

ZHULIAN

Annual Report 2009

20 Years : 1989-2009

Contents

01	Financial Highlights
02	Vision & Mission
03	Corporate Profile
04	20 Years of Creating Entrepreneurial Success 1989 - 2009
06	Chairman's Statement / Penyata Pengerusi
16	Group Structure
17	Corporate Information
18	Board of Directors
19	Directors' Profile
23	Operation Review
25	Corporate Social Responsibility
30	Statement on Corporate Governance
36	Audit Committee Report
39	Statement on Internal Control
41	Other Corporate Disclosure
42	Directors' Report
48	Consolidated Balance Sheet
49	Consolidated Income Statement
50	Consolidated Statement of Changes in Equity
51	Consolidated Cash Flow Statement
53	Balance Sheet
54	Income Statement
55	Statement of Changes in Equity
56	Cash Flow Statement
57	Notes to the Financial Statements
93	Statement by Directors
94	Statutory Declaration
95	Independent Auditors' Report
97	List of Properties
98	Regional Offices, Distribution Centres & District Agents
105	Analysis of Shareholdings
107	Notice of Thirteenth Annual General Meeting
109	Proxy Form



Financial Highlights

YEAR ENDED 30 NOVEMBER

Performance (RM'000)	2007	2008	2009
Revenue	220,546	303,577	315,275
Profit Before Taxation	74,348	94,993	102,704
Profit After Taxation and Minority Interest	58,927	74,690	82,057

Attributable to:

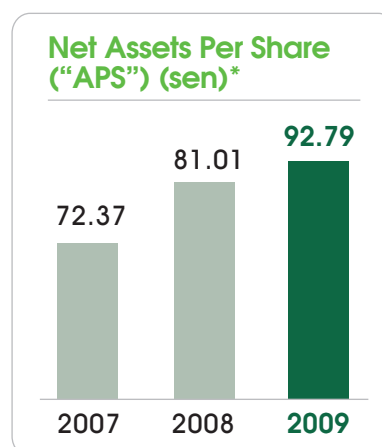
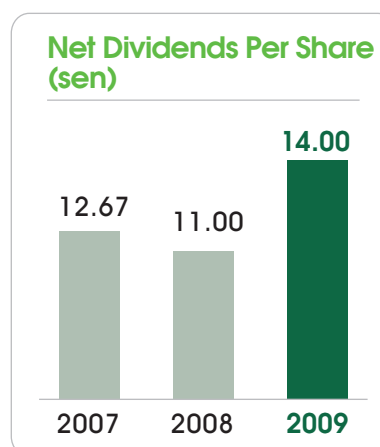
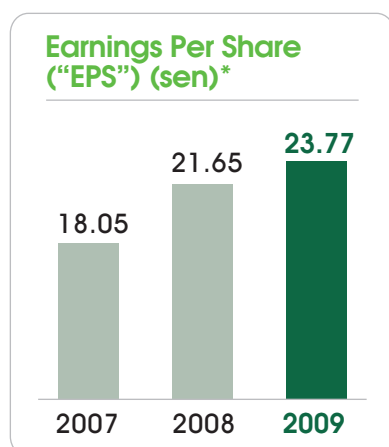
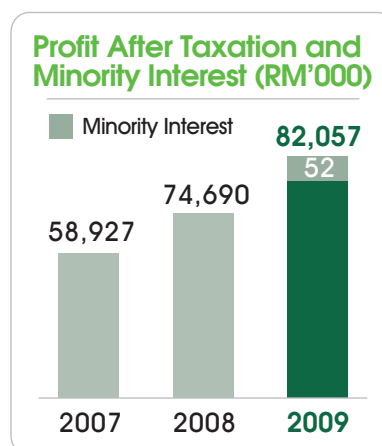
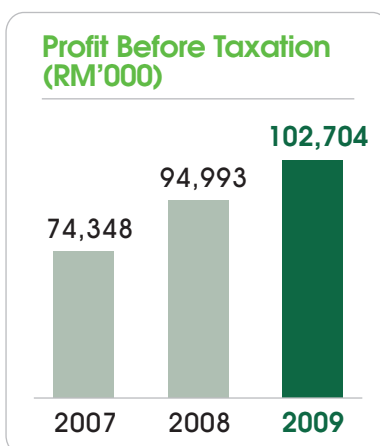
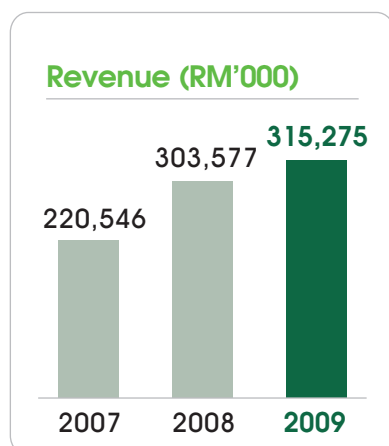
Equity holders of the Company	58,927	74,690	82,005
Minority interest	—	—	52

Key Balance Sheet Data (RM'000)

Shareholders Equity	249,679	279,500	320,111
Total Assets	283,500	342,457	373,334
Total Borrowings	—	—	—

Financial Ratio

Earnings Per Share (EPS) (sen)*	18.05	21.65	23.77
Net Dividends Per Share (sen)	12.67	11.00	14.00
Net Assets Per Share ("APS") (sen)*	72.37	81.01	92.79
Gearing Ratio (%)	0.00%	0.00%	0.00%



* EPS and APS were calculated based on weighted average number of ordinary share in issue of 326,421,000 for the financial year 2007 and 345,000,000 for both financial years of 2008 and 2009.

Vision & Mision

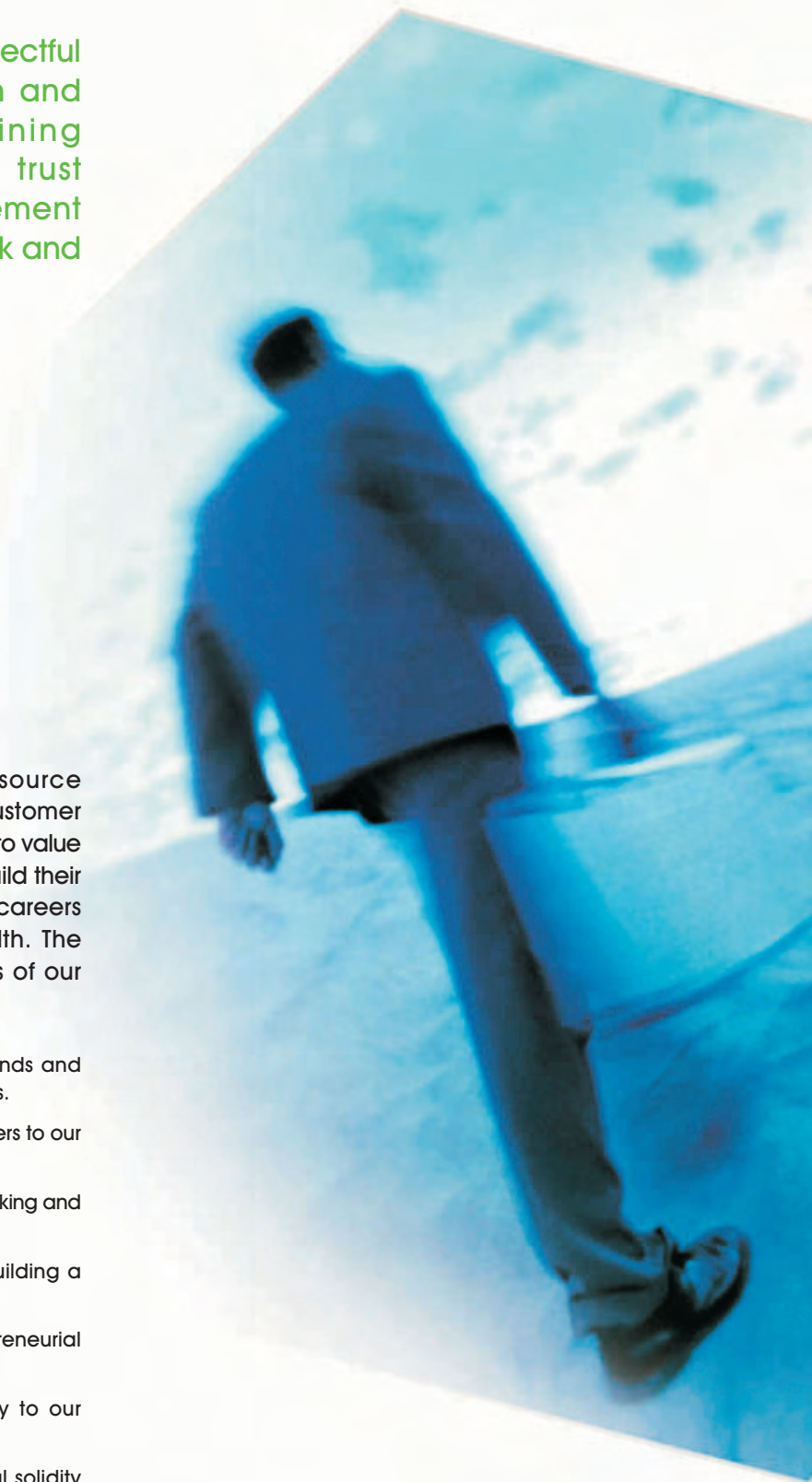
Vision

“ We aspire to become a respectful leading company for health and beauty products by gaining customers enthusiasm and trust through continuous improvement driven by innovation, teamwork and integrity. ”

Mission

We are dedicated to excel in resource management, product quality and customer service to ensure customers will continue to value our products, **ZHULIAN** members will build their businesses, employees will build their careers and shareholders will build their wealth. The following are seven guiding principles of our business practice:

- **Being innovative** in managing our brands and products to enhance our competitiveness.
- **Being enthusiastic** in serving our customers to our best.
- **Being mindful** to provide a conducive working and business environment for our people.
- **Being respectful** towards diversity in building a strong people network.
- **Being passionate** in developing entrepreneurial spirit among our people.
- **Being hearty** in contributing positively to our communities and our environment.
- **Being visionary** in building our financial solidity and maximising our shareholders return.



Corporate Profile

Our Company was incorporated in Malaysia on 2 January 1997 under the Companies Act, 1965 as a private limited company, namely **ZHULIAN CORPORATION SDN. BHD.** (“ZCB” or “the Company”). Subsequently on 28 February of that same year, we were converted into a public limited company and assumed our present name. On the 27 April 2007, ZCB was officially listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

ZCB is an investment holding company of ZHULIAN Group of Companies. Our core business is in Multi-level Marketing (MLM), with diversified interests in the manufacturing and trading of an array of widely diversified products and also printing business. The core activities of the subsidiaries and associated company are as follows:

Multi-level Marketing	
ZHULIAN INDUSTRIES SDN. BHD. (304448-X)	Manufacturing of consumer products
ZHULIAN JEWELLERY MANUFACTURING SDN. BHD. (183361-U)	Manufacturing of costume / fine jewellery and accessories
BEYOND PRODUCTS TECHNOLOGY SDN. BHD. (386717-K)	Manufacturing of home technology products
ZHULIAN MANUFACTURING SDN. BHD. (392763-V)	Manufacturing of bedroom apparels and therapeutic products
AMAZING VESTRAX SDN. BHD. (688963-U)	Manufacturing of personal care products
ZHULIAN NUTRACEUTICAL SDN. BHD. (644402-D)	Manufacturing of traditional products
ZHULIAN PRINTING INDUSTRIES SDN. BHD. (216788-X)	Printing of brochures, leaflets, catalogues, name cards and other related documents
MASTER SQUARE SDN. BHD. (389011-A)	Trading of consumer products
ZHULIAN MARKETING (M) SDN. BHD. (186058-T)	Direct marketing of costume jewellery and consumer products
ZHULIAN (SINGAPORE) PTE. LTD. (200105275R)	Direct marketing of costume jewellery and consumer products
PT. ZHULIAN INDONESIA	Direct marketing of costume jewellery and consumer products
ZHULIAN (THAILAND) LTD. [(3) 1207/2539]	Direct marketing of costume jewellery and consumer products
Investment Holding	
ZHULIAN MANAGEMENT SDN. BHD. (374415-M)	Provision of management services and investment holding
ZHULIAN LABUAN LIMITED (LL07218)	Investment holding
Others	
ZHULIAN DEVELOPMENT SDN. BHD. (321164-M)	Property development
DIAMOND INSPIRATION SDN. BHD. (375186-D)	Operation of in-house cafeteria business
ZHULIAN VENTURES SDN. BHD. (665168-A)	Dormant
ZHULIAN PROPERTIES SDN. BHD. (665167-D)	Dormant
SELAT NUSANTARA DEVELOPMENT SDN. BHD. (665240-M)	Dormant
DEXASSETS SDN. BHD. (686970-K)	Dormant
ZHULIAN CONSTRUCTION SDN. BHD. (415546-H)	Dormant

20 Years of Creating Entrepreneurial Success

1989 – 2009



Since 1989, **ZHULIAN** has been reaching out to people by providing a success opportunity for everyone. Through 20 remarkable years, we have groomed numerable individuals to be successful entrepreneurs. We take pride in bringing people together and synergising human network towards success. Indeed, **ZHULIAN** is more than just a business, we transform the ordinary into extraordinary through fostering entrepreneurial spirit.



Exploration

The journey of **ZHULIAN** began in 1989 with an idea of bringing the concept of gold plated jewellery back to the homeland from Europe by Mr. Teoh Beng Seng, the founder of the Company. He soon established the vision to promote the product concept through Direct Selling channel. His idea gave birth to the first two companies of the **ZHULIAN** Group in Penang Malaysia, namely **ZHULIAN MARKETING (M) SDN. BHD. (ZMMSB)** as the distribution arm and **ZHULIAN GOLDCRAFT SDN. BHD. (Now known as ZHULIAN JEWELLERY MANUFACTURING SDN. BHD.) (ZJMSB)** as the manufacturing facility.

True enough, a powerful vision will attract the right people and opportunities. The Group of companies started to branch out to major town in Peninsular Malaysia and more people began to share the same vision with the Group, switching from genuine gold jewellery to gold plated jewellery products from **ZHULIAN** that offer value for money. Growing market acceptance enabled the Group to set up more authorised agencies and recruit

more distributors. Within merely 4 years after its inception, the Group commenced the construction of its first plant at Bayan Lepas Industrial Estate, Penang.

Evolution

As the business grew, the small office which was located in a shop house at Jalan Air Itam, Penang could no longer support the market demand. Therefore in 1994, both **ZMMSB** and **ZJMSB** moved into its new premise built on Plot 41, Bayan Lepas Industrial Estate, Penang and soon after that, its business grew rapidly as the new facility drew attention and attracted many new Distributors who were amazed with the rapid growth of the Companies.

The Group entered into the phase of evolution in 1996, where it started to diversify its product portfolio, switching from the single-product strategy that focussed solely on gold plated jewellery to multiple-product strategy. In view of increasing consumer demands of homecare and instant beverage products, the Group decided to venture into the competitive home detergent and food & beverage (F & B)

product market. At the same time, its business flourished and began to reach out beyond Malaysia's borders through its unique and viable business model. The growing demand of its products eventually led to its expansion to Thailand and Indonesia market and the establishment of its regional offices in the respective countries.

As Asian Countries were badly hit by the economic crisis in the late 90's, the Group faced the biggest challenge in cash flow and credit control. The incident had taught the Group to be less dependent on its core products – jewellery and thus it began to strategically evolve into food manufacturing sector in 2000 when it produced its own premix beverage range. The move to venture into nutritional beverage market had enabled the Group to bounce back even higher as it launched **B'YOUNG ADVANCED FUNCTIONAL BEVERAGE** in June 2000. Since then, the Group had explored every possibility and eventually grown itself into a group of companies with widely diversified manufacturing facilities.



Innovation

Since the year of 2000, the Group has blended innovative ideas, advanced technology, and manufacturing know-how with a brilliant business model - a combination that has nourished its business and satisfied its customers for more than two decades. This innovative approach, backed by its visionary management team has driven the Group towards robust growth.

ZHULIAN is constantly seeking newer and better production methods that contribute to significant improvements in its product quality. Its newest Plot 3 facilities and production system had obtained both ISO 9001:2000 and GMP certification, further signifies its strong capability in innovation and R&D. The plant's state-of-the-art facilities are able to conduct continued research for product innovation. The expanding range of the products manufactured by this plant provides added advantages in the form of product value, quality and diversity of product range to its Distributors and customers. Its commitment to excellence is backed by its strong R&D team

which consists of expertise, professionals and Directors in the companies.

Today, **ZHULIAN** is not only well-acclaimed as a leading costume jewellery manufacturer, it has also managed to carve a name as a manufacturer of nutritional food products, beverages, home technology products such as water purifier and air purifier, bedding apparels such as mattress pads, pillows and bolsters and also sanitary products.

