(Prepared for inclusion in the Prospectus)

ROGER YUE, TAN & ASSOCIATES
CHARTERED ACCOUNTANTS (FIRM NO: AF : 0134)
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The Board of Directors
Imaspro Corporation Berhad
Wisma Goshen, 2nd Floor
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Damansara Jaya
47400 Petaling Jaya
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Dear Sirs,

ACCOUNTANTS' REPORT

This report has been prepared by Messrs Roger Yue, Tan & Associates, an approved company auditor, for inclusion in the Prospectus of Imaspro Corporation Berhad (hereinafter referred to as "ICB") to be dated 28 December 2005 in connection with the listing of and quotation for the entire issued and paid-up share capital of ICB, comprising 80,000,000 ordinary shares of RM0.50 each in ICB ("ICB Shares") at par on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") which include the following exercise:

(a) Initial Public Offering of 21,000,000 ICB Shares at an issue/offer price of RM0.75 per ICB Share comprising a Public Issue of 17,064,758 new ICB Shares ("Public Issue") and an Offer for Sale of 3,935,242 ICB Shares ("Offer for Sale"). The ICB Shares issued and/or offered shall be collectively referred to as "IPO Shares" and shall be allocated as follows:

(i) Eligible Directors, employees and business associates of the ICB Group

4,500,000 of the IPO Shares are to be reserved for eligible Directors, employees, and business associates of the ICB Group;

(ii) Malaysian Public

11,618,000 of the IPO Shares will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions (consisting of 6,000,000 IPO Shares to be made available via balloting and the remaining 5,618,000 IPO Shares by way of private placement to selected investors); and

(iii) Bumiputera Investors

4,882,000 of the IPO Shares allocated to Bumiputera investors nominated by Ministry of International Trade and Industry ("MITI").

(b) Listing of and quotation for the entire issued and paid-up share capital of ICB of RM40,000,000 comprising 80,000,000 ICB Shares on the Second Board of Bursa Securities.

1. GENERAL INFORMATION

1.1 Background

ICB was incorporated in Malaysia under the Companies Act, 1965 on 28 June 2004 as a public limited company under the name of Imaspro Corporation Berhad. It is principally an investment holding company while the principal activities of its subsidiaries are set out in Section 1.3 of this report.

ICB was incorporated with an authorised share capital of RM100,000 comprising 200,000 ordinary shares of RM0.50 each and an issued and paid-up share capital of RM2 comprising 4 ordinary shares of RM0.50 each. On 28 October 2005, the authorised share capital of ICB was increased to RM100,000,000 comprising of 200,000,000 ordinary shares of RM0.50 each.

In line with the Flotation Exercise set out in Section 1.2 of this report, the issued and paid-up share capital of ICB increased to 80,000,000 ordinary shares of RM0.50 each.

The details of the issued and paid-up share capital from the date of incorporation to the date of this report are as follows:

Date of allotment	Number of ordinary shares allotted	Par value RM	Consideration / purposes	Issued and paid-up share capital RM	Cumulative issued and paid-up share capital RM
28.06.2004	4	0.50	Cash; Subscribers' shares	2	2
28.10.2005	62,935,238	0.50	Issued at par pursuant to the acquisition of subsidiaries	31,467,619	31,467,621

The issued and fully paid-up share capital will be enlarged to RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each upon completion of the Public Issue.

1.2 Flotation Exercise

In conjunction with, and as an integral part of the listing of the Company on the Second Board of Bursa Securities, the Company implemented a Flotation Exercise which was approved by the Securities Commission ("SC") on 4 October 2005 and the MITI on 17 May 2005.

The Flotation Exercise involved the following transactions:

1.2.1 Acquisition of Imaspro Resources Sdn. Bhd. ("IRSB") by ICB

Acquisition of the entire issued and paid-up share capital of IRSB comprising 4,500,000 ordinary shares of RM1.00 each for a total purchase consideration of RM29,671,138 satisfied via the issuance of 59,342,276 new ICB Shares at par.

1.2.2 Acquisition of Ideal Command Sdn. Bhd. ("ICSB") by ICB

Acquisition of the entire issued and paid-up shares capital of ICSB comprising of 1,469,779 ordinary shares of RM1.00 each following the capitalisation of the Directors' advance amounting to RM1,369,779 for a purchase consideration of RM1,796,481 satisfied via the issuance of 3,592,962 new ICB Shares at par.

The purchase consideration for the acquisition of IRSB was arrived at based on the audited net tangible assets ("NTA") of IRSB as at 30 June 2004, while the purchase consideration for the acquisition of ICSB was arrived at based on the audited NTA of ICSB as at 30 June 2004 and after adjusting for the capitalisation of the Directors' advance, and shall hereinafter be referred to as "the Acquisitions".

The above Acquisitions were completed on 28 October 2005 and resulted in the issued and paid-up share capital of ICB increasing from RM2 to RM31,467,621.

ICB together with the subsidiaries are hereinafter referred to as the "ICB Group" or "the Group".

1.2.3 Initial Public Offering

Initial Public Offering of 21,000,000 ICB Shares at an issue/offer price of RM0.75 per ICB Share comprising a Public Issue of 17,064,758 new ICB Shares ("Public Issue") and an Offer for Sale of 3,935,242 ICB Shares ("Offer for Sale"). The ICB Shares issued and/or offered shall be collectively referred to as "IPO Shares" and shall be allocated as follows:

(i) Eligible Directors, employees and business associates of the ICB Group

4,500,000 of the IPO Shares are to be reserved for eligible Directors, employees and business associates of the ICB Group;

(ii) Malaysian Public

11,618,000 of the IPO Shares will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions (consisting of 6,000,000 IPO Shares to be made available via balloting and the remaining 5,618,000 IPO Shares by way of private placement to selected investors); and

(iii) Bumiputera Investors

4,882,000 of the IPO Shares allocated to Bumiputera investors nominated by MITI.

