 2021 amid the high transmission rate of the virus. With 7.1% growth recorded in the first half of 2021 and given the COVID-19-related developments since June 2021, BNM is projecting a more moderate growth in the second half of 2021, especially in the third quarter.

On the brighter side, ICB Group applauds the various initiatives implemented by the Malaysian Government to support growth in the second half of 2021. This bodes well for a good start towards ICB Group's coming financial year. For instance, the Malaysian Government has allowed essential economic sectors to operate under Phase 1 of the National Recovery Plan, accelerated the vaccination programme nationwide, announced various stimulus programmes and continued to invest in large infrastructure projects in support of sustained economic recovery moving forward. Meanwhile, optimism for sustained economic recovery is gathering momentum in Malaysia, with the acceleration of COVID-19 vaccination programme, targeting over 80% of the population by March 2022.

## CORPORATE GOVERNANCE

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

## APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of ICB, I would like to thank our management and staff of the Group for their unwavering loyalty, dedication, commitment and hard work in the execution of the Group's business strategies. On behalf of the Board, I would also like to thank our business associates, investors and all other stakeholders for their continuous belief in and support to ICB Group.

Looking ahead, it is hoped that the improvements will continue into 2022, supported by the recovery in external demands and expansion in private sector expenditure. However, the pace of recovery may not be symmetrical across different sectors, with economic activity in certain industries remaining below pre-pandemic levels. As a global player, ICB Group takes heed of the macroeconomic variables and is well positioned to face these challenges. ICB Group remains optimistic that given the strong and resilient business fundamentals, ICB Group will continue its growth, albeit at a slower pace, and remain profitable in the coming financial year.

I hope 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)

## 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

## HEAD/MANAGEMENT OFFICE

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

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

## REGISTRAR

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

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

## AUDITORS

HLB Ler Lum 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](mailto: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

<b>Name</b>	<b>DATUK CAPTAIN HAMZAH BIN MOHD NOOR</b>
<b>Age</b>	71
<b>Nationality</b>	Malaysian
<b>Gender</b>	Male
<b>Position on Board</b>	Independent Non-Executive Chairman
<b>Date of Appointment</b>	11 April 2016
<b>Qualification</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science in Nautical Science (awarded with Commendation), Liverpool, United Kingdom</li> <li>• Master (Mariner, Class I) Foreign Going Certificate of Competency, Liverpool, United Kingdom</li> <li>• Fellow, Ikhtisas Kelautan Malaysia</li> <li>• Liveryman, Honourable Company of Master Mariners, London, United Kingdom</li> <li>• Fellow of the Nautical Institute (FNI), United Kingdom</li> <li>• Member of the Chartered Institute of Logistics and Transport (Malaysia)</li> <li>• Members of various other professional bodies</li> </ul>
<b>Working Experience</b>	<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><b>Other directorships of public companies and listed issuers</b></p> <p><b>Family relationship with any director and/or major shareholders of the Company</b></p> <p><b>Conflict of interest with the Company</b></p> <p><b>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</b></p> <p><b>Committee</b></p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <ul style="list-style-type: none"> <li>• Member of the Remuneration Committee</li> <li>• Member of the Nomination Committee</li> </ul>
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## PROFILE OF DIRECTORS (continued)

<b>Name</b>	<b>TONG CHIN HEN</b>
<b>Age</b>	65
<b>Nationality</b>	Malaysian
<b>Gender</b>	Male
<b>Position on Board</b>	Managing Director
<b>Date of Appointment</b>	15 November 2005
<b>Qualification</b>	Member of the Institute of Directors, United Kingdom
<b>Working Experience</b>	<p>His career started in 1975 when he joined Ancom Sdn. Bhd., which went public in 1990 and was the first agrochemical plant to be established in Malaysia. He left the company in end of 1992 while he was the Executive Commercial Manager. In June 1993, he bought a stake in Imaspro Resources Sdn. Bhd. ("IRSB") and assumed the position of General Manager. He has been solely responsible for the growth of IRSB to be a leading pesticide player in Malaysia over the last 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 &amp; Exhibition in the United Kingdom, the largest annual gathering of players in the global agrochemical industry since the 1990s.</p>
<b>Other directorships of public companies and listed issuers</b>	Nil
<b>Family relationship with any director and/or major shareholders of the Company</b>	Nil
<b>Conflict of interest with the Company</b>	Nil
<b>List of convictions for offences within the past 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</b>	Nil
<b>Committee</b>	Nil

## PROFILE OF DIRECTORS (continued)

<b>Name</b>	<b>CHEN SUNG FANG</b>
<b>Age</b>	48
<b>Nationality</b>	Malaysian
<b>Gender</b>	Male
<b>Position on Board</b>	Senior Independent Non-Executive Director
<b>Date of Appointment</b>	22 May 2013
<b>Qualification</b>	Bachelor of Laws (Honours) Degree from the University of London, United Kingdom
<b>Working Experience</b>	<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>
<b>Other directorships of public companies and listed issuers</b>	Nil
<b>Family relationship with any director and/or major shareholders of the Company</b>	Nil
<b>Conflict of interest with the Company</b>	Nil
<b>List of convictions for offences within the past 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</b>	Nil
<b>Committee</b>	<ul style="list-style-type: none"> <li>• Chairman of the Nomination Committee</li> <li>• Member of the Remuneration Committee</li> <li>• Member of the Audit Committee</li> </ul>

## PROFILE OF DIRECTORS (continued)

<b>Name</b>	<b>CHAN WENG FUI</b>
<b>Age</b>	47
<b>Nationality</b>	Malaysian
<b>Gender</b>	Male
<b>Position on Board</b>	Independent Non-Executive Director
<b>Date of Appointment</b>	4 December 2014
<b>Qualification</b>	Bachelor of Science (Hons) degree in Accounting and Finance from Queen's University of Belfast, Northern Ireland, United Kingdom
<b>Working Experience</b>	<p>He joined Price Waterhouse (now PwC) 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) in 1999 and began his career in corporate finance.</p> <p>Subsequently in 2001, he joined Arab-Malaysian Merchant Bank (now AmInvestment Bank), 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 still currently with YNH Property Bhd as the Director/Head of Corporate Strategy.</p>
<b>Other directorships of public companies and listed issuers</b>	Paragon Union Berhad
<b>Family relationship with any director and/or major shareholders of the Company</b>	Nil
<b>Conflict of interest with the Company</b>	Nil
<b>List of convictions for offences within the past 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</b>	Nil
<b>Committee</b>	<ul style="list-style-type: none"> <li>• Chairman of the Audit Committee</li> <li>• Chairman of the Remuneration Committee</li> </ul>

## PROFILE OF DIRECTORS (continued)

<b>Name</b>	<b>CHAN KIM HING</b>
<b>Age</b>	54
<b>Nationality</b>	Malaysian
<b>Gender</b>	Male
<b>Position on Board</b>	Independent Non-Executive Director
<b>Date of Appointment</b>	26 May 2016
<b>Qualification</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science (Honours) degree in Computer Science and Accounting from Monash University, Melbourne, Victoria, Australia</li> <li>• Chartered Accountant (CA) of the Malaysian Institute of Accountants (Member No: 9099)</li> <li>• Fellow Certified Practising Accountant (FCPA) of CPA Australia (Member No: 1629170)</li> </ul>
<b>Working Experience</b>	<p>He started his career with Arthur Andersen &amp; Co, Malaysia, in 1991, covering Audit, Taxation, Assurance, Business Advisory, Management Consulting and Computer Risk Management, specialising in financial and information-technology systems review audits, internal controls, standard operating policies and procedures, compliance reviews and special assignments related to business mergers and acquisitions, systems-integration, reorganisation and restructuring of business activities of companies operating in the financial and capital market industry.</p> <p>In 1994, he joined M&amp;A Securities Sdn Bhd (M&amp;A) to head its Finance &amp; Treasury and Operational Departments, where he successfully reorganised, restructured and expanded its business activities, which include acquisition of another stockbroking company to facilitate expansion and diversification of group approved business activities, integration of operations and opening of branch offices. He was promoted to the Executive Director cum Head of Operations of M&amp;A, overseeing the finance, treasury, corporate finance, inter-broking, online trading, settlement, margin financing, credit control, IT systems and business development. He was an elected Management Committee and Treasurer of the Association of Stockbroking Companies of Malaysia and its Securities Market Operations Committee, working in consultation with Bursa Malaysia Securities Berhad, Securities Commission Malaysia and Bank Negara Malaysia in addressing industry issues, implementation of rules, regulations and policies for the Malaysia's capital market industry.</p> <p>He left M&amp;A in 2016 to pursue his private interest and to further develop his professional skills and experiences. He is currently involved in strategic corporate and business advisory, restructuring, reorganisation and enhancement of business operations, systems, taxations and financials, facilitating equity and debt capital market corporate exercises, shares placement and underwritings, funds raising and listing exercises on Bursa Malaysia Securities Berhad.</p>

## PROFILE OF DIRECTORS (continued)

<p><b>Other directorships of public companies and listed issuers</b></p> <p><b>Family relationship with any director and/or major shareholders of the Company</b></p> <p><b>Conflict of interest with the Company</b></p> <p><b>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</b></p> <p><b>Committee</b></p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <ul style="list-style-type: none"> <li>• Member of the Audit Committee</li> <li>• Member of the Nomination Committee</li> </ul>
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# PROFILE OF KEY SENIOR MANAGEMENT

**DR. CHIA TIO HUAT**

Techno Commercial Director

Dr. Chia, Malaysian, aged 61, 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, Malaysian, aged 53, female, is the Accounts and Administration Manager of IRSB. She has been with 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.

**HOO CHIONG LEONG**

Finance & Corporate Strategy Manager

Mr. Hoo, Malaysian, aged 45, male, is the Finance & Corporate Strategy Manager of IRSB. He has been with ICB Group since 15 March 2018.

He graduated from TARC with a Diploma in Commerce and holds a Bachelor's degree in Accountancy & Finance from Abertay University, United Kingdom.

Prior to joining IRSB, he worked with a courier services company and was also in the construction and retail distribution industries where he gained wide exposure in financial and management accounting.

**NGO HEA SING**

Production Manager

Mr. Ngo, Malaysian, aged 47, male, is the Production Manager of IRSB. He has been with ICB Group since 1 December 1999.

He received his Bachelor of Engineering (Honours) degree in Chemical Engineering in 1998 and a 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.

## PROFILE OF KEY SENIOR MANAGEMENT (continued)

### **TEE BEE HEOH**

Product Development Manager

Ms. Tee, Malaysian, aged 47, female, is the Product Development Manager of IRSB. She has been with ICB Group since 16 January 2003.

She graduated with a Bachelor's degree in Agricultural Science in 1999 and a Master degree in Science 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.

### **LEE TAN YAN**

Regulatory Affairs & Research and Development Manager

Ms. Lee, Malaysian, aged 51, 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 a 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.

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#### *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

The vision of ICB Group is to become one of the leading agrochemical manufacturers in ASEAN. 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. In meeting its long-term objective, ICB Group employs continuous cost efficiency improvements through strengthening productivity, while enhancing the quality and delivery of its products.

## FINANCIAL REVIEW

2021 was another challenging year filled with unprecedented challenges. With the threat of the COVID-19 pandemic globally, governments around the world have no choice but to implement various forms of lockdowns in a bid to keep infection rates under control. In fact, quarantines and lockdowns were amongst some of the most commonly used terms in our daily conversations, and the list goes on. The first Movement Control Order (“MCO”) imposed by the Malaysian Government since March 2020, followed by the various versions of MCOs throughout the year, and the subsequent National Recovery Plan (“NRP”) from Stage 1 to Stage 4 have notoriously impacted the financial and economic environment in Malaysia. Many entrepreneurs and businesses, especially the small to medium enterprises, were struggling to survive.

The COVID-19 pandemic has also led to container shortages globally, while ocean and freight costs have escalated significantly due to major port closures and congestions in various parts of the world. This has impacted the export segment of the business especially when things go haywire due largely to the various national lockdowns implemented by the respective countries.

Revenue for the financial year ended 30 June 2021 (“FY2021”) was RM57.0 million (FY2020: RM66.5 million). While revenue for FY2021 has dropped by RM9.5 million or 14.3% from the last financial year, ICB Group recorded a profit before tax (“PBT”) of RM7.97 million for FY2021 (FY2020: RM4.77 million), an improvement of RM3.2 million or 67%. The softer revenue is mainly due to lower contribution from the export market, partially cushioned by an increase in domestic market sales. Sales from the export market have deteriorated by RM19.8 million or 58.4%, while the domestic market sales have registered a 27% improvement, translating to an increase of more than RM10.7 million over FY2020.

Overall, ICB Group’s performance for FY2021 remains positively encouraging despite the various ‘on and off’ national lockdowns in Malaysia as well as rest of the world. Our rapid response and agility in handling the pandemic, in addition to our well executed marketing strategy will augur well in steering ICB Group through the constantly changing, challenging and highly competitive environment.

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## SEGMENTAL REVIEW

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

### Herbicides

The herbicides segment has recorded an overall revenue of RM24.0 million (FY2020: RM25.3 million) and a PBT of RM3.4 million for FY2021 (2020: RM1.82 million). While sales contributed from herbicides experience a marginal drop of RM1.34 million during this financial year, our PBT has almost doubled. This is mainly contributed by the execution of our well-planned procurement and marketing strategy.

The marginal drop of 5.1% in revenue for herbicides is largely affected by the export market, where sales to countries such as Indonesia, Japan, Russia and Netherlands were generally lower due to the global pandemic. The worldwide shipping tragedy, which has seriously impacted the logistics of global supply chain, has also contributed to the softening of our export market. Escalating shipping costs due to the shortage of containers and further shipment delays due to lockdowns and port closures by the respective countries have disrupted the global logistics and supply activities. This has a curtail effect on raw materials prices as they have increased by about three times over the last financial year. As such, this has prevented major exporters from placing bulk orders. Countries such as China, Vietnam and Taiwan have, however, remained stable and positive.

In terms of the domestic market, revenue recorded for herbicides has improved from RM15.2 million in FY2020 to RM17.4 million in FY2021. The 14.5% increase in domestic sales for herbicides has brought in an additional RM1.67 million of profit, which is equivalent to a 47.9% increase in gross margins as compared with FY2020. This is again mainly contributed by the execution of our well-planned procurement and marketing strategy in directing our focus to the domestic market.

### Insecticides

The insecticides segment has recorded an overall revenue of RM12.4 million (FY2020: RM27.5 million) and a PBT of RM1.74 million (FY2020: RM1.97 million) for FY2021. Although revenue contributed by insecticides sales have dropped by 54.9%, gross margins for this segment only experienced a slight drop of around 11.7%.

The significant drop in revenue for insecticides is mainly brought about by our export market sales to Indonesian and Japan due to the global pandemic. This is the main segment that has affected the overall performance of ICB Group. Revenue from these two countries have dropped by over 83% or RM10.4 million over the last financial year. Export sales to Russia have also been deeply impacted where our sales to this region have dropped by over 66% or RM6.0 million over last year. We foresee issues surrounding sea logistics and the shortage of shipping containers will remain disrupted in the near term.