Expansion

The Group began to venture abroad in 1996 with the establishment of **ZHULIAN (THAILAND) LTD.** Months later, the Group spread its wings to Indonesia through the appointment of a master agent of its products in the country. Riding through the severe economic storm in the late 90's, the Group continued its move to expand its market to Singapore and subsequently set up its Singapore Regional Office in 2003. With the aim to increase its market share in Indonesia, the Group took a strategic move with the acquisition of 60% equities of **PT. ZHULIAN INDONESIA** in May 2009.



Besides geographical expansion, the Group had also continued to upgrade and expand its infrastructure. The Group currently owns 3 buildings which house the manufacturing plants and offices in Bayan Lepas, Penang – Plot 41 plant which was built in 1994, Plot 42 in 1997 and Plot 3 in 2008 and also a regional office cum warehouse in Thailand, Indonesia and Singapore respectively. Aiming to move onwards and upwards, the Group has embarked on a series of expansion projects which include the revamp of its International Headquarters' Office Building in Penang, Malaysia; a massive extension project of its regional office in Thailand and its plan to build its own regional office building cum warehouse in Jakarta, Indonesia. These projects are part of the Group's initiatives to cope with the huge market demands towards the Group's products and services.



Chairman's Statement

“...the unpredictable business environment did not deter the Company and its subsidiaries from pursuing further development. We are now in the process of transformation at multiple levels, from the infrastructure up to product mix, operational system and marketing strategies.”



Dear Valued Shareholders,

On behalf of the Board of Directors of **ZHULIAN CORPORATION BERHAD** (“ZCB” or “the Company”), I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended 30 November 2009 (“FY 2009”).



Financial Overview

The FY 2009 had been a year of turbulence for the global economies. The year did not start on a bright note as a global recession started to affect the Malaysian economy. While many retailers suffered declined sales during the period, ZCB was able to harvest the seeds planted in the year end of 2008 and continued to ride the upward momentum upon the newly built plant.

As the economy worsened during the first half of calendar year 2009 which recorded a contraction of 6.2% in GDP, many companies who projected sales for the year to improve had reverted to an earlier forecast of flat growth in 2009. ZCB and its subsidiaries ("The Group") had also felt the impact during its 2nd quarter against the backdrop of tough operating and market conditions where costs and prices kept escalating. Meanwhile, consumers also could not avoid themselves from facing inflationary pressure, job uncertainties and a dramatic drop in income, as well as their buying power.

Nevertheless, the unpredictable business environment did not deter the Company and its subsidiaries ("The Group") from pursuing further development. We are now in the process of transformation at multiple levels, from the infrastructure up to product mix, operational system and marketing strategies. Due to such challenging environment, ZCB was unable to sustain its high growth rate seen in the past years. However, I am pleased to report that the Group managed to stay focussed on its key developmental projects and still registered a steady flow of business and profitability.

- The Group's revenue increased by 3.85% to RM315.275 million in the year under review compared with RM303.577 million in the previous financial year.
- The Group recorded a higher profit before tax i.e. RM102.704 million, an increase of 8.12% which is equivalent to RM7.711 million, as compared to RM94.993 million in FY 2008.

- Our Earnings per Share increased 9.79% from 21.65 sen to 23.77 sen per Share.
- Our financial position remains solid, with net cash increased to RM125.084 million from RM106.529 million, representing an increase of RM18.555 million and a remarkable increase in Net Assets per Share of 11.77 sen to 92.79 sen, as compared to 81.01 sen in the previous financial year.

Dividends

Paid-out amounting to 14 sen per ordinary share

The Company paid single tier dividends of 14 sen per ordinary share of RM0.50 each, totalling RM48.300 million in respect of the financial year ended 30 November 2009.

Corporate Development

Continue to build upon success

In tandem with our strong cash flow and positive financial position, the Company was undeterred by the economic situation and able to take advantage of the market opportunities available to expand its horizon and furthermore make long term strategic development decisions to create and enhance shareholders' value. We are pleased to inform that we have acquired 60% of the equities of PT. ZHULIAN INDONESIA on 25 May 2009 of which the investment

amounted to RM1.6 million. In furtherance to its expansion plan, the Company has incorporated a new subsidiary on 26 August 2009, namely **ZHULIAN LABUAN LIMITED** which is an investment holding company.

Awards And Recognitions

A Testament to the Company's solid market position

In the year under review, ZCB's main subsidiary, **ZHULIAN MARKETING (M) SDN. BHD. (ZMMSB)** received three awards in total, namely: "Grand Master Company" of the 6th Asia Super Excellence Master Award of Direct Sales 2009 and the 8th Asia Pacific International Honesty Enterprise ~ Keris Award 2009 which both were won by ZMMSB for the second consecutive year; while the third award won was "Excellence Brand" of the 8th Asia Pacific International Entrepreneur Excellence Award 2009.

The winning of these awards mirrors the Company's strong commitment in fostering entrepreneurial spirit as well as its innovativeness in building trusted and top-of-the-mind brands with its wide range of superior products. It also further testified its prominent market position in the direct selling industry for being a visionary company which has demonstrated ethical business practice and distinctive business performance.





Corporate Governance

Promoting Ethics, Compliance and Transparency

Corporate governance is an important priority at ZCB as well as its subsidiaries, and we place strong emphasis on continuous improvement in pursuit of the highest standards of ethics, compliance and transparency for the betterment of the whole Group and in the best interest of our employees, stakeholders and shareholders. The Board continues to practise good corporate governance to ensure the Group will continue to progress in order to safeguard and enhance the shareholders' investment and value. Thus, an internal control system and policies have already been in place to oversee the overall operation of the Group with emphasis in fostering a culture of credibility, excellence and reliance among our people and in our business practices.

Investor Relations

Keeping in Touch with Shareholders and Stakeholders

The Company is aware of the importance of information and will not divulge any undisclosed material information to any single shareholders or individual and also recognised the importance of being accountable to its investors. As such, we have established a communication policy that enables the Board and management to communicate effectively with our investors and public generally via a structural

approach on the communication of material information to investors and the general investing public.

In addition to the Annual General Meeting, which is the principal channel of communication with shareholders, the Directors and senior management have also taken the initiative to create the Investor Relations section on our official Corporate Website (www.zhulian.com), so that we can regularly updates relevant information in respect of the Company's business operations, financial performance, major developments as well as our future growth. At the same time, we also keep close interactions with fund managers, institutional investors and analysts.

Corporate Social Responsibility

Cultivating entrepreneurial success as well as academic success

The Group believes that business leaders must always assert ethical leadership so as to protect the foundations of sustainable prosperity. The Group is committed to operate as a responsible corporate entity, ensuring its business practices and activities always comply with general respect for its environment, community, employees, customers and suppliers. The Group is always ready to lend a helping hand to initiatives that can help the needy and underprivileged group of people. As part of the corporate social responsible activities in the year under review, the Group has made donations to the Red

Crescent Society, Penang Caring Dialysis Society, Charis Hospice and Handicapped Children's Centre Penang.

Besides making charitable contributions, the Group has also made a long term commitment in offering rewards to its Distributors' kin who excel academically by the establishment of **ZHULIAN Education Trust Fund** since 2007. During the year under review, a total of 34 achievers have been presented with this special fund during the National Convention, namely Night of Honour that was held on 23 May 2009.

Outlook and Prospects

"We remain cautiously optimistic about the direction of economy in the region. However, the Company continues to be committed in delivering improved returns for shareholders and looks forward to ensuring an improved operational performance in year 2010."

Business challenges are inevitable in today's ever highly competitive and challenging global business arena. Despite the numerous challenges we faced during the year, the Group has responded quickly and effectively to initiate strategic measures to cushion the adverse effects. We are a resilient Company and our management team has led the Group through the challenges of the past year. Our dedicated management team has continuously put in relentless efforts in ensuring the smooth running of our daily operations, continue to improve and working towards betterment by undertaking effective measures to overcome challenges.



We remain cautiously optimistic about the direction of economy in the region. However, the Company continues to be committed in delivering improved returns for shareholders and looks forward to ensuring an improved operational performance in year 2010. In view of our healthy mix of developmental projects, coupled with our strong financial position, we are confident that the medium to long term prospect of our business remains bright. We remain steadfast that the Company's strategies are sound despite the short-term weaknesses in the market.

We will continue to build on our reputation as one of the leading MLM companies in the region and add value across our product mix. Our healthy balance sheet and solid cash generating business model will not only enable the Group to ride through the current economic scenario comfortably, but will also allow the Group to consolidate its leadership position by fully capitalising on the current market conditions to further expand its business network and emerge even stronger after the tough challenge.

As the Malaysian Economists predicted that the country will achieve an economic growth of

more than 5% this year based on several positive indicators, such as the shift from retrenchment to recruitment in the manufacturing sector since July 2009, also the uptrend of business confidence and consumer spending towards the 4th quarter of 2009, the Company is starting to see positive signs on the horizon and confident that prospects for 2010 are improving with the economic environment beginning to rebound. The Company will continue to focus on internal efficiencies and strengthening its capabilities to ensure it is in the best possible position to benefit from the upturn in the economy.

Appreciation

The Board would like to thank the management, employees, authorised agents and Distributors for their contribution during the period. Their knowledge and dedication will drive the Company's improvement into 2010 and beyond, and we are highly appreciative of the professionalism and commitment they have demonstrated during a demanding time.

The Board would also like to thank customers, business associates, bankers, suppliers for their ongoing loyalty and support and we look forward to continuing these positive partnerships into the future.

The Board also wishes to thank the government authorities for their guidance and support and our business partners and shareholders for their confidence.

Lastly, The Board would like to stress that the Company remains committed to delivering improved returns for shareholders and looks forward to delivering an improved operational performance in the next financial year.

On Behalf of the Board
ZHULIAN CORPORATION BERHAD

Haji Wan Mansoor Bin Wan Omar
Chairman, Independent Non-Executive Director

Penyata Pengerusi

“...persekitaran perniagaan yang tidak menentu tidak menghalang Syarikat dan subsidiannya daripada meneruskan pembangunan selanjutnya. Kami kini di dalam proses transformasi di pelbagai peringkat, dari sudut prasarana sehinggalah ke gabungan produk, sistem operasi dan strategi pemasaran. ”



Para Pemegang Saham Yang Dihargai,

Bagi pihak Lembaga Pengarah **ZHULIAN CORPORATION BERHAD** (“ZCB” atau “Syarikat”), saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Yang Diaudit bagi Kumpulan untuk tahun kewangan yang berakhir pada 30 November 2009 (“FY 2009”).

Prestasi Kewangan

Tahun kewangan 2009 adalah tahun yang bergejolak buat ekonomi dunia. Tahun tersebut tidak bermula dengan begitu cerah memandangkan kegawatan global mula menjelaskan ekonomi Malaysia. Ketika kebanyakan peniaga runcit mengalami jualan yang merosot semasa tempoh tersebut, ZCB berupaya menuai benih yang ditabur pada penghujung tahun 2008 dengan terus memacu ke arah momentum yang meningkat berikutan daripada pembinaan kilang yang baru.

Dengan ekonomi yang semakin meleset semasa separuh pertama tahun 2009 yang merekodkan penguncupan sebanyak 6.2% KDNK, kebanyakan syarikat yang menjangkakan jualan bagi tahun tersebut akan meningkat telah beralih kepada ramalan awal pertumbuhan mendarat pada 2009. ZCB dan subsidiarinya ("Kumpulan") turut merasai impaknya semasa suku kedua dengan keadaan operasi dan pasaran yang mencabar di mana kos dan harga terus melonjak. Sementara itu, para pengguna juga tidak dapat mengelak daripada menghadapi tekanan inflasi, ketidakpastian pekerjaan dan penurunan mendadak pendapatan serta kuasa membeli.

Namun begitu, persekitaran perniagaan yang tidak menentu tidak menghalang Syarikat dan subsidiarinya ("Kumpulan") daripada meneruskan pembangunan selanjutnya. Kini kami di dalam proses transformasi di pelbagai peringkat, dari sudut prasarana sehinggalah ke gabungan produk, sistem operasi dan strategi pemasaran. Oleh kerana persekitaran mencabar sedemikian, ZCB tidak berupaya mengekalkan kadar pertumbuhannya yang tinggi seperti tahun lepas. Namun begitu, saya dengan sukacitanya melaporkan bahawa Kumpulan berjaya kekal fokus terhadap projek-projek pembangunan utamanya dan masih merekodkan aliran yang mantap bagi perniagaan dan keuntungan.

- Perolehan Kumpulan kami meningkat sebanyak 3.85% kepada RM315.275 juta semasa tahun dalam tinjauan berbanding RM303.577 juta bagi tahun kewangan sebelumnya.
- Kumpulan merekodkan Keuntungan Sebelum Cukai yang lebih tinggi iaitu

RM102.704 juta, yakni peningkatan sebanyak 8.12% yang bersamaan RM7.711 juta, berbanding RM94.993 juta pada tahun kewangan 2008.

- Pendapatan Sesaham ("EPS") kami meningkat sebanyak 9.79% dari 21.65 sen sesaham kepada 23.77 sen sesaham.
- Kedudukan kewangan kami kekal teguh, dengan tunai bersih meningkat daripada RM106.529 juta kepada RM125.084 juta, mewakili peningkatan sebanyak RM18.555 juta dan peningkatan menakjubkan Aset Bersih Sesaham ("APS") sebanyak 11.77 sen kepada 92.79 sen, berbanding 81.01 sen bagi tahun kewangan sebelumnya.

Dividen

Dibayar sejumlah 14 sen sesaham biasa

Syarikat telah membayar dividen setingkat sebanyak 14 sen sesaham biasa RM0.50 setiap satu, dengan jumlah RM48.300 juta untuk tahun kewangan berakhir 30 November 2009.

Pembangunan Korporat

Berterusan menempa kejayaan

Selari dengan aliran tunai yang kukuh dan kedudukan kewangan kami yang positif, Syarikat tidak goyah dengan situasi ekonomi dan berupaya mengambil peluang pasaran untuk meluaskan horizonnya dan selanjutnya membuat keputusan pembangunan strategik jangka panjang bagi mencipta dan meningkatkan nilai para pemegang saham. Sukacita kami maklumkan bahawa kami telah

memperoleh 60% ekuiti PT. ZHULIAN INDONESIA pada 25 Mei 2009 di mana pelaburan tersebut bernilai RM1.6 juta. Seterusnya pada 26 Ogos 2009, Syarikat telah memperbadankan sebuah subsidiari baru bernama ZHULIAN LABUAN LIMITED yang merupakan sebuah syarikat pegangan pelaburan.

Anugerah Dan Pengiktirafan

Bukti kedudukan kukuh Syarikat di dalam pasaran

Semasa tahun dalam tinjauan, subsidiari utama ZCB, ZHULIAN MARKETING (M) SDN BHD (ZMMSB) telah menerima tiga anugerah, iaitu: "Grand Master Company" bagi anugerah The 6th Asia Super Excellence Master Award of Direct Sales 2009 dan anugerah The 8th Asia Pacific International Honesty Enterprise ~ Keris Award 2009 yang dimenangi oleh ZMMSB bagi tahun kedua; sementara anugerah ketiga yang dimenangi adalah "Excellence Brand" bagi anugerah The 8th Asia Pacific International Entrepreneur Excellence Award 2009.

Kemenangan anugerah-anugerah ini mencerminkan komitmen teguh Syarikat dalam memupuk semangat keusahawanan serta inovasinya bagi membina jenama yang diyakini dan sentiasa di minda pengguna melalui rangkaian produknya yang hebat. Ia juga membuktikan kedudukannya yang menyerlah di dalam pasaran industri jualan langsung sebagai sebuah syarikat berwawasan yang telah mempamerkan amalan perniagaan yang beretika serta prestasi perniagaan yang cemerlang.





Tadbir Urus Korporat

Memupuk Etika, Kepatuhan dan Ketelusan

Tadbir urus korporat adalah keutamaan penting bagi ZCB serta subsidiarinya, dan kami memfokus kepada peningkatan berterusan dalam mengejar piawai tertinggi dari segi etika, kepatuhan dan ketelusan demi kebaikan Kumpulan kami dan demi kebaikan para pekerja, para pemegang taruh dan para pemegang saham. Lembaga terus mengamalkan tadbir urus korporat untuk memastikan Kumpulan akan sentiasa maju bagi melindungi dan memantapkan pelaburan dan nilai para pemegang saham. Oleh itu, sistem kawalan dalaman dan polisi telah pun diadakan bagi memantau operasi keseluruhan Kumpulan dengan penekanan terhadap aspek memupuk satu budaya kredibiliti, kecemerlangan dan kepercayaan di kalangan orang-orang kami dan di dalam amalan perniagaan kami.