1.2.4 Listing on the Bursa Malaysia Securities Berhad

Admission to the Official List of the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and the listing of and quotation on the Second Board of Bursa Securities for 80,000,000 ordinary shares of RM0.50 each in ICB representing the entire issued and paid-up share capital of ICB after the Flotation Exercise.

1.3 The Subsidiaries and Associated Company

Details of the subsidiaries of ICB, all of which are wholly-owned private limited companies incorporated in Malaysia, are as follows:

Subsidiaries	Date of Incorporation	Authorised share capital	Issued and paid-up share capital	Principal activities	Effective equity interest
		RM	RM		(%)
IRSB	06.05.1983	5,000,000	4,500,000	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals	100
ICSB	06.09.1996	2,000,000	1,469,779	Investment holding	100

IRSB, formerly known as Protrade Sdn. Bhd., changed to its present name on 15 May 1993.

As at the date of this report, ICB does not have any associated company.

1.4 Financial Statements and Auditors

ICB was incorporated on 28 June 2004 and we have been the auditors since the date of incorporation. The first set of audited financial statements for ICB was drawn up from 28 June 2004 (date of incorporation) to 30 June 2005.

We have acted as auditors of IRSB for the financial years under review. We have acted as the auditors of ICSB with effect from the financial year ended 31 December 2002. Prior to that, the financial statements of this company were audited by another firm of auditors.

The latest audited financial statements for ICB, IRSB and ICSB are in respect of the financial period/year ended 30 June 2005.

The auditors' reports of the financial statements of ICB and its subsidiaries for the financial periods/years under review were not subject to any audit qualification.

1.5 Accounting Policies and Standards

This report is prepared in accordance with applicable approved accounting standards issued by the Malaysian Accounting Standards Board and is presented on a basis consistent with the accounting policies normally adopted by the ICB Group.

1.6 Dividend

Save as disclosed below, the ICB Group has not declared nor paid any dividend for the financial period/years under review:

Company	Financial year ended	Issued and paid-up share capital	Gross dividend rate	Gross dividend	Net dividend
		RM	%	RM	RM
IRSB	30 June 2004	4,500,000	* 186.47	2,796,989	2,796,989

* *Based on 1,500,000 ordinary shares of RM1.00 each as at the date the dividend declared and prior to the allotment of 3,000,000 ordinary shares of RM1.00 each during the financial year ended 30 June 2004.*

The dividend in respect of financial year ended 30 June 2004 was declared out of its tax exempt income account.

No dividend was proposed, declared or paid by the ICB Group throughout the financial period/year ended 30 June 2005.

2. SUMMARISED INCOME STATEMENTS

2.1 Summarised Proforma Consolidated Income Statements

The summarised proforma consolidated income statements of the ICB Group for the past five (5) financial years ended 30 June 2001 to 2005 are presented here for illustrative purposes only and on the assumption that the ICB Group has existed throughout the financial years under review. The following proforma consolidated income statements are to be read in conjunction with the notes thereto:

	<---Financial year ended 30 June--->				
	2001	**2002**	**2003**	**2004**	**2005**
	RM	**RM**	**RM**	**RM**	**RM**
Turnover	38,730,487	35,946,242	42,101,872	53,313,675	63,089,455
Profit before depreciation and interest	6,664,718	6,223,395	7,245,311	9,255,146	11,453,312
Depreciation	(191,454)	(217,336)	(504,100)	(568,269)	(765,267)
Interest expense	(188,561)	(188,711)	(168,467)	(146,340)	(115,352)
Interest income	55,913	44,162	28,783	53,061	73,106
Profit before taxation	6,340,616	5,861,510	6,601,527	8,593,598	10,645,799
Taxation	(1,688,915)	(1,674,809)	(1,851,335)	(2,003,961)	(3,190,052)
Profit after taxation	4,651,701	4,186,701	4,750,192	6,589,637	7,455,747
Number of ordinary shares of RM0.50 each assumed in issue*[i]	62,935,242	62,935,242	62,935,242	62,935,242	62,935,242
Gross earnings per share (RM) *[ii]	0.10	0.09	0.10	0.14	0.17
Net earnings per share (RM) *[iii]	0.07	0.07	0.08	0.10	0.12

*[i] *The assumed issued and paid-up share capital of 62,935,242 ordinary shares of RM0.50 each is based on the issued and paid-up share capital of ICB after the Acquisitions of IRSB and ICSB but before the Public Issue.*

*[ii] *The gross earnings per share is calculated based on the proforma consolidated profit before taxation divided by the number of ICB shares assumed in issue.*

*[iii] *The net earnings per share is calculated based on the proforma consolidated profit after taxation divided by the number of ICB shares assumed in issue.*

Notes:

(i) The proforma financial information and ratios of the ICB Group for the past five (5) financial periods/years ended 30 June 2001 to 2005 are prepared based on the following:

(a) Audited financial statements of ICB for the financial period from 28 June 2004 (date of incorporation) to 30 June 2005;

(b) Audited financial statements of IRSB for the past five (5) financial years ended 30 June 2001 to 2005; and

(c) Audited financial statements of ICSB for the past three (3) financial years ended 31 December 2000 to 2002, and two (2) financial period/year ended 30 June 2004 and 2005 respectively.