Our domestic market, on the other hand, has recorded improvements over the last financial year. Revenue generated from insecticides sales improved over the last financial year, with a recorded revenue of RM8.22 million (FY2020: RM6.93 million), i.e. an increase of 18.7%. Despite the various movement control regulations affecting our business operations, our performance for the insecticides segment in the domestic market remains relatively stable. This is largely due to our agility and the rapid response towards executing our strategic marketing plan in penetrating the local market to counter the shrinking export sales due to the pandemic.

Significant areas that have contributed to the improvement in domestic sales for insecticides include northern territories of Malaysia, Cameron Highlands and Johor, where all have seen an increasing trend in revenue as compared to the last financial year.

### Fungicides

The fungicides segment has recorded an overall revenue of RM12.0 million (FY2020: RM10.9 million) and a PBT of RM1.7 million (FY2020: RM0.8 million) for FY2021. Revenue for fungicides under the export market was not significantly affected. This is largely due to the increase in sales to China this year, offsetting the drop in sales to Russia.

Sales to other countries such as Myanmar, have experienced difficulties due to its unstable political situation. However, our export sales team has continued to remain in contact with the marketing distribution channel personnel from Myanmar, in view of the potential of expanding sales in this region, particularly on our newly approved registration of innovative premix products in the last financial year.

In terms of our domestic market, revenue from fungicides segment has recorded an increase of 15.6% over last financial year, translating to a recorded revenue of RM10.4 million (FY2020: RM9.0 million). Sales of fungicides to areas in Pahang, Perak, the Northern region and Sarawak have all contributed to more than 50% growth as compared to the last financial year.

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## CHALLENGES

More than 18 months into the pandemic, the disruption to global supply chains is getting worse, spurring shortages of containers and making it more expensive for companies to ship goods where they are needed. The vast network of ports, container vessels and trucking companies that moves goods around the world is badly tangled, and the cost of shipping is skyrocketing. The pressures on global supply chains have not eased, and we do not expect them to end any time soon. These will continue to impact on procurement as estimations on arrivals of raw materials become more difficult. As a global supplier ourselves, we are also unable to ensure the timeliness of our shipments to our overseas customers.

Foreign currency fluctuations, particularly the United States Dollars, and the weakening of Ringgit Malaysia since the middle of last year, has significantly increased the costs of raw materials. Furthermore, the global pandemic has also brought about shortages in raw materials which led to higher costs. For instance, prices for Glyphosate related products have increased over the years.

Although agro-chemicals usage has made a huge contribution to the wider society, people have always been worried about the safety of the application of agro-chemicals on agricultural products. The increasing strict regulations due to concerns of residuals found on agricultural products have encouraged many people to switch to organic and higher quality food. This has also gradually accelerated the use of bio-chemical products which has seen an increase in demand in the recent years. With stricter regulations on agro-chemical products, coupled with the gradual elimination of existing agro-chemical products, bio-chemical products will soon be the next best option.

## PROSPECTS

In Malaysia, agriculture will continue to be an important industry, as it ensures food security and increases income levels in rural areas. The gradual decline of arable land can be attributed to urbanisation. Increasing population growth with declining arable land are responsible for maintaining adequacy in agricultural practices, ensuring greater utilisation of agro-chemical products in the areas that were ignored in the past. This propels farmers to use various agro-chemicals to maintain soil health and increase land productivity. In Malaysia, the use of agro-chemicals has been growing at a significant pace, particularly for pesticides and fertilizer consumption, as modern practices are being utilised in fields. The growth of the agro-chemical industry also depends on the rapid expansion of areas under oil palm and rubber plantations.

The development of agro-chemical industries is still generally optimistic and according to market intelligence, the agro-chemicals market in Malaysia is projected to register a compound annual growth rate (CAGR) of 4.5% during the forecast period between 2021 to 2026. It is worth taking note of increasing public expectations for better quality agro-chemical products with growing concerns on environmental issues, product resistances and the decline in biodiversity, just to name a few. These factors have brought about challenges in terms of discovering new ingredients globally, which leads to the slowing down of research and development efforts for better agro-chemical diversity. As such, more time and efforts are necessary, from developing a new product to getting the product to market. With the effects of the COVID-19 pandemic, the existing products' life cycle has certainly been extended.

With increasing off-patent products being opened up into the market, many agro-chemical manufacturers are taking the opportunity for its own commercial development. Pesticide companies, especially in developing countries, usually wait for generic active ingredient molecules as it provides huge opportunities for generic manufacturers to provide agro-chemicals at a reasonable affordable price for farmers to protect their yield from pests and disease. This will in turn increase competitiveness especially in product pricing. While generics provide great opportunities, it also poses challenges for manufacturers in terms of how quickly they can bring their products into the market; how to offer their products in a crowded and noisy market where already this is available under a major brand; how to provide cost-effective and effective generics which are profitable as well, and such.

## FINANCIAL COMPARISON FOR THE FINANCIAL YEARS ENDED 30 JUNE 2021 ("FY2021") AND 30 JUNE 2020 ("FY2020")

ICB Group's revenue for FY2021 was RM56.9 million, a decrease of RM9.5 million or 14.3% over the revenue of RM66.5 million for FY2020. This is largely brought about by the softening of global markets due to the COVID-19 pandemic.

PBT was recorded at RM8.0 million for FY2021, representing an increase of RM3.2 million or 66% as compared with RM4.8 million for FY2020. This is largely contributed by effective cost management and robust planning for materials procurement in foreseeing the rise of raw material prices.

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## FINANCIAL COMPARISON FOR THE FINANCIAL YEARS ENDED 30 JUNE 2021 ("FY2021") AND 30 JUNE 2020 ("FY2020") (continued)

Profits attributed to the owners of the Company was RM1.8 million in FY2021 as compared with RM1.1 million for FY2020, i.e. an improvement of RM0.7 million.

While the total assets of ICB Group as of 30 June 2021 have marginally eased to RM133.1 million (FY2020: RM135.4 million), the fundamentals of ICB Group still remain strong. Total liabilities have reduced marginally from RM8.35 million in FY2020 to RM7.27 million in FY2021. Share capital has remained consistent with previous year at RM42.86 million.

## STATEMENT OF CASH FLOWS

### Operating Activities

Net cash generated from operating activities in FY2021 was RM4.9 million as compared with net cash generated from operating activities of RM12.7 million in FY2020, mainly due to changes in working capital.

### Investing Activities

There were no major investing activities in FY2021, other than the usual acquisitions and disposals of plant and equipment.

### Financing Activities

There were no drawdowns of any new loans in FY2021. Net cash was used for the repayment of an existing term loan, payment of dividend and purchase of investments.

## IDENTIFICATION OF RISKS

### Procurement risk

Supply chain disruptions come in various forms. The COVID-19 pandemic has certainly impacted the supply line as we experienced much longer shipping times, especially for imported raw materials. Some shipments have been delayed for almost half a year before receiving the raw materials. As a result of the delays in the supply of raw materials, demand from the market has started to dampen and progressively, becoming slower than usual. The delays in procurement of raw materials have also led to a mismatch in timing due to the seasonality nature of certain crops such as paddy. This has opened up the market to other competitors who may have ready inventories that were able to meet those seasonal demands.

ICB Group has been actively managing this situation. In order to mitigate procurement risk, ICB Group has put in place a more robust planning process for stock requisitions and at the same time, explored alternative sourcing channels such as local suppliers, where possible. ICB Group will continue to assess its suppliers to understand which ones are most at risk for supply chain disruption and diversify its suppliers by having secondary suppliers on standby.

### Risk of production disruption

The new waves of COVID-19 cases are at the top of ICB Group's list of significant risks in relation to production, as further surges in infections could continue to disrupt its production operations. In the event of any production workers being infected, the factory has to cease operations temporarily for full disinfection and sanitisation, while the affected production workers are required to be quarantined. These events may slow down production.

ICB Group has enforced social distancing in the factories by providing proper facilities to all production workers and implemented working on shifts to reduce the risk of infection. Production workers are also required to sanitise 3 times a day. In support of the Malaysian Government's effort to achieve a higher vaccination rate in Malaysia, all production workers have also been encouraged to go for vaccination.

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## IDENTIFICATION OF RISKS (continued)

### Counterfeit products in the market

The use of illegal and counterfeit pesticides is a serious problem. It does not only increase the danger to human health and the environment, but also poses risks to ICB Group in different ways such as loss in sales. It also puts ICB Group's reputation at risk as there are counterfeit products in the market that bear ICB Group's brand names.

ICB Group has implemented security features and tags to all the products and will continue to educate end users on how to identify and differentiate between genuine and counterfeit products.

## 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 2021.

## ECONOMIC AND INDUSTRY OUTLOOK

In August 2021, Bank Negara Malaysia ("BNM") has revised its full-year gross domestic product ("GDP") growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021 announced in March 2021. According to BNM, Malaysia's GDP grew 16.1% year-on-year in the second quarter of 2021, although it contracted 2% on a quarter-on-quarter ("q-o-q") basis. This revision in the annual growth forecast was made after taking into account the reimposition of nationwide containment measures in dealing with the resurgences of COVID-19 cases. For instance, a nationwide Full Movement Control Order ("FMCO") was undertaken in June 2021 amid the high transmission rate of the virus. With 7.1% growth recorded in the first half of 2021 and given the COVID-19-related developments since June 2021, BNM is projecting a more moderate growth in the second half of 2021, especially in the third quarter.

On the brighter side, ICB Group applauds the various initiatives implemented by the Malaysian Government to support growth in the second half of 2021, that bode well for a good start towards ICB Group's coming financial year. For instance, The Malaysian Government has allowed essential economic sectors to operate under Phase 1 of the NRP, accelerated the vaccination programme nationwide, announced various stimulus programmes and continued to invest in large infrastructure projects in support of sustained economic recovery moving forward.

BNM also expects growth to accelerate in 2022 and this will be supported by the reopening of most economic sectors, as well as positive spillovers from continued improvement in external demand. As a global player, ICB Group takes heed of these macroeconomic variables and is well positioned to face these challenges. ICB Group remains optimistic that given ICB Group's strong and resilient business fundamentals, ICB Group will continue its growth, albeit at a slower pace, and remain profitable in the coming financial year.

## DIVIDEND POLICY

The Company does not have a dividend policy. However, the Company has been paying out dividends to its shareholders annually. 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 FY2021 (FY2020: 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”). The Board has taken note of the revisions made to the MCCG by the Securities Commission Malaysia on 28 April 2021, whereby the Company is required to report its application of the revised MCCG for the next financial year ending 30 June 2022.

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 2021. The detailed application by ICB Group for each CG practice during the financial year ended 30 June 2021 is reported in the CG Report which is available on the Company’s website at [www.imaspro.com](http://www.imaspro.com).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### 1) Board Responsibilities

The Board is always mindful of its responsibilities in leading and determining the strategic direction and overseeing the overall management of ICB Group. It provides an effective oversight of the conduct of ICB Group’s businesses, ensuring appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy, integrity and effectiveness. The Board takes into consideration the interests of all stakeholders in their decision-making so as to ensure ICB Group’s objectives of creating long-term shareholder value are met.

The Board is guided by its Charter. Pursuant to the MCCG and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board has on 26 August 2020 reviewed its Charter and noted that the Charter was in line with both MCCG and MMLR of Bursa Securities. The 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 Charter is subject to review as and when necessary and it is available on the Company’s website at [www.imaspro.com](http://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;
- 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”)



# 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)

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 functions 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 the Chairman and the Managing Director

The position of the Chairman and the 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 of 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 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 is involved in the leadership role, overseeing the day-to-day operations and management within his assigned responsibilities. The Managing Director represents ICB Group at the highest level and a decision maker on matters within his scope of authority.

### 3) Senior Independent Non-Executive Director

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

### 4) Board Meetings

The Board meets regularly on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require the Board's consideration. Off-site Board meeting to discuss specific topics will be arranged, when necessary, to facilitate more time for discussion and view sharing.

During the financial year, multiple lockdowns have been implemented by the Malaysian Government in response to COVID-19 pandemic and restrictions were imposed on having face-to-face meetings. With the availability of various virtual meeting platforms, the Board was able to continue with the planned meetings as usual albeit on a virtual basis and engage effectively during those meetings. Web and teleconferencing were the main tools used to conduct some of the meetings during the year.

A full year corporate calendar which sets out the dates for meetings of the Board, Board Committees and Annual General Meeting ("AGM") as well as the closed period to restrict dealings in the Company's securities by the Directors, is prepared and circulated to the Directors before the start of each calendar year to allow the Directors to plan ahead to attend such meetings. During those meetings, the Board deliberate and consider matters relating to ICB Group's financial performance, significant investments, corporate developments, strategic issues and business plan. The Company Secretaries are responsible for ensuring all proceedings of the Board and Board Committees are recorded and draft minutes are circulated to the Directors for confirmation prior to being approved.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 4) Board Meetings (continued)

During the financial year ended 30 June 2021, the Board had four (4) Board meetings and the attendance of each Director at the meetings is as follows:

<b>Name of Director</b>	<b>No. of meetings attended*</b>
Datuk Captain Hamzah Bin Mohd Noor	4/4
Tong Chin Hen	4/4
Chen Sung Fang	4/4
Chan Weng Fui	4/4
Chan Kim Hing	4/4

\* two (2) physical and two (2) virtual meetings were held.

Directors' commitment, resources and time allocated to the Company are evident from the attendance records.

At Board meetings, the Board reviews management reports on the business and financial performance of ICB Group and discusses major operational and financial issues. The Chairman of the Board chairs the Board meetings while the Managing Director leads the presentation and provides explanations on the management reports. Senior Management staff are invited to attend the Board meetings to explain and clarify on the matters being tabled.

Directors are encouraged to participate in the meeting and share their views. They are also encouraged to pose queries (if any) to Management prior to each Board Meeting. Any Director who has a direct or deemed interest in the subject matter shall declare his interest at the meeting and abstain from deliberation and voting on the respective resolution. Decisions of the Board are made by consensus. Where appropriate, decisions may be made by way of Directors' Written Resolutions for matters which are administrative in nature.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship and such notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Currently, all the Directors of the Company hold not more than five (5) directorships in the public listed corporation, which is in compliance with Paragraph 15.06 of the MMLR.

### 5) Access to Information

All Directors have unrestricted direct access to and interaction with the Key Senior Management team, in which they may have informal meetings with the Key Senior Management team to brief them on matters or major developments concerning ICB Group's operations. The Directors also have unrestricted access to the advice and services of the Company Secretaries. Directors may interact directly with, or request further explanation, information or updates on statutory and regulatory requirements from the Company Secretaries.

In addition to administrative matters, the Company Secretaries also advise the Board on corporate governance matters, corporate disclosures and ensure adherence to the relevant 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 as well as the processes pertaining to the Company's Annual General Meeting ("AGM"), attend and record minutes of all Board and Board Committees meetings as well as AGM. The Company Secretaries had and will continuously undertake professional development. The details of the role and responsibilities of the Company Secretaries are disclosed in the CG Report.