Perhubungan Pelabur

Memelihara perhubungan dengan para Pemegang Saham dan para Pemegang Taruh

Syarikat sedar terhadap kepentingan informasi dan tidak akan mendedahkan informasi material yang sulit kepada mana-mana satu pemegang saham atau individu dan turut mengenalpasti kepentingan sikap bertanggungjawab terhadap para pelaburnya. Dengan demikian, kami telah mewujudkan sebuah polisi komunikasi yang membolehkan Lembaga dan pengurusan berkomunikasi secara berkesan dengan para pelaburnya dan orang awam secara umum melalui pendekatan berstruktur berkaitan penyampaian informasi material kepada para pelabur dan orang awam yang melabur.

Selain daripada Mesyuarat Agung Tahunan, yang merupakan saluran utama komunikasi bersama para pemegang saham, inisiatif juga telah diambil oleh para Pengarah dan barisan pengurusan kanan untuk mewujudkan bahagian Perhubungan Pelabur ("Investor Relation") di dalam Laman Web Korporat rasmi kami (www.zhulian.com) agar kami dapat mengemaskini dari masa ke semasa maklumat berkaitan Syarikat seperti operasi perniagaan, prestasi kewangan, pembangunan utama serta pertumbuhan masa depan. Pada masa yang sama, kami juga mengekalkan hubungan rapat dengan para pengurus dana, para pelabur institusi dan penganalisis.

Tanggungjawab Sosial Korporat

Memupuk kejayaan keusahawanan dan akademik

Kumpulan mempercayai bahawa para pemimpin perniagaan mesti sentiasa memperlihatkan kepimpinan beretika bagi melindungi asas kesinambungan kemakmuran. Kumpulan adalah komited untuk beroperasi sebagai sebuah entiti korporat yang bertanggungjawab, memastikan amalan-amalan dan aktiviti-aktiviti perniagaannya sentiasa mengikut penghormatan umum terhadap persekitaran, masyarakat, para pekerja, para pelanggan dan para pembekalnya. Kumpulan sentiasa bersedia menghulurkan bantuan terhadap inisiatif (daya usaha) yang dapat menolong golongan yang memerlukan dan kurang bernasib baik. Sebagai sebahagian daripada aktiviti tanggungjawab sosial korporat bagi tahun dalam tinjauan, Kumpulan telah memberikan sumbangan kepada Persatuan Bulan Sabit Merah, Pertubuhan Dialisis Penyayang Pulau Pinang, Charis Hospice dan Pusat Kanak-kanak Cacat Pulau Pinang.

Selain melakukan sumbangan kebajikan, Kumpulan juga telah melaksanakan komitmen jangka panjangnya bagi menawarkan ganjaran-ganjaran kepada anak-anak para Penedarinya yang cemerlang di dalam pendidikan dengan mewujudkan Tabung Pendidikan Amanah **ZHULIAN** sejak tahun 2007. Semasa tahun dalam tinjauan, sejumlah 34 pencapaian terbaik telah disampaikan tabung khas ini semasa Konvensyen Kebangsaan yang dikenali sebagai Malam Penganugerahan yang telah berlangsung pada 23 Mei 2009.

Tinjauan Dan Prospek

" Kami kekal optimistik namun berwaspada terhadap arah tuju ekonomi di rantau ini. Walau bagaimanapun, Syarikat terus komited memberikan pulangan yang meningkat kepada para pemegang saham dan memandang ke hadapan bagi memastikan prestasi pengoperasian yang meningkat dalam tahun 2010."

Cabaran-cabaran perniagaan tidak dapat dielak di dalam arena perniagaan global yang amat bersaing lagi mencabar pada hari ini. Walaupun pelbagai cabaran yang kami hadapi sepanjang tahun, Kumpulan telah bertindak pantas dan berkesan untuk memulakan langkah-langkah strategik bagi mengurangkan kesan negatif. Kami adalah sebuah Syarikat yang berdaya tahan dan barisan pengurusan kami telah memimpin Syarikat mengharungi pelbagai cabaran pada tahun lepas. Barisan pengurusan yang berdedikasi telah berterusan berusaha tanpa jemu bagi memastikan kelancaran operasi harian kami, terus memperbaiki dan bekerja keras ke arah penambahbaikan dengan melaksanakan langkah-langkah berkesan bagi menangani cabaran-cabaran.



Kami kekal optimistik namun berwaspada terhadap arah tuju ekonomi di rantau ini. Walau bagaimanapun, Syarikat terus komited memberikan pulangan yang meningkat kepada para pemegang saham dan memandangkan ke hadapan bagi memastikan prestasi pengoperasian yang meningkat di dalam tahun 2010. Memandangkan gabungan sihat projek-projek pembangunan kami, ditambah dengan kedudukan kewangan kami yang kukuh, kami yakin prospek jangka masa sederhana ke jangka masa panjang perniagaan kami kekal cerah. Kami tetap yakin bahawa strategi-strategi Syarikat adalah mantap walaupun terdapat kelemahan-kelemahan jangka pendek di dalam pasaran.

Kami akan terus membina reputasi kami sebagai salah sebuah syarikat MLM pemimpin di rantau ini dan menambah nilai ke atas gabungan produk kami. Kunci Kira-kira kami yang seimbang dan model perniagaan teguh yang menjana tunai bukan sahaja akan membolehkan Kumpulan melayari senario ekonomi semasa secara selesa, tetapi akan juga membenarkan Kumpulan menyatukan kedudukan kepimpinannya dengan memodalkan sepenuhnya keadaan pasaran semasa bagi mengembangkan lagi jaringan perniagaannya dan menjadi lebih mantap selepas menghadapi cabaran yang sukar.

Dengan ramalan ahli-ahli Ekonomi Malaysia bahawa Negara akan mencapai pertumbuhan ekonomi lebih daripada 5% pada tahun ini berdasarkan beberapa petunjuk positif, seperti peralihan daripada pembuangan pekerja kepada pengambilan pekerja di sektor perkilangan sejak Julai 2009, serta keyakinan perniagaan dan perbelanjaan pengguna yang meningkat pada suku keempat 2009, Syarikat mulai melihat tanda-tanda positif dan meyakini bahawa prospek bagi 2010 akan lebih memberangsangkan dengan persekitaran ekonomi yang mulai bangkit semula. Syarikat akan terus fokus terhadap kecekapan dalamannya dan mengukuhkan kebolehnya bagi memastikan ia berada di kedudukan yang terbaik agar mendapat manfaat daripada peningkatan ekonomi.

Penghargaan

Lembaga ingin merakamkan penghargaan terhadap para pengurusan, pekerja, agen dan pengedar di atas sumbangan mereka sepanjang tempoh tersebut. Pengetahuan dan dedikasi mereka akan memacu pertumbuhan Syarikat dalam tahun 2010 dan tahun-tahun berikutnya, dan kami amat menghargai sikap profesional dan komitmen yang telah dipamerkan oleh mereka dalam tempoh yang sungguh mendesak.

Lembaga ingin juga mengucapkan terima kasih kepada para pelanggan, rakan bersekutu, bank-bank, pembekal di atas kesetiaan dan sokongan berterusan mereka dan kami berharap untuk meneruskan lagi perhubungan positif sedemikian di masa depan.

Lembaga juga mengucapkan terima kasih kepada pihak berkuasa kerajaan kerana bimbingan dan sokongan, serta rakan-rakan niaga dan para pemegang saham di atas keyakinan mereka.

Akhirnya, Lembaga ingin menekankan bahawa Syarikat tetap berkomitmen untuk memberikan pulangan yang lebih tinggi kepada para pemegang saham dan mengharapkan prestasi operasi yang lebih baik bagi tahun kewangan berikutnya.

Bagi pihak Lembaga
ZHULIAN CORPORATION BERHAD

HAJI WAN MANSOOR BIN WAN OMAR
Pengerusi, Pengarah Bebas Bukan Eksekutif



WE combine traditional goodness
with modern food technology
to produce **INNOVATIVE** and
HEALTH-ENHANCING beverages
for your total **ENJOYMENT.**



BSI plus



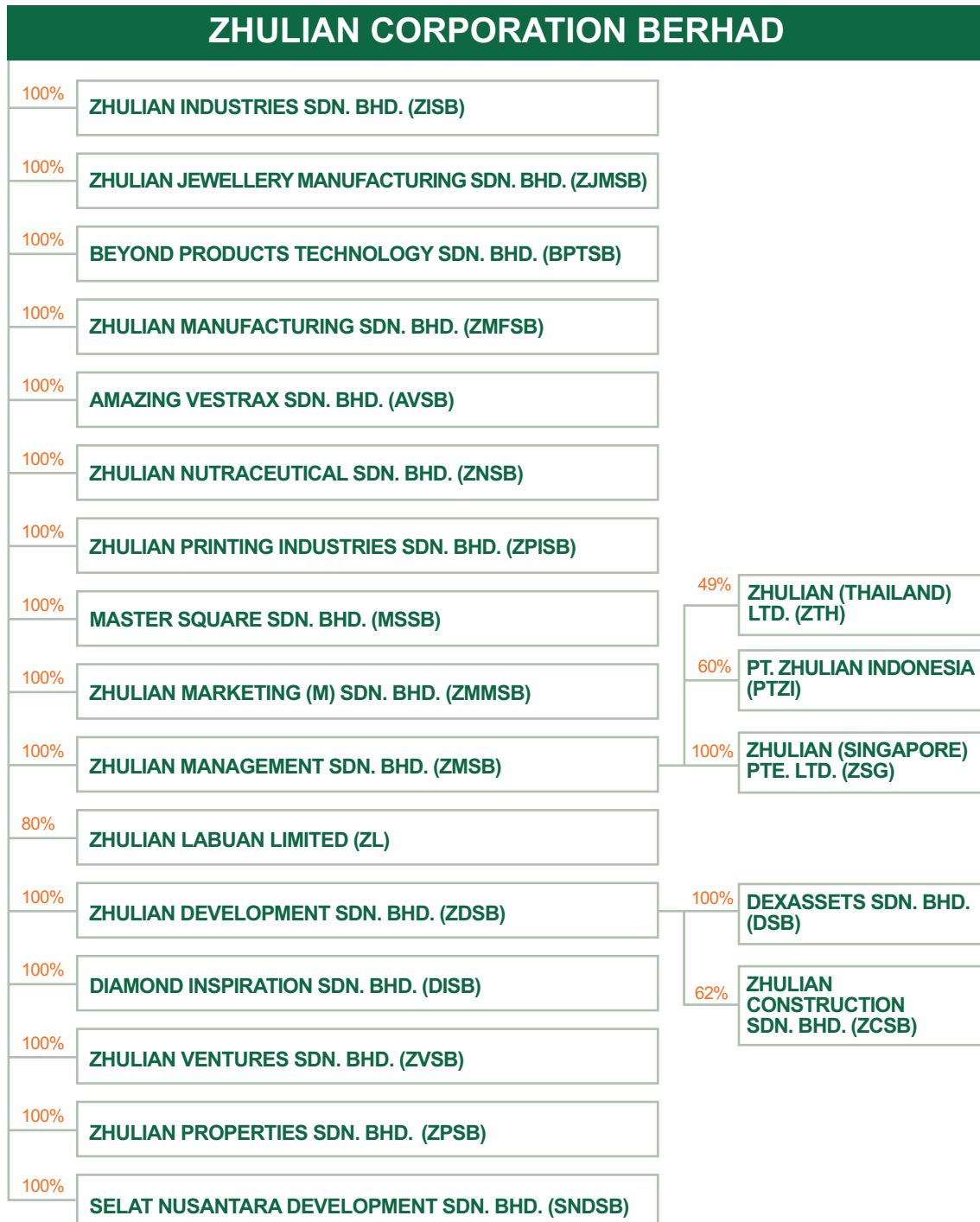
WE believe
SUCCESS begins and
ends with a healthy **BODY**,
positive **MIND** and
motivated **SPIRIT**.



Group Structure

Together We Build Our Future

“ ZCB approaches the challenges as an opportunity but with realistic anticipation and focus. We are relentlessly finding the most effective ways on how we can support our people and make the most of the opportunities that present before us by making positive changes on the way we do things. Together we achieve what we believe and grasp the future in our hands! ”



Corporate Information

Board Of Directors

Haji Wan Mansoor Bin Wan Omar
(Independent Non-Executive Chairman)

Teoh Beng Seng
(Group President and Chief Executive Officer)

Teoh Meng Keat
(Group Managing Director)

Khoo Teng It
(Executive Director)

Teoh Meng Lee
(Executive Director)

Teoh Meng Soon
(Executive Director)

Diong Chin Teck
(Senior Independent Non-Executive Director)

Tan Lip Gay
(Independent Non-Executive Director)

Audit Committee

Diong Chin Teck (Chairman)
Haji Wan Mansoor Bin Wan Omar
Tan Lip Gay

Nominating Committee

Tan Lip Gay (Chairman)
Haji Wan Mansoor Bin Wan Omar
Diong Chin Teck

Remuneration Committee

Tan Lip Gay (Chairman)
Haji Wan Mansoor Bin Wan Omar
Teoh Meng Keat

Principal Place Of Business

Plot 42, Bayan Lepas Industrial Estate,
Phase IV, 11900 Penang.
Telephone No.: 04-6162020
Fax No.: 04-6425989

Company Secretary

Lam Voon Kean (MIA 4793)

Auditors

Messrs KPMG
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Telephone No.: 04-2272288
Fax No.: 04-2271888

Registered Office

Suite 2-1, 2nd Floor
Menara Penang Garden
42-A, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Telephone No.: 04-2294390
Fax No.: 04-2265860

Share Registrar

Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Telephone No.: 04-2282321
Fax No.: 04-2272391

Principal Bankers

CIMB Bank Berhad
United Overseas Bank (Malaysia) Bhd

Solicitors

Murad & Foo
Cheong Wai Meng & Van Buerle
Sitham & Associates

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
(Listed since 27 April 2007)
Stock Code: 5131
Stock Name: **ZHULIAN**
Syariah Status: Approved by Syariah Advisory
Council and Securities Commission

Websites:

<http://www.zhulian.com>
<http://www.zhulian.com.my>

Board Of Directors

We Believe, We Achieve

“ We manifest our vision based on an inspirational, realistic picture of the future with a commitment to our seven principles. We have a clear vision of what we can achieve as we continue to believe in what we do as well as a clear sense of direction as to how to get there.”



Seated (from left to right):

Haji Wan Mansoor Bin Wan Omar (Independent Non-Executive Chairman) and Mr Teoh Beng Seng (Group President and Chief Executive Officer).

Standing (from left to right):

Mr Teoh Meng Lee (Executive Director), Mr Teoh Meng Keat (Group Managing Director), Mr Tan Lip Gay (Independent Non-Executive Director), Mr Khoo Teng H (Executive Director), Mr Diong Chin Teck (Senior Independent Non-Executive Director) and Mr Teoh Meng Soon (Executive Director).

Directors' Profile



Haji Wan Mansoor Bin Wan Omar

Independent Non-Executive Chairman

Haji Wan Mansoor Bin Wan Omar, a Malaysian aged 61, was appointed to our Board as an Independent Non-Executive Chairman on 30 October 2006. An economics graduate from the University of Malaya, he had begun his illustrious career with the Malaysian Administrative and Diplomatic Service serving various positions in various departments and ministries including student departments in Washington D.C. and the Implementation Coordination Unit and Economic Planning Unit in the Prime Minister's Department. He has 33 years of experience in public service. In his last posting, he was appointed the Director of Consumer Affairs in the Ministry of Domestic Trade and Consumer Affairs. Over the years, he has actively participated in many seminars and training courses both locally and overseas, including a Master of Business and Public Administration course at the Southeastern University in Washington D.C. in 1983; a Certificate in Industrial Cooperation and Small and Medium Industries organised by the Ministry of Science and Technology Korea in 1985, a Seminar by the Overseas Economics Cooperation Fund Japan in 1986 and the RVB Executive Programme in Management, Netherland Specialisation on Small Entrepreneurship Promotion and Industrial Assistance in 1988. An active contributor to the local industries, he is currently the Vice President of the Malaysian Association of Standard Users, the Chief Liaison Officer of the Malaysian Islamic Chamber of Commerce and an honorary Secretary General to the Chamber of Rural Entrepreneurial Industry Entrepreneurs.

Haji Wan Mansoor Bin Wan Omar has attended all Board Meetings held during the financial year ended 30 November 2009 since his appointment to the Board of Directors of **ZHULIAN CORPORATION BERHAD**. Haji Wan Mansoor Bin Wan Omar does not have any family relationship with any other directors of the Group. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.



Teoh Beng Seng

Group President and Chief Executive Officer

Teoh Beng Seng, a Malaysian aged 51, is the founder, Group President and Chief Executive Officer of our Group, having been appointed to our Board since 29 April 2006.