ICSB changed its financial year end from 31 December to 30 June on 12 May 2004 to be consistent with the financial year end adopted by the ICB Group.

In view of the different financial year end of ICSB, for the purpose of proforma consolidation, the financial results of ICSB has been arrived at, on a time apportionment basis, in order to be coterminous with the financial year end of ICB.

(ii) ICB Group's results have been restated through appropriate consolidation adjustments to eliminate inter-company transactions under the proforma group structure.

(iii) ICB Group's results were not materially affected by the inter-company transactions between the group companies and these transactions have been eliminated on consolidation.

(iv) For the financial year ended 30 June 2001, profit before taxation increased mainly due to increased turnover which was attributed to large orders of herbicide received from Japan and Russia and was offset by a minimal increase in overall administration costs and finance costs.

(v) For the financial year ended 30 June 2002, ICB Group recorded a reduction in profit before taxation due to decreased turnover resulted by the one-off herbicide orders from Japan in the previous year coupled with a large stock overhang in the Japanese market. The fluctuation of Crude Palm Oil ("CPO") prices in local market also contributed to the decrease in turnover. In addition, the increase in other operating expenses (bad debts written off) and depreciation charges during the financial year collectively lowered the profit before taxation.

(vi) For the financial year ended 30 June 2003, ICB Group recorded an increase in profit before taxation due mainly to the significant increase in turnover during the financial year despite the increase in cost of production resulted from the escalation of crude oil prices. Although the depreciation charge increased during the financial year due to acquisition of new plant and machinery, the reduction in administration, other operating and finance costs enabled ICB to record a better profit for the financial year.

(vii) For the financial year ended 30 June 2004, ICB Group recorded significant increase in profit before taxation in comparison to the previous financial year. This increase was attributed by higher sales for the herbicide range of products which benefited from the marketing strategy adopted by the ICB Group in the previous financial year. For export markets, the combination of new product registration and intensive marketing effort in Australia and Indonesia have effectively boosted the sales for the overseas market.

(viii) For the financial year ended 30 June 2005, ICB Group achieved a growth in profit before taxation in comparison to the previous financial year. The contributing factor was mainly driven by herbicide sales by both local and export markets. For the local market, ICB Group continued to adopt its marketing strategy of partially absorbing cost increase of its main stream Glyphosate range of products in order to gain additional market share. In the export market, following the combination of new product registration and intensive marketing effort in Australia and Indonesia in the previous financial year and the increase in demand from the Russian and Bulgaria markets, export sales have continuously showed an improvement in the current financial year.

(ix) The effective tax rate for the financial year ended 30 June 2001, which derived based on the provision for the taxation for the financial year, was slightly higher than the statutory tax rate due to certain expenses not allowable for tax purposes.

The effective tax rate for the financial year ended 30 June 2002 was reasonably in line with the statutory tax rate.

The effective tax rates for the financial years ended 30 June 2003, 2004 and 2005 were lower than the statutory tax rates due to reinvestment allowances and industrial building allowances claimed by the subsidiaries during the financial years.

(x) There were no extraordinary or exceptional items for the financial years under review.

(xi) There were no prior year adjustments for the financial years under review except for during the financial year ended 31 December 2001, ICSB changed its accounting policy with respect to cost incurred on acquisition of landed property. In previous years, ICSB had capitalised the cost of acquiring the landed property as property, plant and equipment. In accordance with International Accounting Standards ("IAS") 40, Investment Property, land property acquired for its investment potential is now capitalised as investment property. The change in accounting policy has been accounted for retrospectively. The effect of this prior year adjustment has been disclosed in the ICSB's audited financial statements for the financial year ended 31 December 2001 which is audited by another firm of auditors. However, this investment property has been reclassified to property, plant and equipment at the end of the financial period ended 30 June 2004.

2.2 The Company and its subsidiaries

We set out below the summarised audited income statements of the individual companies within the ICB Group for the relevant financial periods/years. The following summarised audited income statements are to be read in conjunction with the notes thereto:

2.2.1 ICB

	Financial period ended 30 June 2005 RM
Turnover	-
Loss before depreciation and interest	(3,290)
Depreciation	-
Interest expense	-
Interest income	-
Loss before taxation	(3,290)
Taxation	-
Loss after taxation	(3,290)
Number of ordinary shares of RM0.50 each in issue	4
Gross loss per share (RM) *ii	*i (823)
Net loss per share (RM) *iii	*i (823)

*i *The amount stated was not annualised since the effect was insignificant as the date of incorporation of ICB was on 28 June 2004.*

*ii *The gross loss per share is calculated based on the loss before taxation divided by the number of ICB shares in issue at the end of the financial period.*

*iii *The net loss per share is calculated based on the loss after taxation divided by the number of ICB shares in issue at the end of the financial period.*

Note:

The loss of the financial period ended 30 June 2005 is after charging audit fee, secretarial fee and disbursements.