Subject to the approval of the Board, the Directors, whether as a full Board or Board Committees or in their individual capacity, may seek and obtain independent professional advice at ICB Group's expense in the course of discharging their duties. Appropriate procedures are in place to facilitate the Directors' access to such advice.

# 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 (continued)

The Board recognises the importance of providing timely, relevant and up-to-date information in ensuring an effective decision-making process by the Board. In this regard, the Board is provided with not only quantitative information but also those of qualitative nature which is pertinent to enable the Board to discharge its duties effectively.

Prior to the scheduled Board and/or Board Committee meetings, the Directors are provided with a structured agenda together with management reports and Board papers at least five (5) business days prior to the meeting. In order for meetings to be more effective, the meeting agenda is organised by taking into consideration the complexity of the proposals or matters to be deliberated. An indication will also be provided to guide the Board and Board Committees as to whether the matters are for approval, discussion or for notation purpose in order for the meetings to be conducted efficiently.

Where necessary, members of the Key Senior Management team will be invited to attend the Board and/or Board Committee meetings to report and update on areas of business within their responsibility to provide Board members insights of the business and clarify any issues raised by the Directors in relation to ICB Group operations. Directors are encouraged to share their views and insights in the course of deliberation and partake in discussions.

All discussed issues, decisions and conclusions including dissenting views made and whether any Director was abstained from voting or deliberating on a particular matter at the Board and/or Board Committee meetings as well as required actions to be taken by responsible parties are minuted by the Company Secretaries. The minutes will be signed by the Chairman of the Board or Board Committees as a correct record of the proceedings of the meeting based on the confirmation from all the Board members or Board Committee members. Decisions made and policies approved by the Board will be communicated to the relevant Key Senior Management team members for action after the meeting.

### 6) Directors' Training

The Board recognises the importance of continuing training and education for its Directors to ensure that they are equipped with the necessary skills and knowledge to assist them in discharging their duties as Directors.

All Directors have completed the Mandatory Accreditation Programme as required under the MMLR. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR.

For the financial year ended 30 June 2021, the Directors have attended the following conferences, seminars and/or training programmes:

Director	Conferences, Seminars and Training Programmes	Date(s)
Datuk Captain Hamzah Bin Mohd Noor	• Optimising Risk and Resilience Planning to Manage Disruptions, by Tricor Axcelasia	26 August 2020
Tong Chin Hen	• Optimising Risk and Resilience Planning to Manage Disruptions, by Tricor Axcelasia	26 August 2020
Chen Sung Fang	• Optimising Risk and Resilience Planning to Manage Disruptions, by Tricor Axcelasia	26 August 2020
Chan Kim Hing	• Optimising Risk and Resilience Planning to Manage Disruptions, by Tricor Axcelasia	26 August 2020
Chan Weng Fui	• Optimising Risk and Resilience Planning to Manage Disruptions, by Tricor Axcelasia	26 August 2020

# 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)

The Board has also been regularly updated and advised by the Company Secretaries along with other independent professionals on regulatory changes and matters on governance, to enable the Directors to discharge their responsibilities effectively. The Directors are mindful of the need to continuously enhance their skills and knowledge in order to assist them in discharging their duties as Directors. The Board will, on a continuous basis, evaluate and determine the training needs of the 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, has been formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

The CEC is to be observed by all Directors and employees of ICB Group, and the core areas of conducts are disclosed in the CG Report.

The Board has reviewed the CEC on 26 August 2020, as part of its review of the Board Charter as mentioned above, to ensure it continues to remain relevant and appropriate. The CEC is also published on the Company's website at [www.imaspro.com](http://www.imaspro.com).

### 8) Board Composition

The Board currently has five (5) members, comprising one (1) Executive Director (the Managing Director), one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors. Hence, the Company fulfilled the prescribed requirements for one-third (1/3) of the membership of the Board to be independent members pursuant to Paragraph 15.02 of the MMLR. This also fulfills the recommendation made in the MCCG to have a Board that comprises a majority of independent directors.

### 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 recognises that having Board members with a range of different backgrounds, skills, experience and diversity is essential to ensure diverse range of viewpoints, to facilitate optimal and effective decision making and governance. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience to strengthen the Board, should remain a priority.

The Company has adopted a Gender Diversity Policy and is made available at the Company's website at [www.imaspro.com](http://www.imaspro.com).

The Board is well-balanced with an effective mix of Executive Director and Independent Non-Executive Directors, which is in line with MCCG and is of the appropriate size and with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to ICB Group and to bring informed and independent judgement to many aspects of ICB Group's strategies and performances so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained within ICB Group.

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

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

# 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, through the NC, would assess the independence of the Independent Directors annually based on the criteria set out in the MMLR.

Considering the recommendation of MCCG on the tenure of an Independent Director not exceeding a cumulative term of nine (9) years, none of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years.

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

- Subject to the Board justification and shareholders' approval, the tenure of Independent Directors should not exceed a cumulative nine (9) years;
- An annual assessment of independence of its Independent Directors focusing on the events that would affect the ability of Independent Directors to continue bringing independent and objective judgement to board deliberation and the regulatory definition of Independent Directors; and
- The Independent Directors must declare themselves to be independent from management and free of any business or other relationship which could interfere with the exercise of their independent judgement and objective participation and decision-making process of the Board.

A Senior Independent Non-Executive Director provides an additional communication channel between the Directors and the shareholders. The Board had appointed Mr. Chen Sung Fang, Chairman of the NC, to be the Senior Independent Non-Executive Director, to provide shareholders an alternative channel to convey their concerns and seek clarifications from the Board. His e-mail address is [sungfangchen@imaspro.com](mailto:sungfangchen@imaspro.com).

### 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 Board Committees' Terms of Reference.

The assessment of the Board is based on four (4) main areas relating to the Board structure, Board operations, Board and Chairman's roles and responsibilities as well as the Board Committees' roles and responsibilities. For individual Director self/peer evaluation, the assessment criteria include abilities and competencies, caliber and personality, technical knowledge, objectivity and the level of participation of Board and Board Committees' meeting, including individual contributions to the Board processes, business strategies and performance of ICB Group.

For the financial year ended 30 June 2021, the Board through the NC conducted an internally facilitated Board assessment. The assessment, which was conducted via questionnaires, covered a broad spectrum of governance attributes that encompassed eight main elements, namely performance, strategy, governance, talent, integrity, compliance, reporting, and planning. The observations of the assessment indicated that the performance of the Board, the Board Committees and the individual Directors during the year had been satisfactory and effective in overall discharge of functions and duties. It was also noted that the relationship between the Board members was good with positive and constructive interactions, coupled with strong leadership shown by the Chairman.

Based on the assessment, taking into consideration the nature and the scope of ICB Group's operations and business requirements, the Board is satisfied with the current size and composition of the Board and opined that it is appropriate and well balanced with diversity of skill set, knowledge and experience which would facilitate effective decision-making. The Board is also satisfied with the level of independence demonstrated by the Independent Directors throughout the year and their abilities to act in the best interest of the Company. The results of the individual Director's assessments had also supported the Board's decision to endorse the retiring Directors standing for re-election.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 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 process for the appointment 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, as well as recommendation for appointment as a member of the various Board Committees, where necessary; and
- decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

In accordance with the Company's Constitution, Directors who are appointed during the financial year shall hold office only until the following AGM and shall be 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 Sixteenth 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.

### 12) Board Committees

The Board, in view of assisting the discharge of its stewardship role, has established Board Committees namely the AC, NC and RC, which comprise solely Independent Non-Executive Directors. These Board Committees were delegated with certain responsibilities as well as the authority to examine specific issues and operate within their respective terms of reference as approved by the Board and report to the Board with their proceedings, deliberations and recommendations. The ultimate responsibility for decision making, however, lies with the Board.

The Board Committees for the financial year ended 30 June 2021 include:

#### (a) Audit Committee

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

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](http://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](http://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 (continued)

#### (b) Nomination Committee (continued)

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 2021, the NC met once and the meeting was attended by all of its members.

The NC had carried out the following activities during the meeting held on 26 August 2020:

- reviewed and assessed the mix of skills, expertise, experience, composition and size of the Board;
- reviewed and assessed the performance of each individual Directors, the independence of the Independent Directors and the effectiveness of the Board and the Board Committees;
- reviewed the TOR of NC in line with the MMLR of Bursa Securities; and
- discussed and recommended to the Board of Directors who are retiring and be eligible for re-election at the Sixteenth AGM.

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 as the Board size is small, the Board does not, for the time being, have any targets or set any measures to meet any target. The Board through the NC will consider gender diversity in the appointment of women directors as part of its future selection process should the need arises.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 12) Board Committees (continued)

#### (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](http://www.imaspro.com).

The RC believes in a remuneration policy that fairly supports the Director's responsibilities and fiduciary duties in steering ICB Group to achieve its long-term goals and enhance shareholders' value. The main objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain 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 2021, the RC met once and the meeting was attended by all of its members. All recommendations of the RC are subject to endorsement by the Board.

### 13) Directors' Remuneration

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

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

The Company will seek the shareholders' approval at the forthcoming Seventeenth AGM for Directors' fees and benefits payable to the Directors for the period from this Seventeenth AGM until the next AGM of the Company in 2022. 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 Sixteenth AGM held on 18 November 2020, approved the payment of Directors' fees and benefits up to RM162,000 to the Directors for the period from the Sixteenth AGM until the forthcoming Seventeenth AGM. For the financial year ended 30 June 2021, a total of RM143,000 was paid to the Directors of the Company.



# 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)

Details of the Directors' remuneration of the Company (including the Managing Director) who served during the financial year ended 30 June 2021 are as follows:

Name of Director	Fees & Chairman's Allowance* RM	Meeting Allowance* RM	Salaries <sup>^</sup> & Fees RM	Bonuses <sup>^</sup> RM	Benefits-in-kind <sup>^</sup> RM	Other emoluments <sup>^</sup> RM	Total RM
<b>Managing Director</b>							
Tong Chin Hen	24,000	1,000	1,380,000	210,000	23,950	249,900	1,888,850
<b>Non-Executive Directors</b>							
Datuk Captain Hamzah Bin Mohd Noor	30,000	1,000	-	-	-	-	31,000
Chen Sung Fang	30,000	1,000	-	-	-	-	31,000
Chan Weng Fui	30,000	1,000	-	-	-	-	31,000
Chan Kim Hing	24,000	1,000	-	-	-	-	25,000
<b>Total</b>	<b>138,000</b>	<b>5,000</b>	<b>1,380,000</b>	<b>210,000</b>	<b>23,950</b>	<b>249,900</b>	<b>2,006,850</b>

\* : received and receivable from the Company.

<sup>^</sup> : 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.

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	3
RM150,001 – RM200,000	1
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 7.2 of the MCCG, is not in the best interest of the Company due to privacy reasons.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 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, through 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 and updated the AC's TOR on 26 August 2020 to reflect the requirements of the applicable practices of MCCG.

The Board had incorporated the policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC in its TOR. 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. Private sessions between the AC and the external auditors were also held without the presence of the Managing Director and Key Senior Management team to discuss the audit findings and any other observations they might have during the audit process.

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 2021) presented to the AC.

# 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)

Being satisfied with the external auditors' performance, technical competence and independence, the AC recommended the appointment of Messrs HLB Ler Lum Chew PLT as external auditors for the financial year ended 30 June 2021.

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 2021, the external auditors also undertook the following non-audit related review:

- Review of 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 2021 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 40 to 43 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.

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, 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 2021, 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 44 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 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](http://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](http://www.imaspro.com) as well as Bursa Securities' website at [www.bursamalaysia.com](http://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.

The Notice of the Sixteenth 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. Due to the lockdowns implemented by the Malaysian Government and the restrictions on face-to-face meetings, the Sixteenth 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 18 November 2020. All resolutions set out in the Notice of AGM were put to vote electronically (e-vote) and all the resolutions tabled were carried. The Sixteenth AGM that was conducted virtually for the first time provided an opportunity for shareholders to participate remotely at the AGM and pose relevant questions to the Chairman and the Board via real time submission of typed texts.

# 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)

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, were present 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, 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.

ICB Group has introduced electronic voting (e-voting) facilities and will make available of such facilities in future meetings, where necessary, and if the number of attendees at the general meeting increases. This is to ensure that the mandatory poll voting process at all general meetings are being carried out efficiently. In addition, the Company has amended its Constitution to allow the Company to leverage on technology to enhance communication with the shareholders of the Company and the conduct of future general meetings.

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 Seventeenth AGM to be held on 17 November 2021.

### 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, 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](http://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 of Imaspro Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2021.

### MEMBERSHIP AND MEETINGS

The Audit Committee (“AC”) comprises three members of the Board of Directors (“the Board”), 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 assessment conducted for the financial year ended 30 June 2021, 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, multiple lockdowns have been implemented by the Malaysian Government in response to COVID-19 pandemic and restrictions were imposed on having face-to-face meetings. With the availability of various virtual meeting platforms, the AC was able to continue with the planned meetings as usual albeit on a virtual basis and engage effectively during those meetings. Web and teleconferencing were the main tools used to conduct some of the meetings during the year.

During the financial year ended 30 June 2021, the AC had four 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	Senior Independent Non-Executive Director	4/4
Chan Kim Hing	Independent Non-Executive Director	4/4

\* two (2) physical and two (2) virtual meetings were held.

The Chairman, Managing Director, Accounts & Administration Manager, Finance & Corporate Strategy Manager and the outsourced internal auditors of ICB Group 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 separate private sessions without the presence of the Managing Director and Management staff on 26 August 2020. 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 outline 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](http://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

The AC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the AC during the financial year ended 30 June 2021 were as follows:

#### 1) Financial Reporting

- a) Reviewed the quarterly financial results of the Group and the relevant announcements to Bursa Securities and recommended them for the Board's approval.
- b) Reviewed the Audited Financial Statements of the Group and recommended them for the Board's approval.

In reviewing the financial results and 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.

The following reviews have been carried out to ensure that the Group and the Company's quarterly interim financial statements and related disclosures present a true and fair view of the Group's and the Company's financial position and performance and are 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.

<b>Date of Meetings</b>	<b>Review of Quarterly Interim Financial Statements</b>
26 August 2020	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 June 2020
18 November 2020	First quarter results for the financial year ended 30 June 2021
3 February 2021	Second quarter results for the financial year ended 30 June 2021
19 May 2021	Third quarter results for the financial year ended 30 June 2021

#### 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 an annual assessment of the performance of the external auditors for the financial year ended 30 June 2021, 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 2021 at its meeting held on 26 August 2020.

## 3) Internal Audit

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

- i) Inventory Management, Logistics Management and Maintenance;
- ii) Safety and Health;
- iii) Follow-up status review on previously reported audit findings; and
- iv) Risk Management & Risk Registry Review and review of Risk Management Handbook.