As Group President and Chief Executive Officer, he has created our Group's master plan for growth, directing our Group's operations and leading us from success to success. Despite facing overwhelming odds along the way, his visionary stewardship of the Group has been proven with the rapid growth achieved by our Group over the years. Within the period from its inception to the present day, our Group has successfully expanded our direct selling operations from our home base in Malaysia to countries such as Thailand, Indonesia and Singapore. Benefiting from his vast experience and business acumen, he has also led the Group in building its growing manufacturing capabilities, allowing the Group to master and develop an extensive range of manufacturing operations to support its dynamic expansion to produce the Group's expanding range of innovative products.

Teoh Beng Seng began his career in the jewellery manufacturing industry early in his youth, honing his skills as an able apprentice who showed keen enthusiasm and dedication to learning the intricacies of the trade. In the late 1970's, he successfully set up his own jewellery business venture, trading under the name of Hup Seng Goldsmith. He gradually built for himself a prominent standing as a reputable jeweller both in the local and overseas industry, travelling extensively to broaden his scope and to keep in touch with the latest jewellery trends. Having successfully created his own distinctive **ZHULIAN** brand of gold-plated costume jewellery products, in 1989 he decided to market them through the direct selling concept via the Group's direct selling arm – **ZHULIAN MARKETING (M) SDN BHD**.

Teoh Beng Seng has attended all Board Meetings held during the financial year ended 30 November 2009. Teoh Beng Seng is the brother of Teoh Meng Keat, Teoh Meng Lee and Teoh Meng Soon. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.

Directors' Profile



Teoh Meng Keat Group Managing Director

Teoh Meng Keat, a Malaysian aged 43, is the Group Managing Director, having been appointed to our Board since 29 April 2006. He began his early career in 1990 as the Administrative and Finance Manager of **ZHULIAN JEWELLERY MANUFACTURING SDN. BHD.** In 1992, he was promoted to the post of Executive Director and in 1998 to Group Managing Director in recognition of his service distinction. Drawing upon his over 14 years of wide experience in finance, IT and corporate management, he is instrumental in coordinating and carrying out the Group's objectives as set out by the Group President and Chief Executive Officer and in seeking excellence in every area of its operations.

He is also responsible for overseeing our Group's direct selling operations in Malaysia, Thailand, Indonesia and Singapore, providing a firm guiding hand in ensuring the Group's continued growth and expansion and has created a corporate culture of service excellence in all areas of our Group's operations.

He is currently active in various trade organisations and is presently an honorary individual lifetime member of the Asian Regional Training and Development Organisation, a member of the Malaysian Invention and Design Society as well as a member of the Malaysian National Computer Confederation.

Teoh Meng Keat has attended all Board Meetings held during the financial year ended 30 November 2009. Teoh Meng Keat is the brother of Teoh Beng Seng, Teoh Meng Lee and Teoh Meng Soon. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.



Khoo Teng It Executive Director

Khoo Teng It, a Malaysian aged 47, was appointed to our Board on 29 April 2006 as an Executive Director. He is also the Executive Director of **ZHULIAN INDUSTRIES SDN. BHD. and MASTER SQUARE SDN. BHD.** He is responsible for implementing and overseeing our Product Development activities. The division had successfully introduced a wide selection of innovative products for our direct selling and manufacturing operations. He is also involved in ongoing human resources development programme particularly in recruitment, training, skills development and human resources advancement.

He has brought with him vast experience gained from his many years of close involvement in IT-related industries dealing in both the software and hardware fields. His exposure to the information technology industry includes consulting, installation, maintenance and support as well as application software used in personal computers, servers and embedded systems.

Khoo Teng It has attended all Board Meetings held during the financial year ended 30 November 2009. Khoo Teng It does not have any family relationship with any other directors of the Company. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.



Directors' Profile



Teoh Meng Lee

Executive Director

Teoh Meng Lee, a Malaysian aged 40, was appointed to our Board on 15 July 2009 as an Executive Director. He is also the Operations Director and Executive Director of **BEYOND PRODUCTS TECHNOLOGY SDN. BHD. (BPTS)**, and **ZHULIAN MANUFACTURING SDN. BHD.** He is responsible for production planning and strategy, scheduling of material requisitions and inventory management for the manufacturing activities of the specified plants. He joined **ZHULIAN JEWELLERY MANUFACTURING SDN. BHD.** in 1996 as a Coordinator and was promoted to the position of Production Control Manager at the end of 1996. He was subsequently promoted to the position of Operations Director in 2003.

In his capacity as the Operations Director as well as the head of our R&D team for home technology products, he has continuously improved our products through ongoing R&D and implementation of new production technology. He has extensive experience in the manufacturing industry and has contributed significantly to the establishment of our production planning and inventory control system for our manufacturing activities.

Teoh Meng Lee has attended one Board Meeting held since the date of his appointment. Teoh Meng Lee is the brother of Teoh Beng Seng, Teoh Meng Keat and Teoh Meng Soon. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.



Teoh Meng Soon

Executive Director

Teoh Meng Soon, a Malaysian aged 40, was appointed to our Board on 15 July 2009 as an Executive Director. He is also the Production Director and Executive Director of **ZHULIAN JEWELLERY MANUFACTURING SDN. BHD. (ZJMSB)** and **ZHULIAN INDUSTRIES SDN. BHD.** He has in-depth experience in research and development as well as the manufacturing processes of jewellery and food products. His specialised knowledge in electroplating has contributed to the success and growth of our trademark fashion jewellery products where electroplating is a critical element in contributing towards product quality. He leads the food division's R&D team and is also involved in the implementation and continuous improvement of our wide-ranging quality control procedures that ensures high product quality is consistently maintained and uncompromised.

He joined **ZJMSB** in 1993 as a Plating Operator and was promoted to the position of Plating Process Manager in 1996. He was subsequently promoted to the position of Production Director in 2003. Teoh Meng Soon has attended one Board Meeting held since the date of his appointment. Teoh Meng Soon is the brother of Teoh Beng Seng, Teoh Meng Keat and Teoh Meng Lee. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.

Directors' Profile



Diong Chin Teck

Senior Independent Non-Executive Director

Diong Chin Teck, a Malaysian aged 77, was appointed to our Board as an Independent Non-Executive Director on 30 October 2006. Subsequently, he was appointed as the Senior Independent Non-Executive Director in our Board on 15 October 2008. He is a Fellow of The Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants. He obtained his professional training in accountancy in Melbourne, Australia and was admitted as a member of The Institute of Chartered Accountants in Australia in 1996.

He joined KPMG in 1967 and worked in their Kuala Lumpur, Ipoh and Penang offices. He was made a Partner of KPMG in 1971. The Penang office grew under his leadership from a small practice to a sizeable office when he retired from the partnership in 1988. While he was with KPMG, he was involved in providing audit, taxation and consultancy services to clients from various industries including manufacturing, plantation and the banking sector.

Diong Chin Teck has been the Company Secretary of Oriental Holdings Berhad and its subsidiaries since 1974. His role as Company Secretary also requires him to provide advisory services on corporate matters ranging from acquisition of companies and properties in both Malaysia and overseas to compliance with the various statutory and governmental bodies. He is currently an Independent Non-Executive Director of Eurospan Holdings Berhad, Globetronics Technology Bhd and Asas Dunia Berhad.

Diong Chin Teck has attended all Board Meetings held during the financial year ended 30 November 2009. Diong Chin Teck does not have any family relationship with any other directors of the Company. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years.



Tan Lip Gay

Independent Non-Executive Director

Tan Lip Gay, Malaysia aged 46, was appointed to our Board as an Independent Non-Executive Director on 30 October 2006. He graduated from Middlesex Polytechnic in London, England with a Bachelor of Laws (LLB) Honours degree in 1987 and subsequently received his Certificate in Legal Practise (CLP) in 1988. In 1989, he was admitted to the High Court of Malaya as an advocate and solicitor.

In 1990, he set up his own legal firm, Leong, Ng & Tan with his partners and today it is an established legal practice in the country. An active participant in community services, he was awarded the Pingat Jasa Kebaktian (PJK) by the Yang Di-Pertua Negeri Pulau Pinang in 2001 in recognition of his selfless services. His unrelenting commitment towards his community and active interest in social work led to his receiving another state award from the Di-Pertua Negeri Pulau Pinang – the Pingat Kelakuan Terpuji (PKT) in 2005.

Tan Lip Gay has attended all Board Meetings held during the financial year ended 30 November 2009. Tan Lip Gay does not have any family relationship with any other directors of the Company. He has had no conflict of interest with the Company and no conviction for offences within the past ten (10) years other.

Operation Review



The Group has been taking necessary actions to manage its resources more efficiently on its core business, emphasise more on development of new products and expand market shares by initiating more sales and recruitment campaign in order to intensify distributor recruitment activities and boost sales and also to move towards a promising future with capital development projects where the expansion project of the Headquarters has heightened the excitement level as the promise of better and larger facilities became a strong growth catalyst.

Multi-level Marketing (“MLM”)

Transforming the ordinary into extraordinary through fostering entrepreneurial spirit!

Continued to grow

The revenue generated from MLM business grew 4.1% in FY 2009 in terms of annual turnover compared to the previous financial year while recording a growth of 13.62% in the number of Distributors in our network. Based on our statistics as at 30 November 2009, our Distributor base in the ASEAN region has reached 479,413 in number and our distribution network has expanded to 273 authorised agencies strewn across Malaysia, Thailand, Indonesia and Singapore.

Undergoing robust facility expansion in Malaysia and Thailand

Continues to reinvest its profit for long term strategic development, the Group has commenced the expansion project to revamp its International Headquarters building located on Plot 41, Bayan Lepas Industrial Estate in Penang since November, 2009. The building will have a total face-lift and the total built-up area of the whole building will be doubled, from the existing 5,786 sq. metres to 11,750 sq. metres. Moreover, the building will be elevated from one and a half storey to 3 storeys to house the 2,000 pax auditorium as the venue to hold a variety of events for

Distributors while a new plant and cafeteria will be built under the same roof. The massive expansion works also include building a more sophisticated administration office which will be the international operation centre for the MLM business segment.

The expansion project of **ZHULIAN (THAILAND) LTD's** regional office building is still in progress and the construction of the extended building is expected to complete by July 2010. Once it is completed, the newly revamped regional office building will have a lavishly furnished modern lobby that has escalators, a spacious auditorium which can accommodate up to 4,000 audiences, a well-equipped administration office, a new cafeteria and a huge warehouse.

Development plan for Indonesia

On top of that, the Group is also determined to strengthen its presence in Indonesia. In line with this objective, the plan of constructing its own building within the next 3 years has already been in place. For this purpose, the Group invested an initial RM5.6 million in FY 2009 for a piece of 25,000 sq. metre land in Jababeka Industrial Estate, Indonesia. This strategic plan is contiguous to our existing on-going development and expected to create excitements at the local market and boost the regional sales in the next few years.

Boost recruitment and sales performance with campaign and incentives

With the aim to preserve its market share and boost its Distributor productivity, the Group carried out several marketing campaign during the year under review. The management is well aware that increasing Distributor productivity with an enlarged base of Distributors will definitely help in expanding the business network and pushing sales volume to the next level. Thus, the “Jom Daftar” Campaign was launched in the month of November. Distributor’s motivation level was also infused by **ZHULIAN's** incentive tours that aimed at recognising achievers. With Japan as the destination for the Diamond International Forum 2010, many Distributors increased the momentum in growing their business. In addition, the 2009 Tour Incentive Campaign with Jakarta – Bandung as the tour destination was considerably effective in attracting motivated Distributors to fight for a higher sales performance.

Extending the market reach

With the aim to improve our logistic system to expedite the delivery of product and services to the East Malaysia market, the Group have also set up another distribution centre in Kuching, Sarawak in October 2009 in addition to the existing warehouse in Kota Kinabalu, Sabah.

Manufacturing

Gearing towards manufacturing excellence!

Plot 3 Plant is GMP certified

The Group's third plant has passed the Good Manufacturing Practice (GMP) standards to receive the certification and this certainly marked another significant milestone in ZCB's development. To be GMP certified means that the Group's food and beverage manufacturing division has proven to the Ministry of Health Malaysia that the Group's facilities are not only able to manufacture its food and beverage products safely, but also package, label, store and deliver them in safe and hygienic manner as well. Besides having met the production standards, stringent control measures have been taken to ensure that all the regulatory requirements and specifications are met. In addition to this, the Group has also set own policies that serve to further protect and ensure that only the highest quality in products comes out of the state-of-the-art factory. This certification demonstrates that the Group business has moved up another level in the value chain. This also reflects on the ongoing attempts of the Group in ensuring that its new manufacturing plant is up to international quality standards and its continuing effort in ensuring consumer confidence. The GMP certified plant is expected to enhance overall productivity and expand product portfolio, particularly the beverage and nutritional product lines.



Stimulating sales through expanding product lines

Continually developing new products would certainly provide the impetus for higher sales. The FY 2009 saw new product introductions that were backed by robust R&D and leading edge technology in each ZHULIAN's brand. The strong product positioning offered by these high performance items created renewed excitement in the field and further profiled ZHULIAN's brands as those synonymous with innovation and high quality.

FY 2009 also featured exciting new product launches which include a series of gold plated and rhodium plated jewellery products, ISO.7 MIXED FRUIT AND VEGETABLE EXTRACT BEVERAGE which is rich in antioxidant properties that may help prevent the damage of free radicals to human body and ZHULIAN PREMIX COCOA DRINK that provides the benefits of DHA. The Group has also made a major

new thrust as it expands into the sanitary product segment under its subsidiary, AMAZING VESTRAX SDN. BHD. The new Sanitary Napkin range, namely WANISA has entered the local market since October, 2009 and gained wide acceptance from the Distributors and customers. The Group planned to launch the product in Singapore, Thailand and Indonesia in 2010.



The Group is committed to producing products of uncompromised quality for delivering value for money to the consumers while maintaining good margin. With the wide network that the Group has built so far coupled with the unique nature of its distribution system and further strengthened by its commitment in finding new ways to satisfy the customers, we believe that the Group will continue to stimulate healthy demands for the Group's products. The marginal pressure from both rising raw material costs and price sensitivity poses quite a challenge to the food manufacturing industry. Therefore, it is mandatory for the Group to keep on improving its productivity and look for more alternatives in terms of its supplier network and continue to establish priority and exercise more caution in the aspect of expenditure and budgeting.



Corporate Social Responsibility

We Care, We Share!

“ Our seven guiding principles which form the core value of the company, well represent our continuous endeavours in undertaking our corporate social responsibility as well as cultivating a caring culture... ”

In **ZHULIAN**, business is not all about generating profits. Likewise, being a responsible corporate citizen is not merely about producing great products. It's about taking responsibility for the improvement of our people and our surroundings through the work we do, as a Company and as individuals.

Our corporate tradition, which is parallel to our Company's vision and mission, is deep rooted in the principles of personal integrity, respect for people whom we connect with, and doing what's right in the long run in striving towards contributing positively to our communities and our environment. Thus, while managing our business and ensuring the sustainability of our business, we are also committed to play due role as a good corporate citizen. Our seven guiding principles that form the core value of the company, well represent our continuous endeavours in undertaking our corporate social responsibility as well as cultivating a caring culture among the Management and Staffs and all our stakeholders in the Group, be it our Distributors, Agents, consumers, business associates and also our shareholders.

Our corporate social responsibility activities basically cover the following 4 areas: **Marketplace, Environment, Workplace and Community** where we continue to seek better ways to integrate human capital, economic progress, social development and environmental concerns in creating a better quality of life for future generations.

Market Place

Promoting business ethics and fair competition

Being a good corporate citizen comes with a great responsibility, and that is to act with care and integrity as well as think about the long-term impact of our products on our consumers, our customers, our distributors, our community and the public at large. To uphold the positive business ethics, besides ensuring its business operations in total compliance to all the provisions of the Direct Sales Act 1993 and also to the DSAM's (Direct Selling Association of Malaysia's) Code of Conduct, the Group also has in place Rules and Regulation as stipulated in **ZHULIAN** Golden Business Guide to guide our Distributors along their way towards achieving success in the business. The ethical values are also instilled in Distributors through seminars and training sessions, publications and website.

At the same time, clear guidelines have been established internally for employees in their liaison with agents, business associates and suppliers. Our Good Manufacturing Practice (GMP) and ISO 9001-2000 certified manufacturing facilities and production systems also well signify the highest quality standards that have been in place in meeting the market demands.

The Company continues to practice good corporate governance to ensure the Group will continue to progress in order to safeguard and enhance the shareholders' investment and value. We also recognise the importance of establishing good rapport with its investors and shareholders and stakeholders. Thus, multiple communication channels have been established to diffuse the material information to its investors, potential investors and public at large, such as quarterly announcement through Bursa Malaysia Securities Berhad, circulars and periodical press releases and briefings to fund managers and analysts when necessary. On top of that, we also organise Annual General Meetings and establish our corporate website, www.zhulian.com for that purpose where shareholders and





investing public in general can gain access to information such as business overview, share prices, corporate information, financial information and other latest development and future plans of the Company and the Group. At the same time, we are aware of the importance of these information and will not divulge any undisclosed material information to any single shareholders or shareholders group.