2.2.2 IRSB

	< Financial year ended 30 June				>
	2001 RM	**2002 RM**	**2003 RM**	**2004 RM**	**2005 RM**
Turnover	38,730,487	35,946,242	42,101,872	53,313,675	63,089,455
Profit before depreciation and interest	6,398,345	5,953,528	6,981,697	8,937,866	11,125,083
Depreciation	(160,704)	(186,586)	(473,350)	(537,519)	(691,644)
Interest expense	(64,402)	(80,362)	(78,896)	(67,429)	(58,579)
Interest income	55,913	44,162	28,783	53,061	73,106
Profit before taxation	6,229,152	5,730,742	6,458,234	8,385,979	10,447,966
Taxation	(1,648,136)	(1,628,531)	(1,771,673)	(1,876,639)	(3,131,396)
Profit after taxation	4,581,016	4,102,211	4,686,561	6,509,340	7,316,570
Weighted average number of ordinary shares of RM1.00 each in issue	1,500,000	1,500,000	1,500,000	1,606,849*[i]	4,500,000
Gross earnings per share (RM)*[ii]	4.15	3.82	4.31	5.22	2.32
Net earnings per share (RM)*[iii]	3.05	2.73	3.12	4.05	1.63

*[i] *The weighted average number of ordinary shares in issue have been adjusted for the issues of ordinary shares in that year.*

*[ii] *The gross earnings per share is calculated based on the profit before taxation divided by the weighted average number of IRSB shares in issue at the end of the respective years.*

*[iii] *The net earnings per share is calculated based on the profit after taxation divided by the weighted average number of IRSB shares in issue at the end of the respective years.*

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Notes:

(i) For the financial year ended 30 June 2001, profit before taxation increased mainly due to increased turnover which was attributed to large orders of herbicide received from Japan and Russia and was offset by a minimal increase in overall administration costs and finance costs.

(ii) For the financial year ended 30 June 2002, the Company recorded a reduction in profit before taxation due to decreased turnover resulted by the one-off herbicide orders from Japan in the previous year coupled with a large stock overhang in the Japanese markets. The fluctuation of CPO prices in local market also contributed to the decrease in turnover. In addition, the increase in other operating expenses (bad debts written off) and depreciation charges during the financial year collectively lowered the profit before taxation.

(iii) For the financial year ended 30 June 2003, the Company recorded an increase in profit before taxation due mainly to the significant increase in turnover during the financial year despite the increase in cost of production resulted from the escalation of crude oil prices. Although the depreciation charge increased during the financial year due to acquisition of new plant and machinery, the reduction in administration, other operating and finance costs enabled the Company to record a better profit for the financial year.

(iv) For the financial year ended 30 June 2004, the Company recorded a significant increase in profit before taxation in comparison to the previous financial year. This increase was attributed by higher sales for the herbicide range of products during the financial year which benefited from the marketing strategy adopted by the Company in previous financial year. For the export markets, the combination of new product registration and intensive marketing efforts in Australia and Indonesia have effectively boosted the sales for the overseas market.

(v) For the financial year ended 30 June 2005, the Company achieved a growth in profit before taxation in comparison to the previous financial year. The contributing factor was mainly driven by herbicide sales by both local and export markets. For the local market, the Company continued to adopt its marketing strategy of partially absorbing cost increase of its main stream Glyphosate range of products in order to gain additional market share. In the export market, following the combination of new product registration and intensive marketing effort in Australia and Indonesia in the previous financial year and the increase in demand from the Russian and Bulgaria markets, export sales have continuously showed an improvement in the current financial year.

(vi) The effective tax rate for the financial year ended 30 June 2001 was slightly higher than the statutory tax rate due to certain expenses not allowable for tax purposes.

The effective tax rate for the financial year ended 30 June 2002 was reasonably in line with the statutory tax rate.

The effective tax rates for the financial years ended 30 June 2003, 2004 and 2005 were lower than the statutory tax rates due to reinvestment allowances claimed during the financial years.

As at 30 June 2005, the Company has tax credit under Section 108 of the Income Tax Act 1967 and tax exempt income amounting to RM10,998,075 and RM2,321,165 respectively to frank the payment of dividends out of its unappropriated profit, subject to the agreement of the Inland Revenue Board.

(vii) There were no extraordinary or exceptional items for the financial years under review.

(viii) There were no prior year adjustments for the financial years under review.

2.2.3 ICSB

	<—— Financial year ended 31 December 2000 RM	2001 RM	2002 ——> RM	18 months ended 30 June 2004 RM	Financial year ended 30 June 2005 RM
Turnover	360,000	360,000	360,000	540,000	360,000
Profit before depreciation and interest	202,959	329,786	209,947	475,920	331,519
Depreciation	(30,750)	(30,750)	(30,750)	(46,125)	(73,623)
Interest expense	(131,851)	(116,467)	(100,231)	(118,366)	(56,773)
Interest income	-	-	-	-	-
Profit before taxation	40,358	182,569	78,966	311,429	201,123
Taxation	(21,000)	(60,557)	(31,999)	(190,984)	(58,656)
Profit after taxation	19,358	122,012	46,967	120,445	142,467
Number of ordinary shares of RM1.00 each in issue	100,000	100,000	100,000	100,000	100,000
Gross earnings per share (RM)*ii	0.40	1.83	0.79	*i 2.08	2.01
Net earnings per share (RM)*iii	0.19	1.22	0.47	*i 0.80	1.42

*i *Annualised.*

*ii *The gross earnings per share is calculated based on the profit before taxation divided by the number of ICSB shares in issue at the end of the respective years/period.*

*iii *The net earnings per share is calculated based on the profit after taxation divided by the number of ICSB shares in issue at the end of the respective years/period.*

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Notes:

(i) For the financial year ended 31 December 2000, profit before taxation decreased significantly due to the significant increase in repair and maintenance expenses for the factory building.

(ii) For the financial year ended 31 December 2001, the Company recorded an increase in profit before taxation. This improvement was attributed to lower repair and maintenance expenses incurred during the financial year and a lower interest cost following the partial repayment of term loan.