The AC also reviewed the Register of Risk Report which covers the Risk Matrix and Change Log of the risks of the Company. The AC reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto. The internal auditors monitored the implementation of Management's action plan on outstanding issues through follow-up reports to ensure that all key risks and control weaknesses are being properly addressed.

b) The AC also reviewed and approved the Internal Audit Plan for financial year ending 30 June 2022 to ensure there is adequate scope and comprehensive coverage over the activities of ICB Group 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

a) Reviewed the corporate governance practices adopted by the Group based on the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia ("SC") in April 2017. The AC has taken note of the revisions made to the MCCG by the SC in April 2021, whereby the Company is required to report its application of the revised MCCG for the financial year ending 30 June 2022.

b) Reviewed the Corporate Governance Overview Statement, 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 2021, the following activities were conducted:

- 1) Tabled the Internal Audit Plan for the financial year ending 30 June 2022 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's 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 2021 performed by SBAC was RM31,200.

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

# 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 provide the following Statement on Risk Management and Internal Control (“SORMIC”) of the Company and its subsidiaries (“the Group”) for the financial year ended 30 June 2021. This has been 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 (“MCCG”) and the Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers. The Board has taken note of the revisions made to the MCCG by the Securities Commission Malaysia on 28 April 2021, whereby the Company is required to report its application of the revised MCCG for the financial year ending 30 June 2022.

## 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

The COVID-19 outbreak and consequent measures imposed by the Malaysian Government to contain the spread of the virus have negatively impacted our business in financial year (“FY”) 2021, particularly in our export market. The extent of the pandemic remains uncertain and it is expected to further affect our way of doing business. To deal with this and other uncertainties, the Group has applied an integrated approach to managing risks arising from its strategy and daily operations.

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.

# 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

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.
- 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.
- The Audit Committee ("AC") reviews the quarterly and annual financial statements as well as results announcements and recommends to the Board for approval.
- Regular meetings are held to discuss on the overall Group and operating subsidiaries' operational matters and to resolve key operational, financial, human resource and other related issues.
- Regular internal audit reviews are carried out to identify any 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.
- The Group has mobilised its Risk Management Team which comprises members of the Key Senior Management Team, to provide leadership and timely decision making to ensure continuity of business operations in the event of a significant disruption or disaster. In FY2021, the Group activated the Contingency Plan during the nationwide lockdown under the Movement Control Order ("MCO") imposed by the Malaysian Government to contain the COVID-19 outbreak. The Risk Management Team has been proactively managing the impacts of the MCO and the consequent containment measures on the Group business and operations by ensuring strict compliance with the required standard operating procedures and has since put in place various measures to ensure the health and well-being of our people and our business continuity.

## 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 AC on a 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.

# 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)

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 in accordance with 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 2021, the total costs incurred for the outsourced internal audit function is RM31,200.

For the financial year ended 30 June 2021, 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 2020-September 2020)	Imaspro Resources Sdn. Bhd.	<ul style="list-style-type: none"> <li>Inventory Management</li> <li>Logistics Management</li> <li>Maintenance</li> </ul>
2nd Quarter (October 2020-December 2020)	Imaspro Resources Sdn. Bhd.	<ul style="list-style-type: none"> <li>Safety and Health</li> </ul>
3rd Quarter (January 2021-March 2021)	Imaspro Group of Companies	<ul style="list-style-type: none"> <li>Follow-up status review on previously reported audit findings</li> </ul>
4th Quarter (April 2021-June 2021)	Imaspro Resources Sdn. Bhd.	<ul style="list-style-type: none"> <li>Risk Management &amp; Risk Registry Review</li> <li>Review of Risk Management Handbook</li> </ul>

## 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.

# 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)

## **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 made in accordance with a resolution of the Board.

# 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 2021, 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. 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.

### Governance Structure

The Board acknowledges the importance for ICB Group to adopt and continuously practise good corporate 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”) with reference to the Corporate Governance Guide (“Guide”) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

To integrate sustainability within ICB Group’s operations, we have instituted a clear governance model for sustainability that provides a solid foundation to effectively steer ICB Group towards achieving our objectives and review the progress of our sustainability initiatives. It ensures that we focus on embedding sustainability that are relevant to our business areas.

### 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 2020 to 30 June 2021 and applies to our 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.

## **ENVIRONMENTAL IMPACTS**

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

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

## 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.



# SUSTAINABILITY STATEMENT (continued)

## 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. We select initiatives that are closely related to our competences and business, in areas where we believe we can add most value through our expertise and 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.

ICB Group remains committed in CSR initiatives to help promote a safe and healthy community free from the threat of dengue. Some of our community engagements include:

- conducted a public webinar with Alpro Pharmacy jointly in conjunction with the Dengue Awareness Campaign on 17 August 2020;
- provision of insecticide treatment for a school in Subang Jaya to eliminate disease carrying mosquitoes on 15 February 2021;
- distribution of dengue awareness materials to the community; and
- sponsorship for the replacement of signages and billboards in relation to anti-Malaria and environmental control drainage system at Penang Botanical Garden.

### 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 25 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.

## 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.

# SUSTAINABILITY STATEMENT (continued)

## Workplace Diversity & Inclusion (continued)

While ICB Group has been traditionally celebrating major festivals with all employees annually, ICB Group has not been able to organise such activities in this financial year due to the COVID-19 pandemic and the movement control orders implemented by the Malaysian Government.

## 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

The ongoing COVID-19 pandemic has affected the arrangement of safety trainings. The various forms of MCOs have prevented external trainers to conduct physical trainings. Internal trainings have also been postponed to avoid close physical contact during pandemic period. However, ICB Group remains committed to striving a safe and healthy working environment for all employees. ICB Group has been regularly communicating and educating employees while encouraging all employees to share relevant information and updates to ensure their safety and wellbeing are maintained in these challenging times.

### Other training

All relevant employees have participated in an online seminar on Ageing Plant Management System conducted by Jabatan Keselamatan dan Kesihatan Pekerjaan Sarawak and Bahagian Keselamatan Petroleum Malaysia on 28 April 2021.

### Factory COVID-19 handling

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.

In response to the COVID-19 outbreak and the MCOs instituted by the Government to contain the spread of the pandemic, ICB Group has been providing face masks, hand sanitisers and gloves for its working employees. In creating a safe and healthy workplace environment, ICB Group has also put in place stringent preventive and control measures which are ongoing. This includes:

- stringent entry procedures for all employees and visitors
- mandatory use of hand sanitisers
- temperature screening at entry points
- comprehensive social distancing across all premises
- provision of masks
- increased communication on prevention
- daily sanitisation of workplaces

# 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 2021.

## 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 26 August 2020, 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 in place a number of policies 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 <http://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 <http://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 2021.

# 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.

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**2021**

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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 2021.

## 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

	<b>Group RM</b>	<b>Company RM</b>
Profit/(Loss) for the year	1,819,992	(105,796)
Profit/(Loss) attributable to:		
Owners of the Company	1,819,992	(105,796)
Non-controlling interests	-	-
	<u>1,819,992</u>	<u>(105,796)</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 2020 was as follows:

In respect of the financial year ended 30 June 2020

	<b>RM</b>
A first and final single tier dividend of 3.5 sen per share paid on 18 January 2021	<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 2021 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 2021.

# DIRECTORS' REPORT (continued)

## 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

## 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 any benefit, (other than benefits included in the aggregate amount of remunerations received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in the notes to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for as disclosed in the Notes to the Financial Statements.

## DIRECTORS' INTERESTS 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 30.6.2021
	At 1.7.2020	Acquired	Disposed	
<b>Shareholdings in the name of the Director:</b>				
Tong Chin Hen	4,200,000	1,300,000	-	5,500,000
Chan Weng Fui	691,900	-	(19,000)	672,900
<b>Shareholdings in which the Director is deemed to have an interest:</b>				
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' REMUNERATION

Details of Directors' remuneration are set out in Note 25 to the Financial Statements.

# 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) except as disclosed in Note 36 to the Financial Statements, 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**

Details of the Auditors' remuneration are set out in Note 23 to the Financial Statements.

## **AUDITORS**

The auditors, HLB Ler Lum Chew PLT (201906002362 & AF 0276) (formerly known as HLB Ler Lum 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: 25 August 2021

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 2021 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: 25 August 2021

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 25 August 2021

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 2021 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 61 to 112.

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 2021, 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. 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 associate company being Mosfly Vietnam Industries Co., Ltd. ("Mosfly").

##### The risk

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

The carrying amount of the assets and liabilities held for sale amounted to RM14.0 million and RM0.014 million respectively as at the end of the reporting year and the net carrying amount of the assets held for sale amounted to RM14.0 million, which accounted for 11.1% of the Group's net assets as at the reporting year end.

Management has identified and assessed the carrying amounts of assets and liabilities held for sale. Assets and liabilities identified as held for sale are carried at the lower of their carrying amounts and fair value less costs of disposal.

We focused on this area given the use of significant estimates and judgement in determining the fair value less costs of disposal.

# 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 as discontinued operations.

- Challenging the Group's and the Company's judgement on the classification of the disposal group as held for sale through understanding the status of the sales process and reviewing correspondence from prospective purchasers;
- Reviewed the assumptions made by the management to determine that the assets and liabilities classified as held for sale are measured at lower of their carrying amounts and fair value less costs of disposal; and
- Evaluated the appropriateness of the presentation and disclosure of the results of Mosfly as discontinued operations.

### **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.

### **Auditor's 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**  
03160/09/2022 J  
Chartered Accountant

Dated: 25 August 2021

Kuala Lumpur

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>ASSETS</b>					
<b>Non – current assets</b>					
Property, plant and equipment	4	27,001,078	28,959,173	-	-
Investment properties	5	15,100,187	17,979,081	-	-
Investment in subsidiary companies	6	-	-	31,467,623	31,467,623
Investment	7	4,785,714	4,642,857	4,785,714	4,642,857
Deferred tax asset	8	-	-	-	-
		<u>46,886,979</u>	<u>51,581,111</u>	<u>36,253,337</u>	<u>36,110,480</u>
<b>Current assets</b>					
Inventories	9	17,855,460	13,978,051	-	-
Trade and other receivables	10	12,421,533	13,616,965	20,436,440	22,513,454
Contract cost asset	11	25,565	69,700	-	-
Income tax assets		2,510,976	2,471,998	-	-
Cash and bank balances	12	38,058,697	35,339,253	2,671,737	205,519
		<u>70,872,231</u>	<u>65,475,967</u>	<u>23,108,177</u>	<u>22,718,973</u>
Assets of disposal group classified as held-for-sale	13	15,372,450	18,389,264	13,900,000	18,200,000
		<u>86,244,681</u>	<u>83,865,231</u>	<u>37,008,177</u>	<u>40,918,973</u>
<b>TOTAL ASSETS</b>		<u>133,131,660</u>	<u>135,446,342</u>	<u>73,261,514</u>	<u>77,029,453</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company:</b>					
Share capital	14	42,857,032	42,857,032	42,857,032	42,857,032
Fair value reserve	15	263,214	120,357	263,214	120,357
Foreign currency translation reserve	16	1,934,651	2,289,164	-	-
Retained profits	17	80,687,612	81,667,620	30,112,668	33,018,464
Reserve of disposal group classified as held-for-sale	13	117,415	167,099	-	-
<b>Total equity</b>		<u>125,859,924</u>	<u>127,101,272</u>	<u>73,232,914</u>	<u>75,995,853</u>
<b>Non – current liabilities</b>					
Deferred tax liabilities	8	1,070,000	1,057,746	-	-
Loan and borrowings	18	2,675,079	2,997,735	-	-
		<u>3,745,079</u>	<u>4,055,481</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	19	3,119,590	3,549,483	28,600	1,033,600
Loan and borrowings	18	320,759	421,217	-	-
Income tax liabilities		72,291	296,724	-	-
		<u>3,512,640</u>	<u>4,267,424</u>	<u>28,600</u>	<u>1,033,600</u>
Liabilities directly associated with disposal group classified as held-for-sale	13	14,017	22,165	-	-
		<u>3,526,657</u>	<u>4,289,589</u>	<u>28,600</u>	<u>1,033,600</u>
<b>TOTAL LIABILITIES</b>		<u>7,271,736</u>	<u>8,345,070</u>	<u>28,600</u>	<u>1,033,600</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>133,131,660</u>	<u>135,446,342</u>	<u>73,261,514</u>	<u>77,029,453</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 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Continuing Operations</b>					
Revenue	20	56,988,534	66,522,291	4,571,428	3,600,000
Cost of sales		(41,021,320)	(53,412,746)	-	-
<b>Gross profit</b>		15,967,214	13,109,545	4,571,428	3,600,000
Other operating income	21	1,619,852	2,049,632	33,154	99,450
Distribution cost		(641,536)	(785,457)	-	-
Administration expenses		(7,202,258)	(7,335,812)	(4,710,378)	(8,266,626)
Other operating expenses		(1,633,380)	(2,060,377)	-	-
Operating profit/(loss)		8,109,892	4,977,531	(105,796)	(4,567,176)
Finance cost	22	(140,321)	(208,590)	-	-
<b>Profit/(Loss) before tax</b>	23	7,969,571	4,768,941	(105,796)	(4,567,176)
Income tax expense	26	(1,888,285)	(1,648,230)	-	-
<b>Profit/(Loss) from continuing operations</b>		6,081,286	3,120,711	(105,796)	(4,567,176)
<b>Discontinued operations</b>					
Loss from discontinued operations	13	(4,261,294)	(2,014,750)	-	-
<b>Profit/(Loss) for the year</b>		1,819,992	1,105,961	(105,796)	(4,567,176)
<b>Other comprehensive (loss)/income</b>					
Items that may be reclassified subsequently to profit or loss:					
<b>Continuing operations</b>					
- Foreign currency translation		(354,513)	409,620	-	-
<b>Discontinued operations</b>					
- Share of other comprehensive income of associated company		(49,684)	95,575	-	-
Items that may not be reclassified subsequently to profit or loss:					
<b>Continuing operations</b>					
- Changes in the fair value of equity investment at fair value through other comprehensive income		142,857	120,357	142,857	120,357
<b>Total comprehensive income/(loss) for the year</b>		1,558,652	1,731,513	37,061	(4,446,819)

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 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) attributable to:					
Owners of the Company		1,819,992	1,105,961	(105,796)	(4,567,176)
Non-controlling interests		-	-	-	-
		<u>1,819,992</u>	<u>1,105,961</u>	<u>(105,796)</u>	<u>(4,567,176)</u>
Total comprehensive income/(loss)					
Profit/(Loss) attributable to:					
Owners of the Company		1,558,652	1,731,513	37,061	(4,446,819)
Non-controlling interests		-	-	-	-
		<u>1,558,652</u>	<u>1,731,513</u>	<u>37,061</u>	<u>(4,446,819)</u>
Profit/(Loss) attributable to equity holder of the Company relates to:					
Profit from continuing operations		5,869,630	3,650,688	-	-
Loss from discontinued operations		(4,310,978)	(1,919,175)	-	-
		<u>1,558,652</u>	<u>1,731,513</u>	<u>-</u>	<u>-</u>
<b>Earnings/(Loss) per share attributable to owners of the Company:</b>					
Basic (sen)	27				
From continuing operations		7.60	3.90		
From discontinued operations		(5.33)	(2.52)		