As for the Company and the Group, we practice self-regulation of our conduct and are always accountable for our decisions and actions in the market place. We encourage our people to build business on integrity and trust even in a highly competitive market environment. For that, we adhere to the principles of fair competition and we give our competitors due respect as we realize that they are one of the key factors that stimulate our continuous development and progress. The Group's subsidiary, **ZHULIAN MARKETING (M) SDN. BHD.** has been awarded with the Asia Pacific International Honesty Enterprise ~ Keris Award two years in a row for the year of 2008 and 2009 for exhibiting honesty, integrity and transparency in its business dealings.

Environment

Preserving nature for future generations

In **ZHULIAN**, the quest for innovation and improvement never ends. Nevertheless, while making such effort to create exceptional value for enhancing our consumers' well being, we also promote sound environmental practices in order to safeguard our natural resources.

Towards this objective, our manufacturing and printing facilities, particularly our jewellery manufacturing and food manufacturing plant are equipped with environmental-friendly wastewater treatment systems to treat by-products of the manufacturing process. In addition, an air scrubber is also installed for the control of hazardous fumes released from the electroplating process. On top of that, the Group also has in place a proper waste disposal system for its other waste products and scraps. Through these measures, the Group ensures that it is able to minimise or eliminate hazardous effluent and safeguard the environment.

Aiming to contribute towards the wellbeing of mankind and to protect the environment, the Group also continuously conducts R&D to find solutions to the problems

affecting the eco-system especially the pollution of the environment. By employing the latest technology, experience, research, creativity and lateral thinking, the Group had successfully developed a number of sophisticated products such as water purifier namely **BEYOND WATER BIO-ACTIVE REFORMING SYSTEM** and also air purifier namely **BEYOND MICROPLASMA AIR PURIFIER**, helping people to achieve the ideal of healthy living.

Workplace

Fostering professionalism and entrepreneurship

We believe that our people are our most important asset and the Company's and the Group's success of today is attributed to the hard work and dedication of each and everyone in **ZHULIAN**. As such, we value our people by creating the most conducive working environment for them to realize their full potential and capability, be it our employees, Distributors or our Agents. Towards this objective, the Group ensures that training and development programmes are in place to improve our people's professional knowledge and skills, so that they can continue to advance together with the Company and the Group.

To address the health and safety issues in the workplace, the Group has also established appropriate measures and installed necessary gears, equipments and facilities to ensure the employees are well-protected against any workplace hazards.

We also respect diversity among employees and Distributors and also strive to promote team work in all the companies under the Group in building a strong people network. We encourage interactions at all levels as a way to foster better understandings about the Company's directions and goals. In this context, we welcome constructive ideas, initiatives and creativity from and of our people that aim at solving practical problems and attaining the goals of the Group as a whole.

Recognising that building human capital is crucial for the growth and sustainability of the companies under the Group, we seek to foster the entrepreneurial spirit and instill the sense of belonging among our Distributors as well as strengthen their knowledge and skill in the business as a key driver to network expansion and business growth. We are driven by a desire to understand the need of our Distributor and always enthusiastic about rendering assistance to them in ensuring their needs are fulfilled and their goals are achieved.



Community

Transforming people's lives towards betterment

We are strongly committed to cultivating a healthy and wealthy nation by providing products and services that improve people's lives in terms of beauty, health and convenience as well as nurturing Distributors' success, both materially and spiritually. The desire to provide our community with the ultimate in quality and benefits through our business model and products is what drives us to continually advance ourselves towards excellence. Our greatest motivation and reward is to see the transformation of the people who use our products towards better health and better quality of lives. Their satisfaction and achievements also strengthen our resolve to keep moving on towards new horizons.

To play a part in encouraging academics success, we have set up **ZHULIAN Education Trust Fund** since 2007 to reward the children of outstanding Distributors who excel in their studies. Since the establishment of this fund in 2007 till 30 November 2009, a total of 51 children have benefited from this noble initiative.

The Group has been very supportive to charitable activities such as fund raising programmes that can help the needy and underprivileged group of people. Throughout the year under review, the company has made contribution either in cash or in-kind to charitable bodies such as the Red Crescent Society, Penang Caring Dialysis Society, Charis Hospice and Handicapped Children's Centre Penang.

The image features a variety of diamond jewelry pieces. At the top, there are two necklaces: one with a vertical rectangular pendant and another with a curved, textured pendant. To the right, several diamond rings are displayed, including a band ring, a ring with a large diamond, and a ring with a heart-shaped diamond. Below these, there are two bracelets: one with a zig-zag pattern and another with a wavy, textured design. At the bottom, there are three more necklaces: one with a heart-shaped pendant, one with a circular pendant containing a pearl, and one with a key-shaped pendant. The background is a light green gradient with faint, stylized leaf patterns.

WE add a touch of
ELEGANCE and **STYLE**
to your look with our fine
CREATIONS.

Wanisa

Women in control



WE find ways
for people to take
better **CONTROL**
of their **LIVES**
with our products.



Statement On Corporate Governance

The Board of Directors of **ZHULIAN CORPORATION BERHAD** ("the Board") is committed to the adoption of the corporate governance principles embodied in the Malaysian Code on Corporate Governance ("the Code") as well as in the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements"). The Board believes that a high standard of corporate governance is paramount in safeguarding the best interest of shareholders and enhancing shareholders' value continually.

As such, the Board has strived to uphold its conduct in line with four key concepts, namely transparency, accountability and integrity as well as corporate performance to maximise shareholder's value.

The Board is pleased to provide the following statements that outline corporate governance, which were in place for the financial year ended 30 November 2009.

Statement of Principles

The following statement sets out how the Company has applied the Principles in Part 1 of the Code. The Principles are dealt with under the headings of:

- A. Board of Directors;
- B. Directors' Remuneration;
- C. Shareholders; and
- D. Accountability and Audit.

A. Board Of Directors

Board Responsibilities

The Board acknowledges responsibility for providing stewardship of the Company and its subsidiaries' ("the Group's") business and affairs on behalf of the shareholders with a view of enhancing long term shareholder value. The Board's principal focus is on the overall strategic direction, development and control of the Group. Hence, the Board has established **ZHULIAN**'s vision and mission and is responsible for setting the strategic direction of the Group, establishing goals for the Management, monitoring the achievement of these goals and reviewing the Group's internal controls and reporting procedures.

Meetings

The Board convenes a meeting at quarterly intervals, or whenever necessitated by matters of urgency. During the financial year ended 30 November 2009, the Board met on four (4) occasions, where it discussed various matters including the Group's financial results, investment decisions, operation planning and the overall direction of the Group.

The agenda for each Board meeting and documents containing the relevant information are prepared for the Board in advance of each meeting. All proceedings from Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting.

Details of Directors' attendance at meetings of the Board, during the financial year ended 30 November 2009 are as follows:

Directors	Attendance
Executive Directors	
Mr Teoh Beng Seng (Group President and Chief Executive Officer)	4/4
Mr Teoh Meng Keat (Group Managing Director)	4/4
Mr Khoo Teng It	4/4
Mr Teoh Meng Soon (appointed on 15 July 2009)	1/1
Mr Teoh Meng Lee (appointed on 15 July 2009)	1/1
Independent Non-Executive Directors	
Haji Wan Mansoor bin Wan Omar (Chairman)	4/4
Mr Diong Chin Teck	4/4
Mr Tan Lip Gay	4/4

Board Committees

The Board has delegated appropriate responsibilities to Board Committees, namely Audit Committee, Nominating Committee and Remuneration Committee, in order to enhance business and operational efficiency and efficacy. Terms of references have been established for all Board Committees and the Board receives reports of their proceedings and deliberations. The Chairmen of the Committees report to the Board the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.

The Chairman of the Audit Committee is the member of the Malaysian Institute of Accountants and Institute of Chartered Accountants in Australia. The Committee members are able to read, analyse and interpret financial statements.

Board Balance

At the date of this statement, the Board consists of eight members, comprising three Independent Non-Executive Directors and five Executive Directors. The Board composition complies the directors' independence requirement set out under paragraph 15.02 of the Listing Requirements which requires that at least two Directors or one-third of the Board of the Company, whichever is the higher, are independent Directors. A brief profile of each Director is presented on pages 19 to 22 of this Annual Report.

The diverse background and specialisation of each Director means that the Board is collectively equipped to provide guidance to the Group in areas such as finance, corporate affairs and legal affairs, marketing, operations and governmental affairs. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies, reporting, clarifying and communicating matters at the Board meeting. The Independent Non-Executive Directors bring to bear objective and independent judgment to the decision making of the Board and provide a capable check and balance for the Executive Directors. As such there is a proper balance in the Board because of the presence of Independent Non-Executive Director of the calibre necessary to carry sufficient weight in Board decisions.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring as well as improving governance and controls. Together with the Executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who have a proper understanding and competence to deal with the current and emerging issues.

There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Haji Wan Mansoor bin Wan Omar as the Independent Non-Executive Chairman whilst the executive management of the Company is led by Mr Teoh Beng Seng as the Group President and Chief Executive Officer.

The Board holds the view that its current composition fairly reflects the investments of shareholders in the Company.

Supply of Information

All Directors are supplied with information in a timely manner through reports and Board papers which are circulated prior to the meetings. This practice enables the Directors to obtain further information and explanation, where necessary, before the meetings.

In addition, every Director is accorded unhindered access to the advice and services of the Company Secretary, of whom the Board believes to be competent in the performance of her duties. The Board believes that the current Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board. The Company's Articles of Association specify that the removal of the Company Secretary is a matter for the Board as a whole.

In respect of soliciting independent professional advice, the Board as a whole will determine, whether as a full Board or in their individual capacity, to take this measure where necessary and under appropriate circumstances in furtherance of their duties. The independent professional advice, where obtained, will be at the Company's expense. Nevertheless, where necessary and under appropriate circumstances in furtherance of his duties, a Director may do so with the prior consent of the Chairman.

Appointments to the Board

Nominating Committee

The Nominating Committee, during the financial year ended 30 November 2009, comprised the following members:

Director	
Mr Tan Lip Gay	- Chairman, Independent Non-Executive Director
Haji Wan Mansoor bin Wan Omar	- Member, Independent Non-Executive Chairman
Mr Diong Chin Teck	- Member, Senior Independent Non-Executive Director

During the financial year, the Nominating Committee met twice (2) and attended by all its members.

The Nominating Committee has been empowered by the Board and through its terms of reference, to bring to the Board recommendations on the appointment of new Directors. The Committee also analyses the structure, size and composition of the Board as well as considers succession planning for senior Board members. In addition, the Committee systematically assesses the effectiveness of the Board, Board Committees and the contribution of each individual Director on an annual basis.

Appointment Process

The Committee meets at least once every year and additional meetings are convened whenever the need arises. The Committee shall annually review the Board's required mix of skills, competencies and experience for the Board to discharge its duties effectively and the Committee met to deliberate on the retirement by rotation of Directors and their eligibility for re-election at the Company's Annual General Meeting.

The Committee, prior to recommending candidates for directorships, considers his or her skills, knowledge, experience, professionalism, integrity and ability to discharge responsibilities as required.

Re-election of Directors

In accordance with the Company's Articles of Association, at least one-third of the Directors shall retire by rotation at each subsequent Annual General Meeting of the Company, providing an avenue to the shareholders to renew their mandate. The Directors to retire in each year are those who have been longest in office since their appointment or re-appointment.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

Directors standing for re-election at the Annual General Meeting of the Company to be held on 21 April 2010 are detailed in the Notice of the Thirteenth Annual General Meeting on page 107.

Directors' Training

The Board ensures that appointees to the Board are individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director of the Company. Such individuals are considered and evaluated by the Nominating Committee as described above.

All Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors are encouraged to attend various external professional programmes to keep abreast with developments of the business environment as well as with the new statutory and regulatory requirements.

The Company Secretary circulates relevant guidelines to update the Directors on statutory and regulatory requirements changes from time to time.

Training workshops and seminars attended by Directors are as follows:

Training Programme
Cost Reduction And Profit Improvement Strategies
Corporate Governance Guide: Towards Boardroom Excellence
Vietnam: Expand Your Sales & Distribution Channel Market Entry Strategies, Investment Laws and Tax Planning
How Leaders Build Value: Using People, Organization and Other Intangibles to Get Bottom Line Results
2009 Updates Legal, Tax and Business Aspects for Investment in Vietnam

B. Directors' Remuneration

Remuneration Committee

During the financial year ended 30 November 2009, the Remuneration Committee comprised the following members:

Director	
Mr Tan Lip Gay	- Chairman, Independent Non-Executive Director
Haji Wan Mansoor bin Wan Omar	- Member, Independent Non-Executive Chairman
Mr Teoh Meng Keat	- Member, Group Managing Director

During the financial year, the Remuneration Committee met twice (2) and attended by all its members.

The Committee is primarily responsible for recommending the remuneration framework for Executive Directors and senior management staff, including their salary packages.

In arriving at the framework and levels of remuneration, the Committee considers information prepared by independent consultants and survey data on the remuneration practices of comparable companies. None of the Executive Directors participated in any way in determining their individual remuneration. Similarly, whilst the Board, as a whole, determines the remuneration of Non-Executive Directors, the individual Director concerned abstains from the decision in respect of his remuneration.

Directors' fees are set within a framework comprising responsibility fees, attendance fees and the performance of the Group. The Company pays each of its Directors an annual fee, which is approved by the shareholders at the Annual General Meeting of the Company.

The policy adopted by the Remuneration Committee is to provide a package necessary to attract, retain and reward directors for their individual performance in managing the business of the Company and to align the interest of these Directors with those of the shareholders.

Details of the nature and amount of each major element of the remuneration of Directors of the Company, during the financial year, are as follows:

Category	Fees (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Allowance (RM'000)	EPF – Employer Contribution (RM'000)	Benefit in Kind & Others (RM'000)	Total (RM'000)
Executive Directors	—	4,250	522	45	578	26	5,421
Non-Executive Directors	90	—	—	12	—	—	102
Total	90	4,250	522	57	578	26	5,523

The number of Directors whose remuneration fell within the following bands is shown below:

Range of remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	—	3
RM150,001 to RM300,000	3	—
RM1,100,000 to RM1,500,000	1	—
RM2,900,000 to RM3,500,000	1	—

C. Shareholders

Dialogue between Companies and Investors

Cognisant of the value of continuous communication with its stakeholders, including the general public, the Company utilises various channels such as its Annual Report, announcements to Bursa Securities and during Annual General Meetings and extraordinary general meetings as well as through its websites www.zhulian.com.my and www.zhulian.com. In addition to these formal channels, the Management provides briefings to the financial communities during the financial year under review.

Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with private shareholders, investors and institutional investors that allows the stakeholders to have a clear and complete picture of the Company's performance and position. Notice of the meeting and related documents are sent to shareholders at least 21 days before the meeting is to be held.

The quarterly and full financial results and the Annual Report of the Company are available on the website of Bursa Securities.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price sensitive information.

D. Accountability and Audit

Financial Reporting

In its quest to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, the Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes as well as the quality of its financial reporting.

The annual financial statements, quarterly announcements of results to the shareholders and the Chairman's statement in the Annual Report are the three primary means of communication on the results and business performance of the Group.

Directors' Responsibility Statement in respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that approved accounting standards applicable in Malaysia and the provisions of the Companies Act, 1965 have been complied with.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a responsibility under the Companies (Amendment) Act 2007 to have in place a system of internal control that will provide reasonable assurance that:

- assets of the Company are safeguarded against loss from unauthorised use or disposition; and
- all transactions are properly authorised and that they are recorded as necessary to enable the preparation of true and fair profit and loss accounts and balance sheets and to give a proper account of the assets.

State of Internal Controls

The Statement on Internal Control furnished on pages 39 to 40 of this Annual Report provides an overview of the state of internal controls within the Group during the financial year ended 30 November 2009.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 37 to 38 of this Annual Report.

A summary of the activities of the Audit Committee during the financial year under review, including the evaluation of the independent audit process, are set out in the Audit Committee Report on pages 36 and 38 of this Annual Report.

The Board and Management strive to maintain a professional and transparent relationship with the external auditors in the conduct of the audit and towards ensuring compliance with requirements of the appropriate accounting standards. Additionally the Audit Committee has been explicitly accorded the power to communicate directly with the external auditors.

Statement of Compliance

The Group has complied with all the Best Practices set out in Part 2 of the Code throughout the financial year ended 30 November 2009.

This statement is issued in accordance with a resolution of Directors dated 20 January 2010.