(iii) For the financial year ended 31 December 2002, the Company recorded a decrease in profit before taxation due mainly to a significant increase in upkeep of building expenditure arising from wear and tear. However, the increase in upkeep costs was mitigated by the reduction in term loan interest and the Company was able to cap the fall in profit before taxation during the financial year.

(iv) For the financial period ended 30 June 2004, the Company recorded an increase in profit before taxation in comparison to the previous financial year. This was due to the significant upkeep of building expenditure incurred in the previous financial year and lower interest cost in line with the decrease in term loan outstanding.

(v) For the financial year ended 30 June 2005, profit before taxation of the Company has deteriorated in comparison to the previous financial period. This was mainly due to the results for the previous financial period for a period of 18 months as opposed to 12 months for the current financial year. In addition, the commencement of depreciation on the Company's factory building during the financial year upon reclassification of the factory building from investment property to property, plant and equipment at the end of the previous financial period had also contributed to this decline.

(vi) The effective tax rates for the financial years ended 31 December 2000, 2001 and 2002 were higher than the statutory tax rate due to certain expenses not allowable for tax purposes.

The effective tax rate for the financial period/year ended 30 June 2004 and 2005 were lower than the statutory tax rate due to industrial building allowances and capital allowances claimed in the respective financial period/year. In addition, the Company enjoyed the benefits of reduction in statutory tax rate as it is a small and medium size company.

As at 30 June 2005, the Company has tax credit under Section 108 of the Income Tax Act 1967 and tax exempt income amounting to RM228,896 and RM179,799 respectively to frank the payment of dividends out of its entire unappropriated profit, subject to the agreement of the Inland Revenue Board.

(vii) There were no extraordinary or exceptional items for the financial years/period under review.

(viii) There were no prior year adjustments for the financial years under review except for during the financial year ended 31 December 2001, the Company changed its accounting policy with respect to cost incurred on acquisition of landed property. In previous years, the Company had capitalised the cost of acquiring the landed property as property, plant and equipment. In accordance with International Accounting Standards ("IAS") 40, Investment Property, land property acquired for its investment potential is now capitalised as investment property. The change in accounting policy has been accounted for retrospectively. The effect of this prior year adjustment has been disclosed in the Company's audited financial statements for the financial year ended 31 December 2001 which is audited by another firm of auditors. However, this investment property has been reclassified to property, plant and equipment at the end of the financial period ended 30 June 2004.

3. SUMMARISED BALANCE SHEETS

3.1 Proforma Consolidated Balance Sheets – ICB Group

ICB was incorporated on 28 June 2004 with an issued and paid-up share capital of 4 ordinary shares of RM0.50 each. As the purchase consideration for the Acquisitions was calculated based on net tangible assets value using the audited financial statements of the subsidiaries as at 30 June 2004 and the Acquisitions being effected after 30 June 2005, it is therefore impracticable to present proforma balance sheets of the ICB Group for the financial years prior to 30 June 2005. Accordingly, the proforma consolidated balance sheet of the ICB Group has only been presented by way of proforma statement of assets and liabilities in respect of 30 June 2005 based on the audited financial statements of ICB, IRSB and ICSB as at 30 June 2005. This is shown in Section 4 of this Report.

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3.2 We set out below the summarised audited balance sheets of the individual companies within the ICB Group for the relevant financial periods/years. The following summarised audited balance sheets are to be read in conjunction with the notes thereto:

3.2.1 ICB

	* As at 30 June 2005 RM
Current assets	2
Current liabilities	3,290
Net Current liabilities	(3,288)
Financed by:	
Share capital	2
Accumulated loss	(3,290)
Shareholders' deficit	(3,288)
Net tangible liabilities	(3,288)
Net tangible liabilities per share	(822)

* *The Company was incorporated on 28 June 2004 and accordingly, its balance sheet was drawn out for the first time as at 30 June 2005.*

3.2.2 IRSB

	<------ As at 30 June ------>				
	2001	**2002**	**2003**	**2004**	**2005**
	RM	**RM**	**RM**	**RM**	**RM**
Property, plant and equipment	1,034,850	1,156,190	3,129,034	4,803,131	7,120,524
Investment in associate	15,100	15,100	15,100	-	-
Current assets	22,633,048	21,866,516	27,413,289	31,943,892	37,733,574
Current liabilities	(9,430,561)	(4,606,191)	(7,286,046)	(6,689,325)	(7,403,815)
Net current assets	13,202,487	17,260,325	20,127,243	25,254,567	30,329,759
	14,252,437	18,431,615	23,271,377	30,057,698	37,450,283
Financed by:					
Share capital	1,500,000	1,500,000	1,500,000	4,500,000	4,500,000
Unappropriated profit	12,670,015	16,772,226	21,458,787	25,171,138	32,487,708
Shareholders' equity	14,170,015	18,272,226	22,958,787	29,671,138	36,987,708
Non-current liabilities	82,422	109,259	90,590	21,221	-
Deferred tax liabilities	-	50,130	222,000	365,339	462,575
	14,252,437	18,431,615	23,271,377	30,057,698	37,450,283
Net tangible assets	14,170,015	18,272,226	22,958,787	29,671,138	36,987,708
Net tangible assets per share	9.45	12.18	15.31	6.59	8.22