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 2021

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 RM	
<b>At 1 July 2019</b>		42,857,032	-	1,879,544	83,361,659	71,524	128,169,759
Profit for the year		-	-	-	1,105,961	-	1,105,961
Other comprehensive income for the year		-	120,357	409,620	-	95,575	625,552
<b>Transaction with owners</b>							
Dividends	28	-	-	-	(2,800,000)	-	(2,800,000)
<b>At 30 June 2020</b>		42,857,032	120,357	2,289,164	81,667,620	167,099	127,101,272
Profit for the year		-	-	-	1,819,992	-	1,819,992
Other comprehensive income/(loss) for the year		-	142,857	(354,513)	-	(49,684)	(261,340)
<b>Transaction with owners</b>							
Dividends	28	-	-	-	(2,800,000)	-	(2,800,000)
<b>At 30 June 2021</b>		42,857,032	263,214	1,934,651	80,687,612	117,415	125,859,924

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 2021

Company	Note	Attributable to owners of the Company			Total Equity RM
		Share Capital RM	Fair Value Reserve RM	Retained Profits RM	
<b>At 30 June 2019</b>		42,857,032	-	40,385,640	83,242,672
Loss for the year		-	-	(4,567,176)	(4,567,176)
Other comprehensive income for the year		-	120,357	-	120,357
<b>Transaction with owners</b>					
Dividends	28	-	-	(2,800,000)	(2,800,000)
<b>At 30 June 2020</b>		42,857,032	120,357	33,018,464	75,995,853
Loss for the year		-	-	(105,796)	(105,796)
Other comprehensive income for the year		-	142,857	-	142,857
<b>Transaction with owners</b>					
Dividends	28	-	-	(2,800,000)	(2,800,000)
<b>At 30 June 2021</b>		42,857,032	263,214	30,112,668	73,232,914

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 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	3,853,270	2,931,956	(105,796)	(4,567,176)
Adjustments for:				
Depreciation of property, plant and equipment (Note 13 and 23)	1,286,455	1,377,217	-	-
Depreciation of investment properties (Note 23)	259,571	319,772	-	-
Dividend income	(71,428)	-	(4,571,428)	(3,600,000)
Gain on disposal of property, plant and equipment (Note 13 and 21)	(51,610)	(80,303)	-	-
Gain on disposal of investment property (Note 21)	(274,942)	-	-	-
Impairment losses on receivables - net (Note 13 and 23)	(433,721)	299,691	-	-
Impairment loss on remeasurement of disposal group (Note 13 and 23)	3,976,792	1,611,646	4,300,000	7,800,000
Interest expenses (Note 22)	140,321	208,590	-	-
Interest income (Note 13 and 21)	(481,665)	(596,965)	(33,154)	(99,450)
Inventories written-off (Note 13 and 23)	643,776	1,026,535	-	-
Loss on foreign exchange - unrealised (Note 13 and 23)	139,287	90,575	-	-
Property, plant and equipment written-off (Note 23)	2,093	1	-	-
Share of associate's results (Note 13)	410,534	134,909	-	-
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>9,398,733</b>	<b>7,323,624</b>	<b>(410,378)</b>	<b>(466,626)</b>
Inventories	(4,476,414)	113,938	-	-
Contract cost asset	44,135	(69,700)	-	-
Receivables	2,249,204	6,315,187	6,577,014	(3,170,814)
Payables	(438,041)	132,412	(1,005,000)	994,145
<b>CASH GENERATED FROM / (ABSORBED BY) OPERATIONS</b>	<b>6,777,617</b>	<b>13,815,461</b>	<b>5,161,636</b>	<b>(2,643,295)</b>
Dividend received	71,428	-	71,428	3,150,000
Interest paid	(140,321)	(208,590)	-	-
Interest received	481,665	596,965	33,154	99,450
Taxes paid	(2,301,711)	(1,855,000)	-	-
Taxes refunded	21,332	416,060	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>4,910,010</b>	<b>12,764,896</b>	<b>5,266,218</b>	<b>606,155</b>

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 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(764,565)	(803,842)	-	-
Proceeds from disposal of property, plant and equipment	166,575	68,311	-	-
Proceeds from disposal of investment property - net	2,894,265	-	-	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	2,296,275	(735,531)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of term loan	(423,114)	(605,818)	-	-
Dividend paid	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
Purchase of investment	-	(4,522,500)	-	(4,522,500)
NET CASH USED IN FINANCING ACTIVITIES	(3,223,114)	(7,928,318)	(2,800,000)	(7,322,500)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,983,171	4,101,047	2,466,218	(6,716,345)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(354,513)	409,620	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37,708,022	33,197,355	205,519	6,921,864
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12 AND NOTE 13)</b>	41,336,680	37,708,022	2,671,737	205,519

## NOTES TO THE STATEMENTS OF CASH FLOWS

### (a) Acquisition of property, plant and equipment

Cash	764,565	803,842	-	-
Trade in	11,000	12,000	-	-
	775,565	815,842	-	-

### (b) Reconciliation of liabilities arising from financing activities:

Loan and borrowings				
At 1 July			3,418,952	4,024,770
<u>Cash outflows</u>				
Interest paid			(117,216)	(176,138)
Repayment			(423,114)	(605,818)
<u>Non-cash changes</u>				
Finance costs			117,216	176,138
As at 30 June			2,995,838	3,418,952

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 2020.

#### Effective for financial year beginning on or after 1 July 2020

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
Amendments to MFRS 7	Financial Instruments Disclosures (Interest Rate Benchmark Reform)
Amendments to MFRS 9	Financial Instruments Disclosures (Interest Rate Benchmark Reform)
Amendments to MFRS 16	Leases (Covid-19 – Related Rent Concessions)
Amendments to MFRS 139	Financial Instruments Recognition and Measurement (Interest Rate Benchmark Reform)

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

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 2021

Amendments to MFRS 3	Business Combinations (Reference to the Conceptual Framework)
Amendments to MFRS 4	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 7	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 9	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Leases (Covid-19 - Related Rent Concessions beyond 30 June 2021)
Amendments to MFRS 17	Insurance Contracts (Amendments to MFRS 17 Insurance Contracts)
Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policies)
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
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 116	Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before Intended Use)
Amendments to MFRS 137	Provisions Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
Amendments to MFRS 139	Interest Rate Benchmark Reform - Phase 2

Annual Improvements to MFRS Standards 2018 -2020

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 2021 are RM 11,065,316 (2020: RM 12,664,327).

#### (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 associate 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 input are used as a basis for the valuation.

For more details on the discontinued operation, refer to Note 13(A) 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 lands 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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

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).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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")).

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.

# 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 – the company 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)

## (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 RM	Long term		Buildings RM	Office equipment and fittings RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Plant and machinery RM	Farm structure & equipment RM	Total RM
		leasehold land RM	land RM								
<b>Cost</b>											
At 1 July 2019	13,921,808	3,269,162	10,489,785	1,169,089	555,858	710,073	3,649,425	12,941,132	123,078	46,829,410	
Additions	-	-	7,000	23,898	-	-	148,363	636,581	-	815,842	
Disposals	-	-	-	-	-	-	(288,665)	(152,000)	-	(440,665)	
Written off	-	-	-	-	(300,000)	-	-	(29,096)	-	(329,096)	
At 1 July 2020	13,921,808	3,269,162	10,496,785	1,192,987	255,858	710,073	3,509,123	13,396,617	123,078	46,875,491	
Additions	-	-	-	31,170	3,610	-	334,931	405,854	-	775,565	
Disposals	-	-	-	-	-	-	(267,971)	(887,950)	-	(1,155,921)	
Written off	-	-	-	-	-	-	-	(752,670)	-	(752,670)	
Reclassified to asset held-for-sale (Note 13(B))	(1,055,200)	-	(394,800)	-	-	-	-	-	-	(1,450,000)	
At 30 June 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	
<b>Accumulated depreciation</b>											
At 1 July 2019	-	535,888	1,616,887	1,075,970	550,247	701,166	2,292,066	10,435,710	112,729	17,320,663	
Depreciation charge for the year	-	49,533	212,819	43,441	2,843	8,391	449,941	595,945	2,494	1,365,407	
Disposals	-	-	-	-	-	-	(288,662)	(151,995)	-	(440,657)	
Written off	-	-	-	-	(300,000)	-	-	(29,095)	-	(329,095)	
At 30 June 2020	-	585,421	1,829,706	1,119,411	253,090	709,557	2,453,345	10,850,565	115,223	17,916,318	

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 4. PROPERTY, PLANT AND EQUIPMENT (continued)

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								
<b>Accumulated depreciation</b>												
At 1 July 2020	-	585,421	1,829,706	1,119,411	253,090	709,557	2,453,345	10,850,565	115,223	17,916,318		
Depreciation charge for the year	-	50,295	213,476	30,200	1,607	415	417,598	563,557	2,494	1,279,642		
Disposals	-	-	-	-	-	-	(150,902)	(887,946)	-	(1,038,848)		
Written off	-	-	-	-	-	-	-	(750,577)	-	(750,577)		
Reclassified to asset held-for-sale (Note 13(B))	-	-	(115,148)	-	-	-	-	-	-	(115,148)		
At 30 June 2021	-	635,716	1,928,034	1,149,611	254,697	709,972	2,720,041	9,775,599	117,717	17,291,387		
<b>Net carrying amount</b>												
At 30 June 2021	12,866,608	2,633,446	8,173,951	74,546	4,771	101	856,042	2,386,252	5,361	27,001,078		
At 30 June 2020	13,921,808	2,683,741	8,667,079	73,576	2,768	516	1,055,778	2,546,052	7,855	28,959,173		

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 5. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 July	19,262,405	19,262,405
Addition	-	-
Disposal	(2,840,570)	-
At 30 June	16,421,835	19,262,405
<b>Accumulated depreciation</b>		
At 1 July	1,283,324	963,552
Depreciation charge for the year	259,571	319,772
Disposal	(221,247)	-
At 30 June	1,321,648	1,283,324
<b>Net carrying amount</b>		
At 30 June	15,100,187	17,979,081
Estimated fair value	17,688,782	20,691,600
Included in the above are:		
	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Net carrying amount</b>		
Land	7,600,957	9,242,878
Buildings	7,499,230	8,736,203
	15,100,187	17,979,081

Investment properties comprise of land and buildings. Rental income generated from the investment properties during the financial year amounted to RM12,000 (2020: RM186,000).

Direct operating expenses from investment properties that did not generate rental income of the Group during the year amounted to RM168,855 (2020: RM23,500).

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM3,867 (2020: RM227,140).

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 RM5,673,071 (2020: RM9,120,611) 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	
	2021 RM	2020 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
		2021 (%)	2020 (%)	
<b>Direct subsidiary companies of the Company</b>				
Imaspro Resources Sdn. Bhd. (“IRSB”)	Malaysia	100	100	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
Ideal Command Sdn. Bhd.	Malaysia	100	100	Investment holding
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
<b>Direct subsidiary companies of IRSB</b>				
Imaspro Biotech Sdn. Bhd.	Malaysia	100	100	Manufacturing, distribution, research and development of pesticides and agrochemicals
Imaspro Resources Incorporated	Labuan, Malaysia	100	100	Distribution of pesticides, including herbicides, insecticides, fungicides, plant micronutrients, fertiliser, public health products, pest control products, wood preservative and other related products

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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. INVESTMENT

	<b>Group/Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through other comprehensive income ("FVOCI") (Note 35)		
Quoted equity investments		
- Within Malaysia	4,785,714	4,642,857

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 July	1,057,746	976,746
Recognised in profit or loss (Note 26)	12,254	81,000
At 30 June	1,070,000	1,057,746
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	1,070,000	1,057,746
	1,070,000	1,057,746



# 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	Others RM	Total RM
<b>Deferred tax assets of the Group</b>				
At 1 July 2020	-	-	-	-
Recognised in profit or loss	-	-	-	-
At 30 June 2021	-	-	-	-
At 1 July 2019	47,000	(6,040)	37,172	78,132
Recognised in profit or loss	(47,000)	6,040	(37,172)	(78,132)
At 30 June 2020	-	-	-	-
<b>Deferred tax liabilities of the Group</b>				
At 1 July 2020	192,000	(536,210)	(713,536)	(1,057,746)
Recognised in profit or loss	(21,000)	20,946	(12,200)	(12,254)
At 30 June 2021	171,000	(515,264)	(725,736)	(1,070,000)
At 1 July 2019	192,000	(534,408)	(712,470)	(1,054,878)
Recognised in profit or loss	-	(1,802)	(1,066)	(2,868)
At 30 June 2020	192,000	(536,210)	(713,536)	(1,057,746)
<b>Carrying amounts</b>				
As at 30 June 2021	171,000	(515,264)	(725,736)	(1,070,000)
As at 30 June 2020	192,000	(536,210)	(713,536)	(1,057,746)

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 9. INVENTORIES

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Raw materials	12,562,324	9,689,029
Finished goods	3,645,187	2,579,336
Packaging materials	944,989	804,135
Work-in-progress	702,960	905,551
	<u>17,855,460</u>	<u>13,978,051</u>

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM34,605,676 (2020: RM41,249,095).

## 10. TRADE AND OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade receivables	11,936,755	13,990,542	-	-
Less: Allowance for impairment	(871,439)	(1,326,215)	-	-
Trade receivables, net	<u>11,065,316</u>	<u>12,664,327</u>	-	-
Other receivables				
- Deposits	107,509	130,914	-	-
- Prepayments	603,610	459,875	689	-
- Dividend receivables	-	-	4,500,000	3,600,000
- Amount due from subsidiary companies	-	-	15,935,751	18,913,454
- Sundry receivables	243,166	273,390	-	-
- Advance paid to suppliers	401,932	88,459	-	-
	<u>1,356,217</u>	<u>952,638</u>	<u>20,436,440</u>	<u>22,513,454</u>
Total trade and other receivables (Note 35)	<u>12,421,533</u>	<u>13,616,965</u>	<u>20,436,440</u>	<u>22,513,454</u>

### (a) Trade receivables

Trade receivables are non-interest bearing and generally have credit terms of 30 to 180 days (2020: 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 lifetime ECL are as follows:-

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 July	1,326,215	1,224,985
Charge during the year - net	(345,118)	117,134
Bad debts written off	(109,658)	(15,904)
At 30 June	871,439	1,326,215

### (b) Related party balances

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

## 11. CONTRACT COST ASSETS

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Cost to obtain contracts with customers		
At 1 July	69,700	-
Addition	25,565	69,700
Charge to Profit or Loss	(69,700)	-
At 30 June	25,565	69,700

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 will be included in the Statement of Profit or Loss upon fulfilment of the contract, being completion of the sale. No impairment was considered necessary as the remaining amount of consideration exceeded to a significant extent the carrying amount of the contract cost assets.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash on hand and at banks	16,341,311	18,284,285	176,163	137,557
Fixed deposits	696,268	655,528	-	-
Short term cash investments	21,021,118	16,399,440	2,495,574	67,962
Cash and bank balances (Note 35)	38,058,697	35,339,253	2,671,737	205,519

- (a) One of the deposits with licensed banks in respect of a subsidiary company amounting to RM2,000 (2020: 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 1.05% to 2.62% (2020: 1.40% to 3.62%) and 1.05% to 2.62% (2020: 3.12%) of the Group and of the Company respectively.