Audit Committee Report

Membership

Directors who have served as members of the Audit Committee (“the Committee”) during the financial year ended 30 November 2009 and as at the date of this report are:

Directors	
Mr Diong Chin Teck	Chairman, Senior Independent Non-Executive Director (Fellow of The Institute of Chartered Accountants, Australia and member of Malaysian Institute of Accountants)
Mr Tan Lip Gay	Member, Independent Non-Executive Director
Haji Wan Mansoor bin Wan Omar	Member, Independent Non-Executive Chairman

Terms of Reference

The Audit Committee act as a Committee of the Board of Directors, with the terms of reference set out on pages 37 to 38 of this Annual Report.

Meetings

The Committee convened four (4) meetings during the financial year under review. The meeting were structured through the use of agendas, which were distributed to members with sufficient notification.

The Company Secretary was present at all the meetings. Representatives of the External Auditors, Messrs KPMG, Chartered Accountants, the Administrative Manager, Senior Accountant and Head of Internal Auditor also attended the meetings, where appropriate, upon invitation of the Committee.

During the financial year under review, the Committee met twice with the external auditors without the presence of Executive Directors which complies to the requirement of the Best Practice Provision BB III set out in Part 2 of the code.

Details of Directors' attendances at meetings of the Audit Committee during the financial year ended 30 November 2009 are as follows:

Directors	Attendance
Mr Diong Chin Teck (Chairman)	4/4
Mr Tan Lip Gay	4/4
Haji Wan Mansoor bin Wan Omar	4/4

Summary of activities of the Committee during the financial year ended 30 November 2009

The Committee carried out its duties in accordance with its terms of reference during the year. The main activities undertaken by the Committee were as follows:

- Reviewed with the external auditors their scope of work and audit plan;
- Reviewed with the Group Managing Director, Senior Accountant and Administration Manager the unaudited quarterly financial statements and proposed interim dividends before submission to the Board for consideration and approval for release to Bursa Securities;
- In respect of the quarterly financial statements, reviewed the Company's compliance with the Listing Requirements, financial reporting standards and other relevant legal and regulatory requirements;
- Reviewed and approved the Internal Audit Charter;

- Reviewed and approved the Internal Audit Plan for adequacy of scope and coverage on the activities of the Group;
- Reviewed the Internal Audit Reports and ensured the appropriate actions were taken on the recommendations of the internal audit function;
- Reviewed and recommended the Statement on Corporate Governance, Statement on Internal Control and Audit Committee Report, to the Board for approval and inclusion in the Annual Report;
- Considered and recommended the trainings for Board of Directors and internal audit personnel.

Terms of reference of the Audit Committee

Composition of the Audit Committee

An Audit Committee shall be appointed by the Board from among their numbers (pursuant to a resolution of the Board of Directors) and shall fulfil the following requirements: -

- The Audit Committee must be composed of not less than three (3) members;
- all must be Non-Executive Directors, with a majority of them being Independent Directors; and
- at least one (1) member of the Audit Committee:-
 - must be a member of the Malaysian Institute of Accountants; or
 - if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967;
 - fulfils such other requirements as prescribed or approved by the Bursa Securities.
- Alternate Director is not allowed to become a member of the Audit Committee.

The Committee shall elect a chairman from among its members who shall be an independent Director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of (a), (b) & (c) above, the Board must fill the vacancy within three (3) months.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

Meetings

The Audit Committee shall hold at least four regular meetings per year and such additional meetings as the Chairman of the Audit Committee shall decide in order to fulfil its duties. In addition, the Chairman of the Audit Committee may call for a meeting of the Audit Committee if a request is made by any member of the Audit Committee or the Board, or the internal or external auditors.

The quorum for a meeting of the Committee shall be two members, majority of whom must be independent Directors.

The Company Secretary shall be the secretary of the Audit Committee.

The Company shall ensure that the attendance of the other Directors and employees of the Company at any particular Audit Committee meeting is only at the Audit Committee's invitation and is specific to the relevant meeting.

The Audit Committee shall regulate its own procedure, in particular, the calling of meetings, the notice and agenda to be given of such meetings, the voting and proceeding of such meetings, the keeping of minutes and the custody, production and inspection of such minutes.

The Company Secretary who acts as Secretary of the Committee shall circulate the minutes of each meeting to all members of the Board.

Duties and Responsibilities

- a) To review the following and to report the same to the Board:-
- i) To review the quarterly announcements to the Bursa Securities and year end annual financial statements prior to the approval by the Board, focusing on: -
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events or adjustments;
 - going concern assumption; and
 - compliance with accounting standards and other legal requirements.
 - ii) To review with the external auditors the following:-
 - the audit plan;
 - the evaluation of the system of internal controls;
 - auditor's management letter and management response; and
 - problems and reservation arising from the interim and final audit.
 - iii) To review the internal audit functions on the following: -
 - adequacy of the scope, function, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings;
 - adequacy of risk management system to safeguard the Company's assets; and
 - assessment of the performance of the outsourced internal audit team.
 - iv) To review:-
 - any letter of resignation from the external auditors of the Company or Group; and
 - whether there is reason (support by grounds) to believe that the Company or Group's external auditor is not suitable for re-appointment;
 - the assistance given by the employees of the Company or Group to the external auditors; and
 - any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To recommend the nomination of a person or persons as external auditors and the audit fees.
- c) To act upon the Board of Director's request to investigate and report on any issues or concerns in regards to the management of the Company.
- d) To promptly report to the Bursa Securities on matters reported by the Audit Committee to the Board of Directors of the Company which has not been satisfactorily resolved resulting in breach of the Listing Requirements.
- e) To undertake such other responsibilities as may be agreed by the Committee and the Board.

Authority

The Audit Committee shall, wherever necessary and reasonable for the performance of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- (a) have authority to investigate any matter within its term of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

This statement is issued in accordance with a resolution of Directors dated 20 January 2010.

Statement On Internal Control

Introduction

Paragraph 15.26(b) of the Listing Requirements requires the Board of Directors of public listed companies to include in its Annual Report a “statement about the state of internal control of the listed issuer as a group”. Furthermore, the Malaysian Code on Corporate Governance requires all listed companies to maintain a sound system of internal control to safeguard shareholders’ investment and the Company’s assets.

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year ended 30 November 2009.

Board Responsibility

The Board is ultimately responsible for maintaining the Group’s system of internal control, which includes the establishment of an appropriate control environment and framework to safeguard shareholders’ investment and Group’s assets as well as reviewing the adequacy and integrity of these systems. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter-alia, financial, operational and compliance controls and risk management procedures.

Risk Management Processes

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the financial year under review. The Board regularly reviews this process, which accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies (the “Internal Control Guidance”).

Whilst the Board maintains ultimate control over risk and control issues, it has delegated to the Management the implementation of risk management and internal control systems within an established framework. The Board has established key policies and has carried out a specific assessment of the Group’s risk management and internal control systems.

Group Internal Audit Function

The Group Internal Audit Function was established by the Board to provide independent assurance on the adequacy of risk management, internal control and governance systems within the Group. The Internal Audit Department operates in accordance with the Internal Audit Charter and reports directly to the Audit Committee.

The internal audit function, which is independent of the activities they audit, maintains their impartiality, proficiency and due professional care by having their plans and reports directly under the purview of the Audit Committee who reviews and approves the internal audit function’s annual audit plan, financial budget and human resource requirements to ensure that the function is adequately resourced with competent and proficient internal auditors.

The internal audit function adopted the risk based methodology in its review of key processes of the various operating units in the Group and provided independent and objective reports on the state of internal control of the various operating units within the Group direct to the Audit Committee.

The internal audit function also ensured that the Management followed up in the implementation of action plans where control deficiencies were noted during internal audits.

Other Internal Control Processes

Apart from the risk management and internal audits, the Board has put in place the followings salient internal control features regulating the Group's operations:

i. Monitoring and review

- a) Periodic Management meetings to review performance of business divisions includes any significant issues arising from changes in the Group's business environment, which may result in significant risks to the Group and status of action plans to achieve strategic objectives set by the Board;
- b) Reporting of financial results by financial personnel and Executive Directors to the Audit Committee and onwards to the Board;
- c) Annual budgeting process for each area of business division and approval of the Annual Budget by the Board;
- d) Management information systems which enable transactions to be captured, compiled and reported in a timely and accurate manner.

ii. Standardisation of limits and processes

- a) Standing policies and operating procedures were drafted to cover as far as possible any significant business processes of the Group;
- b) A chart of authority was established to provide guidance to management in the execution of day-to-day transactions;
- c) Reporting lines have been clearly defined with managers assigned areas of responsibility;
- d) Achievement by certain business division of certification awarded by International Organization for Standardization.

iii. Other processes

- a) Procurement of insurance policies to ensure that the Group is sufficiently covered against any mishap that will result in material losses to the Group;
- b) The professionalism and competence of the Group's human resources are maintained through established recruitment process, performance appraisal system and training. Training and development programmes are conducted on an ad-hoc basis when need arises to enhance staff competency skills.

Weaknesses in Internal Controls that Resulted in Material Losses

There were no material losses incurred during the financial year ended 30 November 2009 as a result of weaknesses in internal control. The Management continues to take measures to strengthen the control environment.

Pursuant to paragraph 15.23 of the Listing Requirements, the external auditor has reviewed this statement for inclusion in the Annual Report for the financial year ended 30 November 2009 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

The total costs incurred in managing the internal audit function which was performed in-house for the financial year ended 30 November 2009 were approximately RM51,000.

This statement is issued in accordance with a resolution of Directors dated 20 January 2010.

Other Corporate Disclosure

In compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements the following information are provided:

SHARE BUY-BACK

There was no share buy-back effected during the financial year ended 30 November 2009.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued by the Company during the financial year ended 30 November 2009.

AMERICAN DEPOSITORY RECEIPT (“ADR”) OR GLOBAL DEPOSITORY RECEIPT (“GDR”) PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial year.

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management, by the relevant regulatory bodies.

NON-AUDIT FEES

During the financial year, a total of RM63,000 was payable to KPMG for non-audit services rendered.

VARIATION IN RESULTS

The Company did not make or announce any profit estimate, forecast or projection during the financial year ended 30 November 2009. There was no variation to the unaudited results which were announced for the financial year ended 30 November 2009.

PROFIT GUARANTEE

There were no profit guarantees during the financial year ended 30 November 2009 by the Company.

MATERIAL CONTRACTS

There were no material contracts by the Company or its subsidiaries involving the Directors' and major shareholders' interests.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and major shareholders' interests.

REVALUATION POLICY

The Company does not have a revaluation policy on its landed properties.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no related party transactions during the financial year ended 30 November 2009.

CORPORATE SOCIAL RESPONSIBILITY

The disclosure on the Corporate Social Responsibility (“CSR”) activities or practices undertaken during the financial year ended 30 November 2009 is stated on pages 25 to 27 of the annual report.

eDividend (ELECTRONIC DIVIDEND)

The Company will be providing eDividend - a service which enables the Company to electronically pay the shareholders' dividend entitlements directly into their accounts instead of making payment via bank cheques. Shareholders are given a grace period of one year from **19 April 2010** until **18 April 2011** to provide their bank account information to their Authorised Depository Agent (ADA) in order to benefit from the advantages of eDividend.

Directors' Report

For The Year Ended 30 November 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 November 2009.

Principal activities

The Company is an investment holding company whilst the principal activities of the subsidiaries are as set out in Note 6 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit attributable to :		
Shareholders of the Company	82,005	50,103
Minority interest	52	—
Profit for the year	82,057	50,103

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company :

- i) paid a third interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the year ended 30 November 2008 on 8 December 2008;
- ii) paid a fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the year ended 30 November 2008 on 10 March 2009;
- iii) paid a first interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the year ended 30 November 2009 on 29 May 2009;
- iv) paid a second interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the year ended 30 November 2009 on 28 August 2009;
- v) paid a third interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the year ended 30 November 2009 on 26 November 2009; and
- vi) declared a fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each and a special interim single tier dividend of 2 sen per ordinary share of RM0.50 each, totalling RM17,250,000 in respect of the year ended 30 November 2009 on 20 January 2010.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served since the date of the last report are :

Haji Wan Mansoor Bin Wan Omar	
Teoh Beng Seng	- Group President and Chief Executive Officer
Teoh Meng Keat	- Group Managing Director
Khoo Teng It	- Executive Director
Teoh Meng Lee	- Executive Director (Appointed on 15.07.2009)
Teoh Meng Soon	- Executive Director (Appointed on 15.07.2009)
Diong Chin Teck @ Tiong Chin Sang	
Tan Lip Gay	

Directors' interest

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.12.2008	Bought	(Sold)	Balance at 30.11.2009
Number of ordinary shares of RM0.50 each				
Haji Wan Mansoor Bin Wan Omar :				
Interest in the Company : - own	10,000	—	—	10,000
Teoh Beng Seng :				
Interest in the Company : - own	39,749,618	375,000	—	40,124,618
Deemed interest in the Company : - own	181,077,342	—	(500,000)	180,577,342
Teoh Meng Keat :				
Interest in the Company : - own - others #	20,152,200 2,000,000	— —	— —	20,152,200 2,000,000
Khoo Teng It :				
Interest in the Company : - own - others #	160,000 55,000	— —	— —	160,000 55,000
Teoh Meng Lee :				
Interest in the Company : - own	* 2,782,000	—	—	2,782,000
Teoh Meng Soon :				
Interest in the Company : - own	* 2,730,000	—	—	2,730,000
Diong Chin Teck @ Tiong Chin Sang :				
Interest in the Company : - own	25,000	—	—	25,000
Tan Lip Gay :				
Interest in the Company : - own	15,000	—	—	15,000

Directors' interest (Cont'd)

	Balance at 1.12.2008	Bought	(Sold)	Balance at 30.11.2009
Number of ordinary shares of RM1.00 each				
Teoh Beng Seng :				
Deemed interest in a subsidiary, ZHULIAN CONSTRUCTION SDN. BHD. - own	124,000	—	—	124,000
Number of ordinary shares of USD1.00 each				
Deemed interest in a subsidiary, ZHULIAN LABUAN LIMITED - own	—	40,000	—	40,000
Number of ordinary shares of Rp1,000,000 each				
Deemed interest in a subsidiary, PT. ZHULIAN INDONESIA - own	—	3,000	—	3,000

* At the date of appointment

These are shares held in the name of the spouse and are treated as interest of the Director in accordance with Section 134(12)(c) of the Companies Act, 1965.

By virtue of his interest in the shares of the Company, Teoh Beng Seng is also deemed to be interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up share capital of the Company and no debentures were issued by the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances :

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, and
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 November 2009 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events during the year

The details of such events are disclosed in Note 31 to the financial statements.

Subsequent event

The details of such event are disclosed in Note 32 to the financial statements.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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

.....
Teoh Beng Seng

.....
Teoh Meng Keat

Penang,

Date : 20 January 2010

Consolidated Balance Sheet

At 30 November 2009

	Note	2009 RM'000	2008 RM'000
Assets			
Property, plant and equipment	3	86,969	85,712
Prepaid lease payments	4	12,047	6,629
Investment property	5	373	384
Land held for development	7	6,092	10,696
Investment in an associate	8	30,752	23,801
Other investments	9	6,074	4,453
Goodwill	10	1,168	—
Deferred tax assets	11	226	—
Total non-current assets		143,701	131,675
Receivables, deposits and prepayments	12	51,914	52,729
Inventories	13	47,873	51,245
Current tax assets		158	279
Asset classified as held for sale	14	4,604	—
Cash and cash equivalents	15	125,084	106,529
Total current assets		229,633	210,782
Total assets		373,334	342,457
Equity			
Share capital	16	172,500	172,500
Reserves	17	147,611	107,000
Total equity attributable to equity holders of the Company		320,111	279,500
Minority interest	18	425	76
Total equity		320,536	279,576
Liabilities			
Deferred tax liabilities	11	1,360	2,169
Total non-current liabilities		1,360	2,169
Payables and accruals	19	46,757	57,165
Current tax liabilities		4,681	3,547
Total current liabilities		51,438	60,712
Total liabilities		52,798	62,881
Total equity and liabilities		373,334	342,457

The notes on pages 57 to 92 are an integral part of these financial statements.