3.2.3 ICSB

	As at 31 December			As at 30 June	
	2000	2001	2002	2004	2005
	RM	RM	RM	RM	RM
Property, plant and equipment	186,750	156,000	125,250	3,594,784	3,521,161
Investment property	3,515,659	3,515,659	3,515,659	-	-
Current assets	48,054	54,308	69,305	59,290	78,590
Current liabilities	(2,269,905)	(2,306,369)	(2,419,159)	(2,461,723)	(2,484,851)
Net current liabilities	(2,221,851)	(2,252,061)	(2,349,854)	(2,402,433)	(2,406,261)
	1,480,558	1,419,598	1,291,055	1,192,351	1,114,900
Financed by:					
Share capital	100,000	100,000	100,000	100,000	100,000
Unappropriated profit	37,278	159,290	206,257	326,702	469,169
Shareholders' equity	137,278	259,290	306,257	426,702	569,169
Non-current liabilities	1,343,280	1,160,308	984,798	638,183	391,609
Deferred tax liabilities	-	-	-	127,466	154,122
	1,480,558	1,419,598	1,291,055	1,192,351	1,114,900
Net tangible assets	137,278	259,290	306,257	426,702	569,169
Net tangible assets per share	1.37	2.59	3.06	4.27	5.69

4. STATEMENT OF ASSETS AND LIABILITIES

The following is a statement of assets and liabilities of ICB and the Proforma ICB Group prepared based on audited financial statements of ICB and its subsidiaries, IRSB and ICSB as at 30 June 2005.

The statement of assets and liabilities of the Proforma ICB Group is prepared for illustrative purposes only on the assumption that acquisitions of IRSB and ICSB had been effected on 30 June 2005 and should be read in conjunction with the notes thereto.

	Note	ICB RM	Proforma ICB Group RM
NON-CURRENT ASSET			
Property, plant and equipment	6.3	-	10,641,685
CURRENT ASSETS			
Inventories	6.4	-	6,324,824
Trade receivables	6.5	-	22,286,700
Other receivables	6.6	-	819,441
Short term deposits with licensed banks	6.7	-	4,057,000
Cash and bank balances		2	3,432,808
		2	36,920,773
CURRENT LIABILITIES			
Trade payables	6.8	-	6,019,697
Other payables	6.9	1,000	383,197
Hire purchase payable	6.10	-	21,221
Amount due to director	6.11	2,290	2,290
Bills payables	6.12	-	689,400
Term loan	6.13	-	242,595
Taxation		-	272,384
		3,290	7,630,784
NET CURRENT (LIABILITIES)/ASSETS		(3,288)	29,289,989
		(3,288)	39,931,674
Financed by:			
SHARE CAPITAL	6.14	2	31,467,621
NEGATIVE GOODWILL	6.15	-	7,459,037
ACCUMULATED LOSS		(3,290)	(3,290)
SHAREHOLDERS' EQUITY		(3,288)	38,923,368
NON-CURRENT LIABILITIES			
Term loan	6.13	-	391,609
Deferred tax liabilities	6.16	-	616,697
		(3,288)	39,931,674
Net tangible (liabilities)/assets		(3,288)	38,923,368
Number of ordinary shares in issue		4	62,935,242
Net tangible (liabilities)/assets per share		(822)	0.62

5. PROFORMA CASH FLOW STATEMENTS

The following proforma cash flow statements of ICB and the Proforma ICB Group prepared based on the audited financial statements of ICB and its subsidiaries, IRSB and ICSB for the financial period/year ended 30 June 2005.

The proforma cash flow statements of the Proforma ICB Group is prepared for illustrative purposes only on the assumption that the Proforma ICB Group has been in existence throughout the financial period/year.

	ICB RM	Proforma ICB Group RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/profit before taxation	(3,290)	10,645,799
Adjustments for:		
Depreciation	-	765,267
Allowance for doubtful debts	-	211,639
Allowance for doubtful debts no longer required	-	(52,448)
Bad debts written off	-	51,782
Profit on disposal of investment in associate	-	(3)
Loss on disposal of property, plant and equipment	-	5,565
Interest expenses	-	115,352
Interest income	-	(73,106)
Operating (loss)/profit before working capital changes	(3,290)	11,669,847
Decrease in inventories	-	869,838
Increase in receivables	-	(4,668,268)
Increase in payables	1,000	1,821,559
Increase/(decrease) in amount due to director	2,290	(97,710)
Cash generated from operations	-	9,595,266
Taxation paid	-	(2,913,262)
Interest paid	-	(115,352)
Interest received	-	73,106
Net cash from operating activities	-	6,639,758
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(3,015,802)
Proceeds from disposal of investment in associate	-	3
Proceeds from disposal of property, plant and equipment	-	1,200
Net cash used in investing activities	-	(3,014,599)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	2	2
Repayment of term loan	-	(225,071)
Repayment of hire purchase payable	-	(69,369)
Net repayment of bill payables	-	(1,131,196)
Net cash from/(used in) financing activities	2	(1,425,634)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2	2,199,525
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	-	5,290,283
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR (Note 6.17)	2	7,489,808

6. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

6.1 BASIS OF THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Proforma Group have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

6.2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies as summarised below.

(b) Basis of Consolidation

The Proforma Group statement of assets and liabilities include the statement of assets and liabilities of the Company and its subsidiaries made up to 30 June 2005. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition.

The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation. Goodwill on consolidation is stated at cost less any accumulated impairment losses. Negative goodwill on consolidation will be recognised in income statement immediately.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any balance of goodwill and exchange differences, if any.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movement in the acquiree's equity since then.