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

		Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Mosfly Group	(A)				
- Assets		14,037,598	18,389,264	13,900,000	18,200,000
- Liabilities		(14,017)	(22,165)	-	-
- Equities		(117,415)	(167,099)	-	-
		13,906,166	18,200,000	13,900,000	18,200,000
Property - Malaysia	(B)	1,334,852	-	-	-
		15,241,018	18,200,000	13,900,000	18,200,000

### (A) Mosfly Group

In June 2019, the Board of Directors of Imaspro Corporation Berhad ("Imaspro") had decided to dispose of one of its wholly-owned subsidiary, Mosfly International Sdn. Bhd. including its investment in associate company being Mosfly Vietnam Industries Co., Ltd. ("Mosfly") which was previously reported in the mosquito coils, disinfectants and household insecticide segment. The decision is consistent with the Group's strategy to focus on its pesticides and agrochemicals business and to divest its mosquito coils, disinfectants and household insecticide business, which has been underperforming for the last few years. The Company had received a letter of intent in June 2019 from an interested buyer. The process for disposal of Mosfly had been delayed as the due diligence is yet to be completed by the interested buyer due to the COVID-19 pandemic in Vietnam. In May 2021, Ho Chi Minh City, Vietnam is in a complete lockdown and it is unsure when the lockdown will be lifted. The interested buyer had re-express their intention and interest on the acquisition on Mostfly by letter dated on 31 May 2021.

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	
	2021 RM	2020 RM
Revenue	267,770	290,107
Other operating income	467,410	228,751
Cost of sales	(267,518)	(218,729)
Expenses	(196,637)	(390,559)
Share of associated losses	(410,534)	(134,909)
Loss before tax from discontinued operations	(139,509)	(225,339)
Income tax expense (Note 26)	(144,993)	(177,765)
<b>Loss after tax from discontinued operations</b>	<b>(284,502)</b>	<b>(403,104)</b>
Pre-tax loss recognised on the re-measurement of disposal group to fair value less costs to sell	(3,976,792)	(1,611,646)
<b>Loss for the year from discontinued operations</b>	<b>(4,261,294)</b>	<b>(2,014,750)</b>
<b>Other comprehensive (loss)/income</b>		
Currency translation differences	(49,684)	95,575
<b>Total comprehensive loss for the year</b>	<b>(4,310,978)</b>	<b>(1,919,175)</b>

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

	Group	
	2021 RM	2020 RM
Depreciation of property, plant and equipment	6,813	11,810
Impairment losses – net		
- amount due from associate company	(68,733)	170,885
- trade receivables	(19,870)	11,672
Gain on foreign exchange – unrealised	-	(14,132)
Inventories written-off	50,523	33,158
Impairment loss on re-measurement of disposal group	3,976,792	1,611,646
Interest income	(79,650)	-
Loss/(Gain) on forex - realised	132,771	(128,878)
Royalty income	(332,564)	-
Loss on disposal of property, plant and equipment	8,891	-

# 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	
	2021 RM	2020 RM
Operating cash inflow	909,214	45,406
Total cash inflow	909,214	45,406

### (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	
	2021 RM	2020 RM
<b>Assets</b>		
Property, plant and equipment	183	15,888
Investment in associate	3,511,426	7,948,436
Intangible assets	6,852,645	6,852,645
Inventories	50,896	95,667
Trade and other receivables	59,098	818,436
Cash and cash equivalents	3,277,983	2,368,769
Income tax assets	285,367	289,423
	14,037,598	18,389,264
<b>Liabilities</b>		
Trade and other payables	14,017	22,165
<b>Equity</b>		
Foreign currency translation reserve	117,415	167,099

(ii) Investment in associated company

	Group	
	2021 RM	2020 RM
Unquoted shares, at deem cost	13,418,967	13,418,967
Share of post-acquisition reserve	(9,907,541)	(5,470,531)
	3,511,426	7,948,436

# NOTES TO THE FINANCIAL STATEMENTS (continued)

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

The associate company of the Group classified as held-for-sale is as follows :-

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2021 (%)	2020 (%)	
Held through Mosfly International Sdn. Bhd.	Vietnam	50	50	Producing insect and bacteria exterminating products; producing cosmetics, cleaning, polishing substances, room sprayer and body deodorizer
Mosfly Vietnam Industries Co., Ltd.*^				

\* Company not audited by HLB Ler Lum Chew PLT

^ Company with financial year ended 31 December

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

There are no contingent liabilities relating to the Group's interest in the associate company.

As indicated above, the financial year end of certain associate companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 December as the case may be.

(iii) Details of the amount due from associate company (classified under trade and other receivables) of disposal group classified as held-for-sale were as follows:

	Group/Company	
	2021 RM	2020 RM
Amount due from associate company	668,378	1,488,741
Less: Impairment losses	(668,378)	(737,111)
	-	751,630

(d) Asset held-for-sale

	Company	
	2021 RM	2020 RM
Investment in subsidiary		
Unquoted shares, at cost	26,000,000	26,000,000
Less: Impairment loss	(12,100,000)	(7,800,000)
	13,900,000	18,200,000

# NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Name of Company	Place of Incorporation	Effective Ownership Interest		Principal Activities
		2021 (%)	2020 (%)	
Mosfly International Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of mosquito coils, disinfectants and household insecticides

### (B) Property – Malaysia

In March 2021, Imaspro Biotech Sdn. Bhd. (“IBSB”), a wholly-owned subsidiary of the Group had decided to dispose of its freehold land and building. The freehold land and building had been disposed as a cost-effective measure and to improve efficiency. There is an interested party and the sales and purchase agreement was signed on 2 April 2021. The sale is expected to be completed before end of August 2021.

As at 30 June 2021, the assets related to freehold land and building have been presented in the Statement of Financial Position as “Assets held-for-sale”.

	Group 2021 RM
Non-current assets held for sale:	
Property, plant and equipment	
- Freehold land	1,055,200
- Building	279,652
	1,334,852

## 14. SHARE CAPITAL

	Number of Ordinary Shares		Amount	
	2021	2020	2021 RM	2020 RM
<b>Issued and fully paid</b>				
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	
	2021 RM	2020 RM
At beginning of the financial year	120,357	-
Change in fair values	142,857	120,357
At end of the financial year	263,214	120,357



# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 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	
	2021 RM	2020 RM
Term loan - secured		
- Non-current	2,675,079	2,997,735
- Current	320,759	421,217
	2,995,838	3,418,952

The weighted average effective interest rate at the reporting date for the term loan of the Group is 3.65% (2020: 4.02%).

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

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

## 19. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables				
- Third parties	1,582,670	2,379,315	-	-
Other payables				
- Deposits received	473,600	264,000	-	-
- Amount due to subsidiary company	-	-	-	1,000,000
- Accruals	1,027,223	880,327	28,600	33,600
- Sundry payables	36,097	25,841	-	-
	1,536,920	1,170,168	28,600	1,033,600
Total trade and other payables (Note 35)	3,119,590	3,549,483	28,600	1,033,600

(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 (2020: 5 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 (2020: 30 to 60 days).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 20. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contracts with customer				
- Sale of pesticides products	56,905,106	66,336,291	-	-
Revenue from other sources				
- Dividend income	71,428	-	4,571,428	3,600,000
- Rental income	12,000	186,000	-	-
	<u>56,988,534</u>	<u>66,522,291</u>	<u>4,571,428</u>	<u>3,600,000</u>

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

## 21. OTHER OPERATING INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Gain on disposal of property, plant and equipment	60,501	80,303	-	-
Gain on disposal of investment property - net	274,942	-	-	-
Gain on foreign exchange				
- realised	649,790	902,926	-	-
Interest income from financial assets measured at amortised cost				
- Short term cash investments	393,514	583,393	33,154	99,450
- Bank deposits	8,501	13,572	-	-
Rental income	71,600	204,600	-	-
Sundry income	69,480	55,238	-	-
Other income	91,524	209,600	-	-
	<u>1,619,852</u>	<u>2,049,632</u>	<u>33,154</u>	<u>99,450</u>

## 22. FINANCE COST

	Group	
	2021 RM	2020 RM
Interest expenses on:		
Commitment fees	23,105	32,452
Term loan	117,216	176,138
	<u>140,321</u>	<u>208,590</u>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Employee benefits expense (Note 24)	6,714,199	6,684,355	25,000	25,500
Non-Executive Directors' remuneration (Note 25)	118,000	120,000	118,000	120,000
Auditors' remuneration				
- statutory audit	87,881	93,042	23,000	28,000
- others	13,000	13,000	13,000	13,000
Impairment loss on trade receivables -net (Note 10)	(345,118)	117,134	-	-
Depreciation of property, plant and equipment (Note 4)	1,279,642	1,365,407	-	-
Depreciation of investment properties (Note 5)	259,571	319,772	-	-
Inventories written off	593,253	993,377	-	-
Impairment loss – asset held-for-sale	-	-	4,300,000	7,800,000
Property, plant and equipment written off	2,093	1	-	-
Lease expenses not capitalised in lease liabilities				
- short term leases	14,797	8,064	-	-
Loss on foreign exchange				
- unrealised	139,287	104,707	-	-
- realised	(132,194)	-	-	-

## 24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Wages, salaries, bonuses and allowances	5,945,175	5,908,745	25,000	25,500
Social security contribution	55,196	52,719	-	-
Contributions to defined contribution plan	713,650	722,735	-	-
Other benefits	178	156	-	-
	<u>6,714,199</u>	<u>6,684,355</u>	<u>25,000</u>	<u>25,500</u>

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,864,900 (2020: RM1,865,400) and RM25,000 (2020: RM25,500) respectively as further disclosed in Note 25.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 25. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive:				
- Salaries and other emoluments	1,471,000	1,471,500	1,000	1,500
- Fees	144,000	144,000	24,000	24,000
- Contributions to defined contribution plan	249,900	249,900	-	-
	<u>1,864,900</u>	<u>1,865,400</u>	<u>25,000</u>	<u>25,500</u>
Non-Executive:				
- Fees	114,000	114,000	114,000	114,000
- Others	4,000	6,000	4,000	6,000
	<u>1,982,900</u>	<u>1,985,400</u>	<u>143,000</u>	<u>145,500</u>
Benefits-in-kind	23,950	23,950	-	-
	<u>2,006,850</u>	<u>2,009,350</u>	<u>143,000</u>	<u>145,500</u>

## 26. INCOME TAX EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income tax:				
Malaysian income tax				
- Continuing operations	1,932,407	1,325,651	-	-
- Discontinued operations	32,500	-	-	-
Under/(Over) - provision in prior year				
- Continuing operations	(56,376)	241,579	-	-
- Discontinued operations	112,493	(7,235)	-	-
	<u>2,021,024</u>	<u>1,559,995</u>	<u>-</u>	<u>-</u>
Deferred tax:				
Relating to origination and reversal of temporary differences				
- Continuing operations (Note 8)	12,254	81,000	-	-
- Discontinued operations (Note 13)	-	185,000	-	-
	<u>12,254</u>	<u>266,000</u>	<u>-</u>	<u>-</u>
TOTAL	<u>2,033,278</u>	<u>1,825,995</u>	<u>-</u>	<u>-</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 26. INCOME TAX EXPENSE (continued)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income tax expenses is attributable to:				
- Continuing operations	1,888,285	1,648,230	-	-
- Discontinued operations (Note 13)	144,993	177,765	-	-
	<u>2,033,278</u>	<u>1,825,995</u>	<u>-</u>	<u>-</u>

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax				
- Continuing operations	7,969,571	4,768,941	(105,796)	(4,567,176)
- Discontinued operations	(4,116,301)	(1,836,985)	-	-
	<u>3,853,270</u>	<u>2,931,956</u>	<u>(105,796)</u>	<u>(4,567,176)</u>
Taxation at Malaysian statutory tax rate of 24%	924,785	703,669	(25,391)	(1,096,122)
Expenses not deductible for tax purposes	1,448,594	927,726	1,130,491	1,983,990
Income not subject to tax	(243,293)	(159,287)	(1,105,100)	(887,868)
Expenditure qualified for double deduction	(18,405)	(6,683)	-	-
Under - provision of tax expense in prior year	56,117	234,344	-	-
Utilisation of reinvestment allowances	(52,599)	-	-	-
Tax effect of unrecognised deferred tax asset	(81,921)	126,226	-	-
	<u>2,033,278</u>	<u>1,825,995</u>	<u>-</u>	<u>-</u>

# 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	
	2021	2020	2021	2020	2021	2020
Profit/(Loss) after tax attributable to owners of the Company (RM)	6,081,286	3,120,711	(4,261,294)	(2,014,750)	1,819,992	1,105,961
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)	7.60	3.90	(5.33)	(2.52)	2.27	1.38

### (b) Diluted

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

## 28. DIVIDENDS

	Group and Company	
	2021 RM	2020 RM
<b>For financial year ended 30 June 2019:</b>		
- A first and final single tier dividend of 3.5 sen per share paid on 15 January 2020	-	2,800,000
<b>For financial year ended 30 June 2020:</b>		
- A first and final single tier dividend of 3.5 sen per share paid on 18 January 2021	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 2021 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 2021.

# 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Dividend received from a subsidiary company - Imaspro Resources Sdn. Bhd.	-	-	4,500,000	3,600,000
Royalty income receivable from associated company - Mosfly Vietnam Industries Co., Ltd.	332,564	-	-	-

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) Compensation of key management personnel

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short term employee benefits	2,974,622	2,923,276	143,000	145,500
Post-employment benefits - Defined contribution plan	392,041	391,495	-	-
	3,366,663	3,314,771	143,000	145,500

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

Included in the total key management personnel are:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' remuneration (Note 25)	1,982,900	1,985,400	143,000	145,500

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 30. CONTINGENT LIABILITIES

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unsecured:				
Corporate guarantee given to a licensed bank for credit facilities granted to subsidiary companies	-	-	4,675,000	6,475,000

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

## 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
- (iii) Russia
- (iv) Others: these consist of segments which cover mainly China, Holland, Lebanon, Pakistan, Vietnam, Singapore, Taiwan, Japan and New Zealand which individually fall below the 10% threshold of a reportable segment

Although the geographical segment of Japan does not meet the quantitative thresholds required by MFRS 8 for reportable segments, management has concluded that those segments should be reported, as they are closely monitored by the management as important segments.



# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 31. OPERATING SEGMENTS (continued)

### (a) Geographical Segments (continued)

Group	Malaysia RM	Indonesia RM	Russia RM	Others RM	Elimination RM	Total RM
<b>At 30 June 2021</b>						
Segment revenue:						
Sales to external customers						
- sales	42,755,243	5,212,074	3,031,116	5,906,673	-	56,905,106
- rental income	12,000	-	-	-	-	12,000
- dividend income	71,428	-	-	-	-	71,428
Inter-segment sales	6,822,608	-	-	-	(6,822,608)	-
	<u>49,661,279</u>	<u>5,212,074</u>	<u>3,031,116</u>	<u>5,906,673</u>	<u>(6,822,608)</u>	<u>56,988,534</u>
Profit before tax						7,969,571
Income tax expense						<u>(1,888,285)</u>
Profit for the year						<u>6,081,286</u>
<b>At 30 June 2020</b>						
Segment revenue:						
Sales to external customers						
- sales	32,435,908	14,579,240	9,033,955	10,287,188	-	66,336,291
- rental income	186,000	-	-	-	-	186,000
Inter-segment sales	6,337,931	-	-	-	(6,337,931)	-
	<u>38,959,839</u>	<u>14,579,240</u>	<u>9,033,955</u>	<u>10,287,188</u>	<u>(6,337,931)</u>	<u>66,522,291</u>
Profit before tax						4,768,941
Income tax expense						<u>(1,648,230)</u>
Profit for the year						<u>3,120,711</u>

There is nil (2020: one) major customer from Indonesia with revenue equals or more than 10 percent over the Group's total revenue.

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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 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 net of tax would have been RM187,215 (2020: RM136,360) higher/lower, arising mainly as a result of lower/higher interest expense on the floating rate of loan and borrowings.

# 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
<b>Group</b>							
<b>2021</b>							
Financial liabilities:							
Trade and other payables (Note 19)	3,119,590	-	3,119,590	3,119,590	-	-	-
Loan and borrowings (Note 18)	2,995,838	3.65	3,809,643	415,478	404,102	1,440,050	1,550,013
	<u>6,115,428</u>		<u>6,929,233</u>	<u>3,535,068</u>	<u>404,102</u>	<u>1,440,050</u>	<u>1,550,013</u>
<b>2020</b>							
Financial liabilities:							
Trade and other payables (Note 19)	3,549,483	-	3,549,483	3,549,483	-	-	-
Loan and borrowings (Note 18)	3,418,952	4.02	4,015,924	438,022	425,586	1,202,142	1,950,174
	<u>6,968,435</u>		<u>7,565,407</u>	<u>3,987,505</u>	<u>425,586</u>	<u>1,202,142</u>	<u>1,950,174</u>
<b>Company</b>							
<b>2021</b>							
Financial liabilities:							
Other payables (Note 19)	28,600	-	28,600	28,600	-	-	-
<b>2020</b>							
Financial liabilities:							
Other payables (Note 19)	1,033,600	-	1,033,600	1,033,600	-	-	-

# 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 90 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	61 to 90 days past due RM	More than 90 days past due RM	Total RM
30 June 2021						
Gross carrying amount	10,705,902	512,144	1,533	59	717,117	11,936,755
Loss allowance provision	(73,056)	(80,726)	(481)	(59)	(717,117)	(871,439)
30 June 2020						
Gross carrying amount	12,430,393	534,881	64,161	14,403	946,704	13,990,542
Loss allowance provision	(233,979)	(108,385)	(25,637)	(11,510)	(946,704)	(1,326,215)

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

#### ii) Amount due from related parties

The amount due from related parties is mainly arising from royalty, advance and payment on behalf, and is unsecured, interest-free and repayable upon demand. The Company monitors the results of the associate regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the Statement of Financial Position. Information regarding loss allowance movement of amount due from parties is disclosed in Note 10 and Note 13.

The Company applied the general 3-stage approach when determining ECL for these amounts due from related parties.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (ii) Other financial assets

Cash and cash equivalents and other receivables are subject to immaterial credit loss.

#### Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by eleven (11) (2020: 8) customers which constituted approximately 52% (2020: 51%) 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:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>By country:</b>		
Malaysia	9,237,246	8,722,889
Vietnam	540,113	423,475
Indonesia	810,913	2,934,283
Russia	928,566	1,414,869
Others	419,917	495,026
	<u>11,936,755</u>	<u>13,990,542</u>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (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), Euro (EUR) and Singapore Dollars (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

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

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

	Net Financial Assets/(Liabilities) Held in Non-Functional Currency			
	USD RM	AUD RM	SGD RM	TOTAL RM
<b>Group</b>				
At 30 June 2021	6,070,278	1,569,730	423,816	8,063,824
Cash and bank balances	2,634,678	-	67,921	2,702,599
Trade receivables	(921,827)	-	-	(921,827)
Trade payables	7,783,129	1,569,730	491,737	9,844,596
At 30 June 2020	10,839,723	821,742	-	11,661,465
Cash and bank balances	5,243,520	-	-	5,243,520
Trade receivables	(1,628,038)	-	-	(1,628,038)
Trade payables	14,455,205	821,742	-	15,276,947

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (d) Foreign Currency Risk (continued)

#### 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:

<b>Effect on profit after tax</b>	<b>2021 Increase/ (Decrease) RM</b>	<b>2020 Increase/ (Decrease) RM</b>
USD		
- Strengthened by 5%	389,156	722,760
- Weakened by 5%	(389,156)	(722,760)
AUD		
- Strengthened by 5%	78,487	41,087
- Weakened by 5%	(78,487)	(41,087)
SGD		
- Strengthened by 5%	24,587	-
- Weakened by 5%	(24,587)	-

### (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 approximated their fair values due to relatively short term nature of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair value measurement hierarchies used to measure financial assets carried at fair value in the Statements of Financial Position as at 30 June 2021 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.



# NOTES TO THE FINANCIAL STATEMENTS (continued)

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

The Company had leased out its 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	
	2021 RM	2020 RM
Not later than 1 year	278,200	173,800
Later 1 year and not later than 2 years	39,000	-
	317,800	173,800

## 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 2020 and 30 June 2021.

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.

## 35. FINANCIAL INSTRUMENTS

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

	Note	Financial assets at amortised cost			
		Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Trade and other receivables	10	12,421,533	13,616,965	20,436,440	22,513,454
Less: Prepayment		(603,610)	(459,875)	(689)	-
		11,817,923	13,157,090	20,435,751	22,513,454
Cash and bank balances	12	38,058,697	35,339,253	2,671,737	205,519
Total		49,876,620	48,496,343	23,107,488	22,718,973

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 35. FINANCIAL INSTRUMENTS (continued)

	Note	Financial assets at fair value through other comprehensive income			
		Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Investment	7	4,785,714	4,642,857	4,785,714	4,642,857

	Note	Financial Liabilities and Other financial liabilities at amortised cost			
		Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Trade and other payables	19	3,119,590	3,549,483	28,600	1,033,600
Loan and borrowings	18	2,995,838	3,418,952	-	-
Total		6,115,428	6,968,435	28,600	1,033,600

## 36. SIGNIFICANT EVENT DURING AND AFTER THE REPORTING PERIOD

The outbreak of the COVID-19 pandemic has impacted economic activities worldwide. Many countries have imposed restrictions on non-essential services and business operations, and have also implemented travel restrictions, border closures and other quarantine measures that have significantly curbed the normal movement of goods, services and people. For the financial year ended 30 June 2021, the impact of COVID-19 has been reflected in this set of financial statements.

The Group has taken initiative and steps to mitigate the exposure and disruptions in the business operations. Despite demand from customers remain consistent and sustainable, the extension of Movement Control Order coupled with continuous lockdown from other countries in regards to the COVID-19, have been affecting the Group's business activities and its financial performance. Nevertheless, the Directors will closely monitor the current development of COVID-19 pandemic and at the present the business activities of the Group are in normal and stable operation.

As the situation is still evolving and will be affected by the degree to which the Malaysian Government is able to contain the spread of the virus and successfully implement the national vaccination programme, the full impact of the COVID-19 pandemic on the Group's performance for the financial year ending 30 June 2022 could not be reasonably ascertained when this set of financial statements was authorised for issuance.

## 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 25 August 2021.

# 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 2021 were as follows:

	<b>Company RM</b>	<b>Group RM</b>
Statutory audit fee paid/payable to:		
- HLB Ler Lum Chew PLT	23,000	87,881
Non-audit fee paid/payable to:		
- HLB Ler Lum Chew PLT	13,000	13,000
- Firms or corporations affiliated to HLB Ler Lum Chew PLT	-	-
	<u>13,000</u>	<u>13,000</u>
<b>Total</b>	<u>36,000</u>	<u>100,881</u>

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 2021.

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

The details of the RRPTs were disclosed in Note 29 Related Party Disclosures to the Financial Statements for the financial year ended 30 June 2021.

# PROPERTIES OF THE GROUP

AS AT 30 JUNE 2021

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
<b>Imaspro Resources Sdn. Bhd.</b>						
H.S. (D) 13013 Lot No. P.T. 11539 Mukim of Kapar District of Klang State of Selangor  33, Jalan 5, Kawasan 16 Taman Intan, 41300 Klang Selangor Darul Ehsan	3-storey shophouse/ Rented out	Land area: 1,540  Built-up area: 4,386	Freehold	37	124	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	37	124	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	37	555	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	5	5,200	15 February 2017

# PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2021

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
<b>Ideal Command Sdn. Bhd.</b>						
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	33	3,794	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	39	4,959	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 / Rented out	Built-up area: 12,056	Freehold	7	3,286	20 November 2014

# PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2021

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 / vacant	Built-up area: 11,076	Leasehold interest (Master Title)	6	5,673	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	Land area: 8,073	Freehold	5	1,990	15 August 2016
No 1, Jalan Perniagaan Setia ½, Taman Perniagaan Setia, 81100 Johor Bahru		Built-up area: 2,436				

# PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2021

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 Biotech Sdn. Bhd.

H.S. (D) 60122, No. P.T. 60621 Mukim and District of Klang State of Selangor	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 11,016  Built-up area: 3,290	Freehold	23	793	17 November 2006
No. 24, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan						
H.S. (D) 60123, No. P.T. 60622 Mukim and District of Klang State of Selangor	Manufacturing plant and research and development centre of pesticides and agrochemicals	Land area: 7,800  Built-up area: 3,290	Freehold	23	542	17 November 2006
No. 22, Lorong Seri Gambut 1, Off Jalan Kebun, 41100 Klang Selangor Darul Ehsan						

# PROPERTIES OF THE GROUP (continued)

AS AT 30 JUNE 2021

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
<b>Plant Science Centre Sdn. Bhd.</b>						
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	19	1,928	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 2021

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
<b>Millennium Station Sdn. Bhd.</b>						
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	7	4,027	24 December 2014
No.12, Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan						

# SHAREHOLDERS' INFORMATION

## ANALYSIS OF SHAREHOLDINGS AS AT 23 SEPTEMBER 2021

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

## DISTRIBUTION OF SHAREHOLDINGS AS AT 23 SEPTEMBER 2021

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 99	10	1.78	300	0.00
100 – 1,000	292	51.96	78,600	0.10
1,001 – 10,000	121	21.53	550,600	0.69
10,001 – 100,000	87	15.48	3,429,904	4.29
100,001 – 3,999,999 (*)	51	9.07	41,993,532	52.49
4,000,000 and above (**)	1	0.18	33,947,064	42.43
<b>Grand total</b>	<b>562</b>	<b>100.00</b>	<b>80,000,000</b>	<b>100.00</b>

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS AS AT 23 SEPTEMBER 2021

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Swiss Revenue Sdn. Bhd.	33,947,064	42.43	-	-
Yu Kuan Chon	12,046,204	15.06	1,090,300##	1.36
Tong Chin Hen	5,500,000	6.88	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 23 SEPTEMBER 2021

Name	Direct		Deemed	
	No. of shares held	%	No. of shares held	%
Tong Chin Hen	5,500,000	6.88	33,947,064#	42.43
Chan Weng Fui	672,900	0.84	-	-
Chen Sung Fang	-	-	-	-
Datuk Captain Hamzah Bin Mohd Noor	-	-	-	-
Chan Kim Hing	-	-	-	-

# Deemed interest through Swiss Revenue Sdn. Bhd.

# SHAREHOLDERS' INFORMATION (continued)

## LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 23 SEPTEMBER 2021

No.	Name of Shareholders	No. of shares held	%
1	Swiss Revenue Sdn. Bhd.	33,947,064	42.43
2	Siow Chin How	3,975,500	4.97
3	Tong Chin Hen	3,850,000	4.81
4	Tong Siew Ling	3,445,190	4.31
5	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	3,393,300	4.24
6	Yeo Soo Ming Angeline	2,600,100	3.25
7	Amsec Nominees (Tempatan) Sdn. Bhd. - Ambank (M) Berhad (Swap)	2,559,400	3.20
8	Stephen Kuek Hock Eng	2,274,300	2.84
9	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Kok Tze (MY3654)	1,925,900	2.41
10	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Fung Neng	1,721,200	2.15
11	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tong Chin Hen (MY3681)	1,500,000	1.87
12	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon (3002941)	1,398,900	1.75
13	Agrimart Sdn. Bhd.	940,000	1.17
14	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	896,300	1.12
15	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Fung Neng (MY3252)	856,100	1.07
16	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ching Nye Mi @ Chieng Ngie Chay (MY3249)	804,600	1.01
17	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Sow Keng (MY3253)	750,000	0.94
18	Ku Kooi Khang	630,838	0.79
19	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Yu Kuan Chon (PB)	600,000	0.75
20	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Tat Choy	571,600	0.71
21	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ling Sia Chai (MY1851)	510,900	0.64
22	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Leong Wouh (MY3254)	431,700	0.54
23	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ho Swee Ming	397,000	0.50
24	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Ching Ching (3001921)	382,800	0.48
25	Neo Khoon Seng	350,700	0.44
26	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yu Kuan Chon	345,000	0.43
27	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ngio Yen Lim (8120729)	338,300	0.42
28	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Yet Lien (3001932)	278,900	0.35
29	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Kok Tze	264,900	0.33
30	Ngo Hea Sing	254,500	0.32
<b>TOTAL</b>		<b>72,194,992</b>	<b>90.24</b>

# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of **IMASPRO CORPORATION BERHAD** will be conducted entirely 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 ("Broadcast Venue") on Wednesday, 17 November 2021 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 2021 together with the Reports of the Directors and Auditors thereon.   | <b>(Please refer to Note 2)</b>                |
| 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 2021.  | <b>(Resolution 1)</b>                          |
| 3. To approve the payment of Directors' Fees and Benefits up to an amount of RM162,000 for the period from this 17th Annual General Meeting until the next Annual General Meeting of the Company. | <b>(Resolution 2)</b>                          |
| 4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution:-<br>(i) Chan Kim Hing<br>(ii) Tong Chin Hen   | <b>(Resolution 3)</b><br><b>(Resolution 4)</b> |
| 5. To re-appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>(Resolution 5)</b>                          |

### Special Business

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

- |  |                       |
|--|-----------------------|
| 6. <b>Ordinary Resolution I</b><br><b>Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b><br>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby authorised to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting." | <b>(Resolution 6)</b> |
| 7. <b>Ordinary Resolution II</b><br><b>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 ("Proposed Renewal of Share Buy-Back Mandate")</b><br>"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:   | <b>(Resolution 7)</b> |

# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (continued)

- (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 fund 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;
- (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.

# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (continued)

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."

## 8. Ordinary Resolution III

### **Proposed 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 8)**

"THAT subject to the provisions 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 all recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.4 of the Circular to Shareholders dated 18 October 2021 ("Related Party") provided that such transactions are:-

- (i) necessary for the day-to-day operations;
- (ii) undertaken in the ordinary course of business at an arm's length basis and 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 detrimental to the minority shareholders of the Company,

("Proposed 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 this AGM at which such mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at such general 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 RRPT Mandate."

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

# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (continued)

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Seventeenth 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 2021 will be paid to the shareholders on 20 January 2022. The entitlement date for the said dividend shall be 5 January 2022.

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 5 January 2022 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: 18 October 2021

## NOTES:

### 1. 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 ("Tricor") via its **TIIH Online** website at <https://tiih.online>.

**Please read these Notes carefully and follow the procedures in the Administrative Guide for the 17th AGM in order to participate remotely via RPV.**

### 2. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 9 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- (b) 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.

# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (continued)

- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV **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 17th AGM.
- (i) 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 at the Company’s Share Registrar 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 Company’s Share Registrar via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.
- (j) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar situated 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 AGM 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.
- (k) Please ensure ALL the particulars as required in the proxy form is completed, signed and dated accordingly.
- (l) Last date and time for lodging the proxy form is Monday, 15 November 2021 at 10.00 a.m.
- (m) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company’s Share Registrar 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.



# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (continued)

## 2. Audited Financial Statements for the financial year ended 30 June 2021

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders.

## 3. 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 1 for the Directors’ Fees and Benefits proposed for the period from this 17th 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 17th 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.

## 4. Resolutions 3 and 4 – Re-election of Directors

Chan Kim Hing and Tong Chin Hen are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 17th AGM.

The Board had through the Nomination Committee carried out the assessment on the Directors and agreed that all Directors meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board had also through the Nomination Committee carried out assessment on the independence of Chan Kim Hing and is satisfied that he met the criteria of independence as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## 5. Resolution 5 – 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.

## 6. Explanatory Notes on Special Business

### (i) Resolution 6 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 6 is prepared for the purpose of granting a renewed general mandate (“General Mandate”) and empowering the Directors to allot shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or at the expiration of the period within which the next AGM is required to be held, whichever is earlier.

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

# NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (continued)

As at the date of this notice, the Company did not issue any shares pursuant to the 20% General Mandate granted to the Directors at the Sixteenth AGM as there were no investment(s), acquisition(s) or working capital that require fund raising activity.

## (ii) Resolution 7 – Proposed Renewal of Share Buy-Back Mandate

The proposed Resolution 7, 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 Statement to Shareholders dated 18 October 2021 for further information.

## (iii) Resolution 8 – Proposed Shareholders’ Mandate for Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature

The proposed Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into RRPT of a revenue or 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 to Shareholders dated 18 October 2021 for further information.

# STATEMENT ACCOMPANYING NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

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

### 1. Election of Director

No new Director is standing for election at this 17th Annual General Meeting.

### 2. Authority for Directors to Allot Shares Pursuant to Section 75 and 76 of the Companies Act 2016

Kindly refer to item (6)(i) of the Explanatory Notes on Special Business on pages 127 and 128.

# ADMINISTRATIVE GUIDE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”)

Date	:	Wednesday, 17 November 2021
Time	:	10.00 a.m.
Broadcast Venue	:	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
Meeting Platform	:	<b>TIIH Online, provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. in Malaysia via its website, <a href="https://tiih.online">https://tiih.online</a> (Domain registration number with MYNIC: D1A282781)</b>

## 1. PRECAUTIONARY MEASURES AGAINST THE CORONAVIRUS DISEASE (“COVID-19”)

The Securities Commission Malaysia (“SC”) had, on 13 January 2021, announced that capital market entities supervised, licensed or registered by the SC shall operate in accordance with the applicable Standard Operating Procedures (“SOPs”) issued by the authorities during the Emergency Ordinance and various forms of Movement Control Order (“MCO”). The SC had, on 5 March 2021, issued a revised Guidance Note on the Conduct of General Meetings for Listed Issuers (“SC Guidance Note”) where listed issuers are now permitted to conduct a fully virtual, hybrid or physical general meetings in the areas under Conditional MCO, Recovery MCO or areas not subjected to any movement restriction, subject to adhering to the prevailing and applicable SOPs as well as precautionary measures as prescribed by the Government, the Ministry of Health, Malaysian National Security Council and other relevant authorities to curb the spread of COVID-19.

In line with the Government’s directive and SC Guidance Note above to curb the spread of COVID-19, the 17th AGM of the Company will be conducted **entirely virtual through live streaming from the Broadcast Venue**.

The Broadcast Venue of the 17th 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 at the main venue of the meeting. Shareholders/proxy(ies) from the public **WILL NOT BE ALLOWED** to attend the 17th AGM in person at the Broadcast Venue on the day of the meeting.

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 17th AGM at short notice. Kindly check the Company’s website or announcements for the latest updates on the status of the 17th AGM.

The Company will continue to observe the requirements and guidelines issued by the Government of Malaysia, Ministry of Health, Malaysian National Security Council, Securities Commission of Malaysia and/or other relevant authorities and will take all relevant precautionary measures as advised.

## 2. SHAREHOLDERS’ PARTICIPATION AT THE 17TH 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 17th AGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”).

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

We **strongly encourage** you to participate the 17th 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 17th AGM.

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

# ADMINISTRATIVE GUIDE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH 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 17th AGM using the RPV facilities:

PROCEDURE	ACTION
<b>BEFORE THE 17TH AGM DAY</b>	
(a) Register as a user with TIH Online	<ul style="list-style-type: none"> <li>Using your computer, access to website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services” by selecting “<b>Create Account by Individual Holder</b>”. Refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via email.</li> <li>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.</li> </ul>
(b) Submit your request to attend 17th AGM remotely	<ul style="list-style-type: none"> <li>Registration is open from <b>Monday, 18 October 2021</b> up to <b>the day of the 17th AGM on Wednesday, 17 November 2021</b>. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 17th AGM to ascertain their eligibility to participate the 17th AGM using the RPV facilities.</li> <li>Login with your user ID (i.e. e-mail address) and password and select the corporate event: “<b>(REGISTRATION) IMASPRO 17TH AGM</b>”.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select “Register for Remote Participation and Voting”.</li> <li>Review your registration and proceed to register.</li> <li>System will send an e-mail to notify that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration against the Record of Depositors as at 9 November 2021, the system will send you an e-mail <b>after 15 November 2021</b> to approve or reject your registration for remote participation. <i>(Note: Please allow sufficient time for approval of new user of TIH Online and registration for the RPV.)</i></li> </ul>
<b>ON THE DAY OF THE 17TH AGM</b>	
(a) Login to TIH Online	<ul style="list-style-type: none"> <li>Login with your user ID and password for remote participation at the 17th AGM at any time from 9.00 a.m., i.e. an hour before the commencement of the 17th AGM on <b>Wednesday, 17 November 2021 at 10.00 a.m.</b></li> </ul>
(b) Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: “<b>(LIVE STREAMING MEETING) IMASPRO 17TH AGM</b>” to engage in the proceedings of the 17th AGM remotely.</li> <li>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 17th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</li> </ul>

# ADMINISTRATIVE GUIDE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”) (continued)

## 3. PROCEDURES FOR RPV VIA RPV FACILITIES (continued)

PROCEDURE	ACTION
(c) Online Remote Voting	<ul style="list-style-type: none"> <li>Voting session commences <b>from 10.00 a.m. on Wednesday, 17 November 2021</b> until a time when the Chairman announces the end of the voting session of the 17th AGM.</li> <li>Select the corporate event: “<b>(REMOTE VOTING) IMASPRO 17TH AGM</b>” or if you are on the live stream meeting page, you can select “<b>GO TO REMOTE VOTING PAGE</b>” button below the Query Box.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
(d) End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the 17th AGM, the live streaming will end.</li> </ul>

### 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 TIIH 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](mailto: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 9 November 2021 shall be eligible to participate in the 17th 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 17th 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 17th AGM yourself, please do not submit any Form of Proxy for the 17th AGM. You will not be allowed to participate in the 17th 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 17th AGM, whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 15 November 2021 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](mailto:is.enquiry@my.tricorglobal.com).

# ADMINISTRATIVE GUIDE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH 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
<b>i. Steps for Individual Shareholders</b>	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>“IMASPRO 17TH AGM – SUBMISSION OF PROXY FORM”</b></li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print proxy form for your record.</li> </ul>

# ADMINISTRATIVE GUIDE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”) (continued)

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

PROCEDURE	ACTION
<b>ii. Steps for Corporation or Institutional Shareholders</b>	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>• Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>• Complete the registration form and upload the required documents.</li> <li>• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>• Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <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"> <li>• Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Select the corporate exercise name: <b>“IMASPRO 17TH AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>• Agree to the Terms &amp; Conditions and Declaration.</li> <li>• Proceed to download the file format for <b>“Submission of Proxy Form”</b> in accordance with the Guidance Note set therein.</li> <li>• Prepare the file for the appointment of proxies by inserting the required data.</li> <li>• Submit the proxy appointment file.</li> <li>• Login to TIIH Online, select corporate exercise name: <b>“IMASPRO 17TH AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select “Submit” to complete your submission.</li> <li>• Print the confirmation report of your submission for your record.</li> </ul>

# ADMINISTRATIVE GUIDE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”) (continued)

## 5. VOTING AT MEETING

The voting at the 17th 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 17th 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 17th AGM and the results of the voting will be announced at the 17th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at [www.bursamalaysia.com](http://www.bursamalaysia.com).

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

The Board recognises that the 17th AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 17th AGM, shareholders may in advance, before the 17th 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, 15 November 2021 at 10.00 a.m.** The Board of Directors will endeavour to address the questions received at the 17th AGM.

## 8. ANNUAL REPORT

The Annual Report is available on the Company’s website at [www.imaspro.com](http://www.imaspro.com) and Bursa Malaysia’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company’s announcements.

You may request for a printed copy of the Annual Report 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. 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 17th 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](mailto: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 Seventeenth Annual General Meeting of the Company, which will be conducted entirely 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 ("Broadcast Venue") on **Wednesday, 17 November 2021 at 10.00 a.m** or any adjournment thereof, and to vote as indicated below:-

RESOLUTION	DESCRIPTION OF RESOLUTION	FOR	AGAINST
1	Approval on the payment of a first and final single tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2021.		
2	Approval on the payment of Directors' Fees and Benefits up to an amount of RM162,000 for the period from this 17th Annual General Meeting until the next Annual General Meeting of the Company.		
3	Re-election of Chan Kim Hing as Director of the Company pursuant to Article 75 of the Company's Constitution.		
4	Re-election of Tong Chin Hen as Director of the Company pursuant to Article 75 of the Company's Constitution.		
5	Re-appointment of Messrs HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7	Proposed Renewal of Share Buy-Back Mandate.		
8	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

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:**

**1. 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 (“Tricor”) via its **TIIH Online** website at <https://tiih.online>.

**Please read these Notes carefully and follow the procedures in the Administrative Guide for the 17th AGM in order to participate remotely via RPV.**

**2. APPOINTMENT OF PROXY**

- (a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 9 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV **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 17th AGM.
- (i) 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:



# IMASPRO CORPORATION BERHAD

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

- (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Share Registrar 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 Company's Share Registrar via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.
- (j) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar situated 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 AGM 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.
- (k) Please ensure ALL the particulars as required in the proxy form is completed, signed and dated accordingly.
- (l) Last date and time for lodging the proxy form is Monday, 15 November 2021 at 10.00 a.m.
- (m) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar 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.

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AFFIX  
STAMP

**IMASPRO CORPORATION BERHAD**

[Registration No. 200401019024 (657527-H)]

**THE SHARE 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, MALAYSIA

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THIS IS A PESTICIDE ADVERTISEMENT

# FIGHT MOSQUITO with IMASPRO

*Your partner for mosquito vector control*

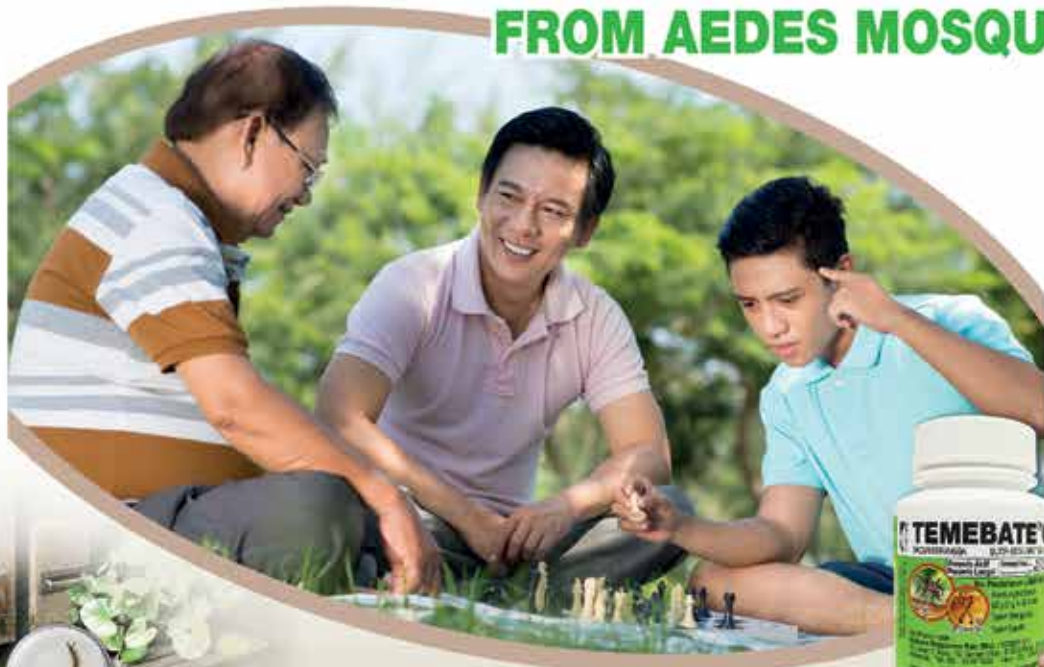


READ LABEL BEFORE USE

JIRP.P/0519/244

THIS IS A PESTICIDE ADVERTISEMENT

# PROTECT YOU & YOUR FAMILY FROM AEDES MOSQUITOES



Simply apply **TEMEBATE<sup>®</sup>C**  
into stagnant water in containers  
**BEFORE LARVAE**  
turn into biting adult mosquitoes.

READ LABEL BEFORE USE

JIRP.P/1120/556



**IMASPRO CORPORATION BERHAD**

[Registration No. 200401019024 (657527-H)]

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

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E-mail: [imaspro@imaspro.com](mailto:imaspro@imaspro.com) Website: [www.imaspro.com](http://www.imaspro.com)