Consolidated Income Statement

For The Year Ended 30 November 2009

	Note	2009 RM'000	2008 RM'000
Continuing operations			
Revenue	20	315,275	303,577
Changes in manufactured inventories and work-in-progress		(3,438)	(2,593)
Raw materials and consumables used		(76,037)	(76,536)
Employee benefits expenses		(28,385)	(28,647)
Depreciation and amortisation expenses		(5,681)	(4,161)
Other operating expenses		(128,740)	(132,152)
Other operating income		12,743	17,312
Operating profit		85,737	76,800
Share of profit after tax and minority interest of equity accounted associate		16,967	18,193
Profit before tax	21	102,704	94,993
Tax expense	23	(20,647)	(20,303)
Profit for the year		82,057	74,690
Attributable to :			
Equity holders of the Company		82,005	74,690
Minority interest		52	—
Profit for the year		82,057	74,690
Basic earnings per ordinary share (sen)	24	23.77	21.65
Gross dividends per ordinary share (sen)	25	14.00	11.00
Net dividends per ordinary share (sen)	25	14.00	11.00

The notes on pages 57 to 92 are an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

For The Year Ended 30 November 2009

Attributable to equity holders of the Company						
		Non-distributable	Distributable			
	Share capital RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 December 2007	172,500	(8)	77,187	249,679	76	249,755
Dividends (Note 25)	—	—	(44,850)	(44,850)	—	(44,850)
Foreign exchange translation differences	—	(19)	—	(19)	—	(19)
Net loss recognised directly in equity	—	(19)	—	(19)	—	(19)
Profit for the year	—	—	74,690	74,690	—	74,690
Total recognised income and expense for the year	—	(19)	74,690	74,671	—	74,671
At 30 November 2008	172,500	(27)	107,027	279,500	76	279,576
Dividends (Note 25)	—	—	(41,400)	(41,400)	—	(41,400)
Shares issued to minority interest	—	—	—	—	34	34
Acquisition of a subsidiary	—	—	—	—	263	263
Foreign exchange translation differences	—	6	—	6	—	6
Net gain recognised directly in equity	—	6	—	6	—	6
Profit for the year	—	—	82,005	82,005	52	82,057
Total recognised income and expense for the year	—	6	82,005	82,011	52	82,063
At 30 November 2009	172,500	(21)	147,632	320,111	425	320,536
	Note 16	Note 17	Note 17			

The notes on pages 57 to 92 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For The Year Ended 30 November 2009

	Note	2009 RM'000	2008 RM'000
Cash flows from operating activities			
Profit before tax from continuing operations		102,704	94,993
Adjustments for :			
Depreciation of property, plant and equipment	3	5,440	3,994
Amortisation of prepaid lease payments	4	230	156
Depreciation of investment property	5	11	11
Interest income	21	(2,805)	(3,420)
Plant and equipment written off	21	79	133
Gain on disposal of plant and equipment	21	(15)	(7)
Share of profit of equity accounted associate (Reversal of allowance)/Allowance for diminution in value of other investments	21	(16,967)	(18,193)
		(1,100)	3,200
Operating profit before changes in working capital		87,577	80,867
Changes in working capital :			
Receivables, deposits and prepayments		7,817	(19,753)
Inventories		5,280	(9,012)
Payables and accruals		(12,100)	14,102
Cash generated from operations		88,574	66,204
Tax paid		(20,179)	(15,734)
Net cash from operating activities		68,395	50,470
Cash flows from investing activities			
Addition to prepaid lease payments	4	(5,648)	—
Purchase of other investments		(521)	(252)
Interest received		2,805	3,420
Proceeds from disposal of plant and equipment		173	40
Purchase of property, plant and equipment	3	(6,514)	(42,672)
Additions to land held for development	7	—	(25)
Dividends received from an associate		10,016	9,904
Net cash inflow on acquisition of a subsidiary	B	1,390	—
Net cash from/(used in) investing activities		1,701	(29,585)
Cash flows from financing activities			
Placement of short term deposits pledged		—	(48)
Dividends paid to :			
- shareholders of the Company		(51,750)	(34,500)
Issuance of shares to minority interest		34	—
Net cash used in financing activities		(51,716)	(34,548)
Net increase/(decrease) in cash and cash equivalents		18,380	(13,663)
Cash and cash equivalents at 1 December		106,481	120,133
Effect of exchange differences on cash and cash equivalents of foreign subsidiary		174	11
Cash and cash equivalents at 30 November	A	125,035	106,481

The notes on pages 57 to 92 are an integral part of these financial statements.

Consolidated cash flow statement (Cont'd)

NOTE

A. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following consolidated balance sheet amounts :

	Note	2009 RM'000	2008 RM'000
Short term deposits with licensed banks	15	104,109	90,859
Cash and bank balances	15	20,975	15,670
	15	125,084	106,529
Less : Deposits pledged	15.1	(49)	(48)
		125,035	106,481

B. Acquisition of a subsidiary

During the financial year ended 30 November 2009, **ZHULIAN MANAGEMENT SDN. BHD.**, a wholly-owned subsidiary of the Company acquired 60% equity interest in **PT. ZHULIAN INDONESIA**, a direct marketing of costume jewellery and consumer products company at a cash consideration of RM1,562,400.

The estimated fair values of assets acquired and liabilities assumed from the acquisition of **PT. ZHULIAN INDONESIA** are as follows :

	Note	2009 RM'000
Plant and equipment	3	196
Deferred tax assets	11	235
Receivables, deposits and prepayments		6,625
Inventories		1,765
Cash and cash equivalents		2,952
Payables and accruals		(11,116)
Minority interest		(263)
Net identifiable assets and liabilities		394
Goodwill on acquisition		1,168
Total purchase consideration, satisfied in cash		1,562
Less : Cash and cash equivalents acquired		(2,952)
Net cash inflow on acquisition		(1,390)

The notes on pages 57 to 92 are an integral part of these financial statements.

Balance Sheet

At 30 November 2009

	Note	2009 RM'000	2008 RM'000
Assets			
Investment in subsidiaries	6	144,736	144,501
Other investments	9	6,074	4,453
Total non-current assets		150,810	148,954
Receivables, deposits and prepayments	12	40,040	36,818
Current tax assets		118	15
Cash and cash equivalents	15	3,921	14,319
Total current assets		44,079	51,152
Total assets		194,889	200,106
Equity			
Share capital	16	172,500	172,500
Reserves	17	22,220	13,517
Total equity		194,720	186,017
Liabilities			
Payables and accruals	19	169	14,089
Total current liabilities		169	14,089
Total equity and liabilities		194,889	200,106

The notes on pages 57 to 92 are an integral part of these financial statements.

Income Statement

For The Year Ended 30 November 2009

	Note	2009 RM'000	2008 RM'000
Continuing operations			
Revenue	20	63,167	69,981
Other operating expenses		(305)	(3,567)
Other operating income		1,754	782
Profit before tax	21	64,616	67,196
Tax expense	23	(14,513)	(14,123)
Profit for the year attributable to equity holders of the Company		50,103	53,073
Gross dividends per ordinary share (sen)	25	14.00	11.00
Net dividends per ordinary share (sen)	25	14.00	11.00

The notes on pages 57 to 92 are an integral part of these financial statements.

Statement Of Changes In Equity

For The Year Ended 30 November 2009

	Distributable		
	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 December 2007	172,500	5,294	177,794
Profit for the year	—	53,073	53,073
Dividends (Note 25)	—	(44,850)	(44,850)
At 30 November 2008	172,500	13,517	186,017
Profit for the year	—	50,103	50,103
Dividends (Note 25)	—	(41,400)	(41,400)
At 30 November 2009	172,500	22,220	194,720
	Note 16	Note 17	

The notes on pages 57 to 92 are an integral part of these financial statements.

Cash Flow Statement

For The Year Ended 30 November 2009

	Note	2009 RM'000	2008 RM'000
Cash flows from operating activities			
Profit before tax from continuing operations		64,616	67,196
Adjustments for :			
Dividend income	21	(63,167)	(69,981)
Interest income	21	(654)	(780)
(Reversal of allowance)/Allowance for diminution in value of other investments	21	(1,100)	3,200
Operating loss before changes in working capital		(305)	(365)
Changes in working capital :			
Receivables, deposits and prepayments		3,528	(25,875)
Payables and accruals		(3,570)	(13,150)
Cash used in operations		(347)	(39,390)
Tax paid		(199)	(120)
Dividends received		42,000	45,300
Net cash from operating activities		41,454	5,790
Cash flows from investing activities			
Acquisition of subsidiaries		(235)	—
Purchase of other investments		(521)	(252)
Interest received		654	780
Net cash (used in)/from investing activities		(102)	528
Cash flows from financing activities			
Dividends paid to shareholders of the Company		(51,750)	(34,500)
Net cash used in financing activities		(51,750)	(34,500)
Net decrease in cash and cash equivalents		(10,398)	(28,182)
Cash and cash equivalents at 1 December		14,319	42,501
Cash and cash equivalents at 30 November	15	3,921	14,319

The notes on pages 57 to 92 are an integral part of these financial statements.

Notes To The Financial Statements

ZHULIAN CORPORATION BERHAD is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows :

Registered office

Suite 2-1, 2nd Floor
Menara Penang Garden
42-A, Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business

Plot 42
Bayan Lepas Industrial Estate
Phase IV
11900 Penang

The consolidated financial statements of the Company as at and for the year ended 30 November 2009 comprise the Company and its subsidiaries and the Group's interest in an associate.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

The financial statements were approved by the Board of Directors on 20 January 2010.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group :

FRSs/Interpretations	Effective date
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 1, First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2, Share-based Payments	1 July 2010
FRS 3, Business Combinations (revised)	1 July 2010
FRS 4, Insurance Contracts	1 January 2010
Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 101, Presentation of Financial Statements	1 January 2010
FRS 123, Borrowing Costs (revised)	1 January 2010
FRS 127, Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 132, Financial Instruments: Presentation and FRS 101, Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 138, Intangible Assets	1 July 2010

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

FRSs/Interpretations	Effective date
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRS 139, Financial Instruments : Recognition and Measurement	1 January 2010
Improvements to FRSs (2009)	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11, FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12, Service Concession Agreements	1 July 2010
IC Interpretation 13, Customer Loyalty Programmes	1 January 2010
IC Interpretation 14, FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	1 January 2010
IC Interpretation 15, Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17, Distribution of Non-cash Assets to Owners	1 July 2010

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group plans to apply FRS 8 from the annual period beginning 1 December 2009. The Group plans to apply the other abovementioned standards, amendments and interpretations from the annual period beginning 1 December 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 January 2010 or 1 July 2010, except for Amendments to FRS 2, FRS 4, IC Interpretation 11, IC Interpretation 12, IC Interpretation 14, IC Interpretation 15, IC Interpretation 16 and IC Interpretation 17 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

The impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

(i) *FRS 8, Operating Segments*

FRS 8 replaces FRS 114₂₀₀₄, Segment Reporting and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see Note 28). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than changes in disclosures.

(ii) *FRS 123, Borrowing Costs (revised)*

The revised FRS 123 removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The adoption of this standard will result in a change in accounting policy. The adoption of FRS 123 will not have any significant impact on the financial statements of the Group.

(iii) *Improvements to FRSs (2009)*

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that have material impact are:

- *FRS 117, Leases*

The amendments clarify that the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(iii) *Improvements to FRSs (2009) (Cont'd)*

- **FRS 128, *Investments in Associates***

The amendments clarify that goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised and therefore it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 as a single asset. An impairment loss recognised in those circumstances is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment in the associate. Accordingly, any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases. The adoption of these amendments will result in a change in accounting policy and will be applied retrospectively by the Group in accordance with the transitional provisions.

Impairment losses recognised and allocated to goodwill prior to the application of this amendment are reversed on the date this amendment is first applied.

- **FRS 138, *Intangible Assets***

FRS 138 (revised) incorporates the following changes that are likely to be relevant to the Group:

- The amendments clarify that mail order catalogues are advertising and promotional expenditure. Advertising and promotional goods shall be charged to profit or loss when an entity has a right to access them.
- The amendments clarify that other amortisation methods may be used for intangible assets with finite useful lives apart from the straight-line method.

The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

The adoption of the above amendments to Improvements to FRSs (2009) does not have any significant impact on the Group's financial position or results.

(iv) *IC Interpretation 10, Interim Financial Reporting and Impairment*

IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of the following:

- (a) goodwill;
- (b) an investment in an equity instrument; or
- (c) a financial asset carried at cost.

In accordance with the transitional provisions, the Group will apply IC Interpretation 10 to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date the Group first applied the measurement criteria of FRS 136, Impairment of Assets and FRS 139, Financial Instruments: Recognition and Measurement respectively. IC Interpretation 10 does not have any significant impact on the Group's financial position or results.

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(v) *IC Interpretation 13, Customer Loyalty Programmes*

IC Interpretation 13 addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programme under which the customer can redeem credits for awards such as free or discounted goods or services. The Group will apply IC Interpretation 13 to its customer loyalty programme retrospectively. The adoption of IC Interpretation 13 will not have any significant impact on the financial statements of the Group.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 10 – assessment on impairment of goodwill.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) *Associates*

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) *Minority interest*

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(v) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

(ii) *Operations denominated in functional currencies other than Ringgit Malaysia*

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments, are translated to RM at exchange rates at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of operations in functional currencies other than RM are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal of operations, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(iii) *Net investment in foreign operations*

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are recognised in the consolidated income statement upon disposal of the investment.

2. Significant accounting policies (Cont'd)

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other operating income" or "other operating expenses" respectively in the income statements.

(ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is reclassified as investment property.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(iv) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows :

	%
Buildings	2
Freehold shoplots	2
Plant and machinery, moulds, tools and equipment	10 - 50
Furniture, fittings and office equipment	10 - 50
Motor vehicles	20

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

2. Significant accounting policies (Cont'd)

(d) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statements as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statements as an expense as incurred. Capitalised development expenditure is stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Amortisation

Goodwill is tested for impairment annually and whenever there is an indication that they may be impaired.

(e) Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition :

- Investments in non-current equity securities other than investments in subsidiaries and associates, are stated at cost less allowance for diminution in value; and
- Investments in non-current debt securities are stated at amortised cost using the effective interest method less allowance for diminution in value.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities and non-current debt securities other than investment in subsidiaries and associates, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to :

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

2. Significant accounting policies (Cont'd)

(f) Impairment of assets

The carrying amounts of assets except for financial assets, inventories, deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that has indefinite useful life, the recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised.

(g) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2. Significant accounting policies (Cont'd)

(h) Investment property

(i) *Investment property carried at cost*

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment property.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy note 2(c).

Transfers between investment property and property, plant and equipment do not change the carrying amount of the property transferred.

Depreciation is charged to the income statements on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

(ii) *Determination of fair value*

The Directors estimate the fair values of the Group's investment property without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(i) Land held for development

Land held for development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(j) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. 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.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

2. Significant accounting policies (Cont'd)

(l) Assets classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(n) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

Share issue expenses

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

(o) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(q) Contingent liabilities

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

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

2. Significant accounting policies (Cont'd)

(r) Borrowings

Borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the borrowings using the effective interest method.

(s) Employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(t) Income recognition

(i) Goods sold and services rendered

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from services rendered is recognised in the income statements in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

(ii) Dividend income

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

(iii) Rental income

Rental income from investment property is recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(u) Interest income and borrowing cost

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. Significant accounting policies (Cont'd)

(v) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance is treated as tax base of assets and is recognised as a reduction of tax expense as and when it is utilised.