6.2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Investment in subsidiaries

The Company's investments in subsidiaries are stated at costs less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with note 6.2(l).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statements.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 6.2(l).

Freehold land is not depreciated as it has an infinite life. Long term leasehold land and building are depreciated over its lease period of 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, fixture and fittings	10% - 15%
Renovation	25%
Motor vehicles	20%
Plant and machinery	10%

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(e) Inventories

Inventories comprise raw materials, packing materials, work-in-progress and finished goods, are stated at the lower of cost and net realisable value.

Cost is determined using the first in first out method. The costs of raw materials and packing materials comprise the original cost of purchase plus the cost of bringing the inventories to their present location and for finished goods and work-in-progress include direct 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 cost of completion and the estimated costs necessary to make the sale.

6.2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(g) Lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance lease are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in paragraph 6.2(d).

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(h) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using tax rates that have been enacted at the balance sheet date.

6.2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax is provided for by using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principal, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(i) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

(j) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transactions will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue from sales of goods is recognised net of discounts if any, upon the transfer of risks and rewards.

6.2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Interest income

Interest is recognised on an accrual basis (taking into account the effective yield on the asset) unless collectibility is in doubt, in which case it is recognised on a receipt basis.

(iii) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(k) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currency at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling on the date. Non-monetary assets and liabilities in foreign currency at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling on that date of the transactions. All exchange gain and losses are taken up in the income statements.

The principal exchange rates used in the translation of foreign currency amounts at the balance sheet date are as follows:

Foreign currency	30.6.2005 RM
1 United States dollar	3.83
1 Euro dollar	4.50
1 Australia dollar	2.80

(l) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

6.2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest-Bearing Borrowings

Interest-bearing bank borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

6.3 PROPERTY, PLANT AND EQUIPMENT

	Proforma ICB Group		
	Cost RM	Accumulated Depreciation RM	Net Book Value RM
Freehold land	1,761,526	-	1,761,526
Long term leasehold land	1,266,861	15,449	1,251,412
Buildings	3,565,596	85,939	3,479,657
Office equipment	535,764	245,750	290,014
Furniture, fixture and fittings	469,852	354,385	115,467
Renovation	471,698	223,895	247,803
Motor vehicles	839,862	594,618	245,244
Plant and machinery	4,475,760	1,225,198	3,250,562
	13,386,919	2,745,234	10,641,685

As at 30 June 2005, the net book value of motor vehicles under hire purchase arrangement included in property, plant and equipment amounted to RM65,200.

As at 30 June 2005, the net book value of land and buildings amounted to RM1,699,412 and RM2,763,283 respectively have been pledged as securities to licensed banks for credit facilities granted to the Proforma ICB Group.

6.4 INVENTORIES

	Proforma ICB Group RM
At cost:	
Finished goods	2,436,728
Raw materials	3,111,566
Packing materials	492,418
Work-in-progress	284,112
	6,324,824

6.5 TRADE RECEIVABLES

	Proforma ICB Group RM
Trade receivables	22,651,744
Less: Allowances for doubtful debts	(365,044)
	22,286,700

The Proforma ICB Group's normal trade credit terms range from 90 to 180 days. Other credit terms are assessed and approved on a case by case basis.

The Proforma ICB Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to a group of debtors.

6.6 OTHER RECEIVABLES

	Proforma ICB Group RM
Deposits	26,420
Prepayments	358,903
Sundry receivables	434,118
	819,441

6.7 SHORT TERM DEPOSITS WITH LICENSED BANKS

Included in short term deposits is an amount of RM11,000 which is held in trust under lien with a financial institution as security for a bank guarantee in favour of Tenaga Nasional Berhad.

The average effective interest rates of short term deposits of the Proforma ICB Group was 2.62% per annum. The average maturity date of short term deposits was 30 days.

6.8 TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and the normal credit terms granted to the Proforma ICB Group range from 30 to 90 days.

6.9 OTHER PAYABLES

	ICB RM	Proforma ICB Group RM
Accruals	1,000	330,838
Deposits	-	20,700
Sundry payables	-	31,659
	1,000	383,197

6.10 HIRE PURCHASE PAYABLE

	Proforma ICB Group RM
Amount payable	21,221
Less : Amount payable within 12 months	(21,221)
Amount payable after 12 months	-
Minimum payments	
- not later than 1 year	21,713
- later than 1 year and not later than 5 years	-
	21,713
Less: Unexpired interest	(492)
	21,221
Present value of payments	
- not later than 1 year	21,221
- later than 1 year and not later than 5 years	-
	21,221

The average effective interest rate of the hire purchase payable at the balance sheet date was 4.72% per annum.

6.11 AMOUNT DUE TO DIRECTOR

This is unsecured, interest free and there is no fixed term of repayment.

6.12 BILL PAYABLES

These are secured against :

i) Time deposit held under lien belonging to a Director;

ii) Legal charges on IRSB's freehold land and buildings;

iii) Joint and severally guaranteed by certain Directors of IRSB;

iv) General Security Agreement Relating to Goods;

v) Letter of Pledge; and

vi) Three adjoining agricultural land of a Company where certain Directors have financial interest.

6.13 TERM LOAN

	Proforma ICB Group RM
Under current liabilities:	
Portion repayable within 1 year	242,595
Under non-current liabilities:	
Portion repayable between 1 to 2 years	238,785
Portion repayable between 2 to 5 years	152,824
	391,609
Total	634,204

The term loan is secured against a first legal charge on ICSB's long term leasehold land and building and guaranteed jointly and severally by certain Directors of ICSB.

The average effective interest rate of the term loan at the balance sheet date was 7.50% per annum.

6.14 SHARE CAPITAL

	ICB RM	Proforma ICB Group RM
Ordinary share of RM0.50 each		
Issued and fully paid-up:		
As at date of incorporation	2	2
Issuance of share pursuant to the Acquisitions	-	31,467,619
Balance at end of year	2	31,467,621

6.15 NEGATIVE GOODWILL

The negative goodwill arises from the difference between the cost of acquisition and the fair value of the Group's share of the net assets of the acquired subsidiaries, where in this case, the cost of acquisition is lower than the fair value of the Group's share of the net assets acquired. Details of the acquisition of subsidiaries are stated in Section 1.2.1 and 1.2.2 of this report and will be recognised in the income statement in the year of acquisition of the subsidiaries.

6.16 DEFERRED TAX LIABILITIES

	Proforma ICB Group RM
Acquisition of subsidiaries	492,805
Recognised in income statement	123,892
At end of year	616,697

The deferred tax liabilities are in respect of the following:

Property, plant and equipment	623,715
Prepayment	(7,018)
At end of year	616,697

6.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise of the following balance sheet amounts:

	ICB RM	Proforma ICB Group RM
Short term deposits with licensed banks	-	4,057,000
Cash and bank balances	2	3,432,808
	2	7,489,808

6.18 FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

6.18 FINANCIAL INSTRUMENTS (Continued)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows:

a) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at 30 June 2005. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The objectives of the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rate while enabling benefits to be enjoyed if interest rates fall.

b) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities with external suppliers and customers where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure to transaction risks by matching foreign currency income against foreign currency costs.

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.

c) Credit risk

Credit risk arises when sales are made on deferred credit terms. Credit risks, or risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customers or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

d) Market risk

The Group's principal exposure to market risk arises mainly from the changes in raw material prices. This risk is however mitigated by the Group being able to maintain a healthy inventory level when prices are low and due to this, the Group is able to transfer increases in market costs to consumers at competitive prices.

6.18 FINANCIAL INSTRUMENTS (Continued)

e) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximated their fair values.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Borrowings

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

6.19 SUBSEQUENT EVENTS

Based on the audited financial statements for the financial period/year ended 30 June 2005 and other than the Flotation Exercise implemented pursuant to the Listing as mentioned in Section 1.2, no material events have arisen subsequent to the balance sheet date, which requires disclosure in this Report.

ROGER YUE, TAN & ASSOCIATES
(FIRM NO. AF : 0134)

7. PROFORMA NET TANGIBLE ASSETS PER ORDINARY SHARE

Based on the statement of assets and liabilities of the Proforma ICB Group as at 30 June 2005, the proforma consolidated net tangible assets ("NTA") per ordinary share of RM0.50 each after incorporating the effects of the Public Issue and estimated listing expenses is as follows:

	Proforma ICB Group RM
NTA as at 30 June 2005 *	38,923,368
Add: Proceeds from Public Issue of 17,064,758 ordinary shares of RM0.50 each at an issue price of RM0.75 per share	12,798,569
Less: Estimated listing expenses	(1,700,000)
Adjusted NTA	50,021,937
Number of ordinary shares of RM0.50 each assumed in issue as at 30 June 2005	62,935,242
Number of ordinary shares to be issued pursuant to the Public Issue	17,064,758
Adjusted number of ordinary shares of RM0.50 each in issue	80,000,000
Proforma NTA per ordinary share of RM0.50 each (RM)	0.63

* *The NTA has been computed including the negative goodwill that is to be recognised in the income statement in the year of acquisition of the subsidiaries.*

8. AUDITED FINANCIAL STATEMETNS

No audited financial statements of ICB and its subsidiaries have been prepared in respect of any period subsequent to 30 June 2005.

Yours faithfully,

ROGER YUE, TAN & ASSOCIATES
AF : 0134
Chartered Accountants

ROGER YUE SAU YIN
Partner of Firm
838/03/06(J)

12. DIRECTORS' REPORT

(Prepared for inclusion in the Prospectus)

IMASPRO CORPORATION BERHAD
(657527-H)

Registered Office

Wisma Goshen
2nd Floor, 60 & 62 Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

16 December 2005

To : The Shareholders of Imaspro Corporation Berhad

On behalf of the Board of Directors of ICB, I report after due enquiry, that during the period from 30 June 2005 (being the date to which the last audited accounts of ICB have been made up) to 16 December 2005 (being the date not earlier than fourteen (14) days before the issue of this Prospectus) that: -

(a) the business of the ICB Group, in the opinion of the Directors, have been satisfactorily maintained;

(b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the ICB Group which have adversely affected the trading or the value of the assets of the ICB Group;

(c) the current assets of the ICB Group appear in the books at values, which are believed to be realisable in the ordinary course of business;

(d) there are no other contingent liabilities that have arisen by reason of any guarantees or indemnities given by the ICB Group;

(e) since the last audited accounts of ICB Group there has been no default on any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowing in which the Directors are aware of; and

(f) since the last audited accounts of the ICB Group, save as disclosed in the Accountants' Report and Proforma Consolidated Balance Sheet as set out in Sections 11 and 10.11 respectively, of this Prospectus, there has been no material changes in the published reserves nor any unusual factors affecting the profits of the ICB Group.

Yours faithfully
for and on behalf of the Board of Directors of
IMASPRO CORPORATION BERHAD

Tong Chin Hen
Managing Director

Imaspro Corporation Berhad

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