(w) Earnings per ordinary share

The Group presents basic earnings per ordinary share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Property, plant and equipment - Group

	Buildings RM'000	Freehold shoplots RM'000	Plant and machinery, tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 December 2007	23,992	8,522	8,335	3,892	2,161	6,141	53,043
Additions	141	—	6,809	1,834	328	33,560	42,672
Disposals	—	—	(246)	(41)	—	—	(41)
Written off	—	—	302	(3)	—	—	(249)
Reclassifications	39,018	—	—	(302)	—	(39,018)	—
Effect of movements in exchange rates	—	262	—	6	—	—	268
At 30 November 2008/1 December 2008	63,151	8,784	15,200	5,386	2,489	683	95,693
Acquisition through business combination	—	—	—	194	2	—	196
Additions	2,886	—	1,777	1,543	236	72	6,514
Disposals	—	—	(195)	—	(5)	—	(200)
Written off	—	—	(106)	(187)	—	—	(293)
Reclassifications	(15,366)	—	38	16,008	—	(680)	—
Effect of movements in exchange rates	—	216	—	17	3	—	236
At 30 November 2009	50,671	9,000	16,714	22,961	2,725	75	102,146
Accumulated depreciation							
At 1 December 2007	919	162	2,670	1,421	931	—	6,103
Depreciation for the year	937	176	1,522	780	579	—	3,994
Disposals	—	—	—	(8)	—	—	(8)
Written off	—	—	(114)	(2)	—	—	(116)
Reclassifications	—	—	267	(267)	—	—	—
Effect of movements in exchange rates	—	4	—	4	—	—	8
At 30 November 2008/1 December 2008	1,856	342	4,345	1,928	1,510	—	9,981
Depreciation for the year	1,531	180	2,083	1,038	608	—	5,440
Disposals	—	—	(40)	—	(2)	—	(42)
Written off	—	—	(73)	(141)	—	—	(214)
Reclassifications	(510)	—	—	510	—	—	—
Effect of movements in exchange rates	—	8	—	4	—	—	12
At 30 November 2009	2,877	530	6,315	3,339	2,116	—	15,177
Carrying amounts							
At 1 December 2007	23,073	8,360	5,665	2,471	1,230	6,141	46,940
At 30 November 2008/1 December 2008	61,295	8,442	10,855	3,458	979	683	85,712
At 30 November 2009	47,794	8,470	10,399	19,622	609	75	86,969

4. Prepaid lease payments - Group

	Note	RM'000
Unexpired period less than 50 years		
Cost		
At 1 December 2007/30 November 2008/1 December 2008		7,074
Additions		5,648
At 30 November 2009		12,722
Amortisation		
At 1 December 2007		289
Amortisation for the year	22	156
At 30 November 2008/1 December 2008		445
Amortisation for the year	22	230
At 30 November 2009		675
Carrying amounts		
At 1 December 2007		6,785
At 30 November 2008/1 December 2008		6,629
At 30 November 2009		12,047

5. Investment property - Group

	Note	Freehold shoplots RM'000
Cost		
At 1 December 2007/30 November 2008/1 December 2008/ 30 November 2009		412
Accumulated depreciation		
At 1 December 2007		17
Depreciation for the year	22	11
At 30 November 2008/1 December 2008		28
Depreciation for the year	22	11
At 30 November 2009		39
Carrying amounts		
At 1 December 2007		395
At 30 November 2008/1 December 2008		384
At 30 November 2009		373
Fair values		
At 1 December 2007		395
At 30 November 2008/1 December 2008		384
At 30 November 2009		373

The following are recognised in the income statement in respect of investment property :

	Group	
	2009 RM'000	2008 RM'000
Direct operating expenses :		
- non-income generating investment property	15	15

6. Investment in subsidiaries - Company

	2009 RM'000	2008 RM'000
Unquoted shares, at cost	144,736	144,501

Details of subsidiaries are as follows :

Name of Subsidiary	Effective ownership interest		Country of incorporation	Principal activities
	2009	2008		
ZHULIAN JEWELLERY MANUFACTURING SDN. BHD.	100%	100%	Malaysia	Manufacturing of costume/ fine jewellery and accessories
ZHULIAN MARKETING (M) SDN. BHD.	100%	100%	Malaysia	Direct marketing of costume jewellery and consumer products
ZHULIAN INDUSTRIES SDN. BHD.	100%	100%	Malaysia	Manufacturing of consumer products
BEYOND PRODUCTS TECHNOLOGY SDN. BHD.	100%	100%	Malaysia	Manufacturing of home technology products
ZHULIAN MANUFACTURING SDN. BHD.	100%	100%	Malaysia	Manufacturing of bedroom apparels and therapeutic products
MASTER SQUARE SDN. BHD.	100%	100%	Malaysia	Trading of consumer products
ZHULIAN PRINTING INDUSTRIES SDN. BHD.	100%	100%	Malaysia	Printing of brochures, leaflets, catalogues, name cards and other related documents
ZHULIAN MANAGEMENT SDN. BHD. ("ZMSB")	100%	100%	Malaysia	Provision of management services and investment holding
AMAZING VESTRAX SDN. BHD.	100%	100%	Malaysia	Manufacturing of personal care products
ZHULIAN DEVELOPMENT SDN. BHD. ("ZDSB")	100%	100%	Malaysia	Property development
ZHULIAN VENTURES SDN. BHD.	100%	100%	Malaysia	Dormant
ZHULIAN PROPERTIES SDN. BHD.	100%	100%	Malaysia	Dormant
SELAT NUSANTARA DEVELOPMENT SDN. BHD.	100%	100%	Malaysia	Dormant
ZHULIAN NUTRACEUTICAL SDN. BHD.	100%	100%	Malaysia	Intended principal activity of manufacturing of traditional products
DIAMOND INSPIRATION SDN. BHD.	100%	100%	Malaysia	Operator of the cafeteria for the employees of the Group

6. Investment in subsidiaries - Company (Cont'd)

Name of Subsidiary	Effective ownership interest		Country of incorporation	Principal activities
	2009	2008		
ZHULIAN LABUAN LIMITED	80%	—	Malaysia	Investment holding
<i>Subsidiaries of ZDSB</i>				
ZHULIAN CONSTRUCTION SDN. BHD.	62%	62%	Malaysia	Dormant
DEXASSETS SDN. BHD.	100%	100%	Malaysia	Dormant
<i>Subsidiary of ZMSB</i>				
PT. ZHULIAN INDONESIA *	60%	—	Indonesia	Direct marketing of costume jewellery and consumer products
ZHULIAN (SINGAPORE) PTE. LTD. *	100%	100%	Singapore	Direct marketing of all kinds of costume jewellery and consumer products

* Not audited by KPMG

7. Land held for development - Group

	2009 RM'000	2008 RM'000
At 1 December	10,696	10,671
Additions	—	25
Transfer to asset classified as held for sale (Note 14)	(4,604)	—
At 30 November **	6,092	10,696
** This comprises :		
Freehold land, at cost	4,294	8,679
Other outgoings	1,798	2,017
	6,092	10,696

8. Investment in an associate - Group

	2009 RM'000	2008 RM'000
Unquoted shares, at cost	10,287	10,287
Share of post-acquisition reserves	20,465	13,514
	30,752	23,801

Summary financial information on an associate:

	Country of incorporation	Effective ownership interest	Revenue (100%) RM'000	Profit (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2009						
ZHULIAN (THAILAND) LTD.	Thailand	49%	317,329	34,564	127,675	62,204
2008						
ZHULIAN (THAILAND) LTD.	Thailand	49%	271,666	38,056	107,901	56,541

The principal activity of the associate consists of direct marketing of costume jewellery and consumer products.

The financial year end of the associate is 31 December.

9. Other investments - Group and Company

	2009 RM'000	2008 RM'000
Cost		
Quoted unit trusts	8,174	7,653
Less: Allowance for diminution in value	(2,100)	(3,200)
	6,074	4,453
Market value		
Quoted unit trusts	6,091	4,450

10. Goodwill - Group

	2009 RM'000	2008 RM'000
At 30 November	1,168	—

Impairment testing

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (CGU) that is expected to benefit from that business combination. The carrying amount of goodwill is allocated to the business segment of multi-level marketing as CGU.

The recoverable amount of the CGU was based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period extrapolated using growth rates determined based on historical experience, management's assessment of future trends and expectations of market developments in the industries concerned.

The key assumptions on which the cash flow projections are based relate to discount rates, sales growth rates and expected changes in operating costs. In determining the recoverable amount of CGU, the projected cash flows were discounted using pre-tax discount rate of 13% which is specific to the CGU.

11. Deferred tax assets and liabilities - Group

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant and equipment	48	—	(4,132)	(3,259)	(4,084)	(3,259)
Provisions	162	—	461	556	623	556
Tax loss carry-forwards	16	—	—	—	16	—
Other items	—	—	2,311	534	2,311	534
	226	—	(1,360)	(2,169)	(1,134)	(2,169)

11. Deferred tax assets and liabilities - Group (Cont'd)

Movement in temporary differences during the year

	1 December 2007 RM'000	Recognised in the income statement (Note 23) RM'000	At 30 November 2008 RM'000	Acquisition through business combination RM'000	Effect of movement in exchange rate RM'000	Recognised in the income statement (Note 23) RM'000	At 30 November 2009 RM'000
Assets							
Property, plant and equipment	—	—	—	27	1	20	48
Provisions	—	—	—	14	1	147	162
Tax loss carry-forwards	—	—	—	194	11	(189)	16
	—	—	—	235	13	(22)	226
Liabilities							
Property, plant and equipment	(2,108)	(1,151)	(3,259)	—	—	(873)	(4,132)
Provisions	128	428	556	—	—	(95)	461
Capital allowances carry-forwards	7	(7)	—	—	—	—	—
Other items	1,961	(1,427)	534	—	—	1,777	2,311
	(12)	(2,157)	(2,169)	—	—	809	(1,360)

Unrecognised deferred tax assets

No deferred tax assets have been recognised in respect of the following items :

	2009 RM'000	2008 RM'000
Taxable temporary differences	(272)	(281)
Capital allowances carry-forwards	343	234
Tax losses carry-forwards	835	372
Provisions	441	674
Other items	4	2
	1,351	1,001

11. Deferred tax assets and liabilities - Group (Cont'd)

The tax losses carry-forwards and capital allowances carry-forwards do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

The comparative figures have been restated to reflect the revised tax losses carry-forwards, capital allowances carry-forwards, provisions and taxable temporary differences available to the Group.

12. Receivables, deposits and prepayments

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade					
Amount due from an associate	12.1	41,970	41,663	—	—
Others		1,209	6,215	—	—
	12.2	43,179	47,878	—	—
Non-trade					
Amount due from an associate	12.1	3	17	—	—
Amount due from subsidiaries	12.3	—	—	22,700	26,300
Other receivables		1,095	354	41	—
Deposits		1,074	622	5	—
Prepayments	12.4	6,563	3,858	44	18
Dividend receivable		—	—	17,250	10,500
		8,735	4,851	40,040	36,818
		51,914	52,729	40,040	36,818

12.1 Amount due from an associate

The trade receivable due from an associate is subject to the normal trade terms.

The non-trade receivable due from an associate is unsecured, interest-free and repayable on demand.

12.2 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities is as follow :

	Group	
	2009 RM'000	2008 RM'000
US Dollars	41,970	47,864

12. Receivables, deposits and prepayments (Cont'd)

12.3 Amount due from subsidiaries

The non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand.

12.4 Prepayments

Included in prepayments of the Group is an amount of RM1,000,000 (2008 : RMNil) in respect of deposit paid for the building expansion.

13. Inventories - Group

	2009 RM'000	2008 RM'000
Raw materials	20,911	22,855
Work-in-progress	8,260	7,204
Manufactured inventories	14,951	18,071
Consumables	3,751	3,115
	47,873	51,245

14. Asset classified as held for sale - Group

	2009 RM'000	2008 RM'000
At 1 December	—	—
Transfer from land held for development (Note 7)	4,604	—
At 30 November	4,604	—

Asset classified as held for sale consists of a freehold land measured at the lower of its carrying amount and fair value less cost to sell of which a subsidiary has collected the deposit at balance sheet date and the sale was completed in December 2009.

15. Cash and cash equivalents

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short term deposits with licensed banks	15.1	104,109	90,859	3,718	14,136
Cash and bank balances		20,975	15,670	203	183
	15.2	125,084	106,529	3,921	14,319

15.1 Short term deposits

Included in the short term deposits with licensed banks of the Group is RM49,000 (2008 : RM48,000) pledged for a bank facility.

15.2 Analysis of foreign currency exposure for significant cash and cash equivalents

Significant cash and cash equivalents outstanding at year end that are not in the functional currencies of the Group entities is as follow :

	Group	
	2009 RM'000	2008 RM'000
US Dollars	3,971	3,341

16. Share capital

	Number of shares '000	Par value RM	Amount RM'000
Ordinary shares			
Authorised :			
Balance at 1 December 2007/30 November 2008	1,000,000	0.50	500,000
Balance at 1 December 2008/30 November 2009	1,000,000	0.50	500,000
Issued and fully paid :			
Balance at 1 December 2007/30 November 2008	345,000	0.50	172,500
Balance at 1 December 2008/30 November 2009	345,000	0.50	172,500

17. Reserves

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable					
Translation reserve	17.1	(21)	(27)	—	—
Distributable					
Retained earnings		147,632	107,027	22,220	13,517
		147,611	107,000	22,220	13,517

17.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18. Minority interest

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries, net of their share of subsidiary's goodwill.

19. Payables and accruals

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	19.1	14,659	15,504	—	—
Non-trade					
Amount due to subsidiaries	19.2	—	—	—	3,600
Other payables	19.3	20,077	18,476	3	1
Accrued expenses		12,021	12,835	166	138
Dividend payable		—	10,350	—	10,350
		32,098	41,661	169	14,089
		46,757	57,165	169	14,089

19. Payables and accruals (Cont'd)

19.1 Analysis of foreign currency exposure for significant payables

There were no significant payables outstanding at year end that are not in the functional currencies of the Group entities.

19.2 Amount due to subsidiaries

The non-trade payables due to subsidiaries are unsecured, interest-free and repayable on demand.

19.3 Other payables

Included in other payables of the Group is an amount of RM14,736,000 (2008 : RM13,018,000) in respect of security deposits received from agents and an amount of RM595,000 (2008 : RMNil) in respect of deposit collected for the asset classified as held for sale (see Note 14).

20. Revenue

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Dividend income	—	—	63,167	69,981
Sale of goods	311,819	300,599	—	—
Services rendered	3,456	2,978	—	—
	315,275	303,577	63,167	69,981

21. Profit before tax

Profit before tax is arrived at :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
After charging :				
Auditors' remuneration				
Statutory audit by				
- KPMG				
- current year	167	165	36	36
- prior year	2	22	—	5
- other auditors	36	11	—	—
Other services by				
- KPMG	13	51	13	51
- Affiliates of KPMG	50	87	3	4
Allowance for diminution				
in value of other investments	—	3,200	—	3,200
Inventory written off	461	1,648	—	—
Inventory written down	—	3,368	—	—
Personnel expenses				
(including key management personnel)				
- Contributions to Employees' Provident Fund	2,721	2,677	—	—
- Wages, salaries and others	25,664	25,970	—	—
Depreciation of :				
- property, plant and equipment (Note 3)	5,440	3,994	—	—
- investment property (Note 5)	11	11	—	—
Amortisation of prepaid lease payments (Note 4)	230	156	—	—
Plant and equipment written off	79	133	—	—
Loss on foreign exchange				
- Realised	1,129	—	—	—
- Unrealised	378	—	—	—
Research and development expenditure	119	54	—	—
Rental of machinery	40	—	—	—
Rental of premises	546	391	—	—
and after crediting :				
Dividend income from subsidiaries (unquoted)	—	—	63,167	69,981
Gain on disposal of plant and equipment	15	7	—	—
Interest income	2,805	3,420	654	780
Allowance for doubtful debts written back	—	6	—	—
Bad debts recovered	1	26	—	—
Gain on foreign exchange				
- Realised	—	1,795	—	—
- Unrealised	—	4,266	—	—
Reversal of allowance for diminution				
in value of other investments	1,100	—	1,100	—
Reversal of inventory written down	433	—	—	—

22. Key management personnel compensations

The key management personnel compensations are as follows :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors of the Company				
- Fees	90	90	90	90
- Remuneration	5,408	4,915	12	12
Other Directors' remuneration	427	623	—	—
Other short term employees benefits (including estimated monetary value of benefits-in-kind)	25	25	—	—
Total short term employee benefits	5,950	5,653	102	102
Other key management personnel:				
Short-term employee benefits	—	204	—	—
	5,950	5,857	102	102

There were no other key management personnel apart from all the Directors of the Group having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

23. Tax expense

Recognised in the income statements

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Tax expense on continuing operations	20,647	20,303	14,513	14,123
Share of tax of equity accounted associate	8,159	8,088	—	—
Total tax expense	28,806	28,391	14,513	14,123

Major components of tax expense include :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax expense				
- Current year	22,625	18,369	14,399	14,261
- Prior year	(1,191)	(223)	114	(138)
	21,434	18,146	14,513	14,123
Deferred tax expense				
(Reversal)/Origination of temporary differences				
- Current year	(1,173)	2,120	—	—
- Prior year	386	37	—	—
	(787)	2,157	—	—
Share of tax of equity accounted associate	8,159	8,088	—	—
Total tax expense	28,806	28,391	14,513	14,123

23. Tax expense (Cont'd)

Recognised in the income statements

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit for the year	82,057	74,690	50,103	53,073
Total tax expense	28,806	28,391	14,513	14,123
Profit excluding tax	110,863	103,081	64,616	67,196
Tax at Malaysian tax rate of 25% (2008 : 26%)	27,716	26,801	16,154	17,471
Effect of lower tax rate for certain subsidiaries *	—	(115)	—	—
Effect of tax rates in foreign jurisdictions **	1,840	1,302	—	—
Effect of change in tax rate ***	—	(140)	—	—
Non-deductible expenses	1,029	1,866	41	897
Tax exempt income	(610)	(303)	(1,796)	(3,960)
Tax incentives	(782)	(1,461)	—	—
Change in unrecognised temporary differences	350	595	—	—
Other items	68	32	—	(147)
Over provided in prior year	(805)	(186)	114	(138)
Tax expense	28,806	28,391	14,513	14,123

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000. With effect from year of assessment 2009, companies controlled directly or indirectly by another company with paid-up capital exceeding RM2.5 million at the beginning of the basis period for a year of assessment are no longer entitled to this preferential corporate tax rate.

** The associate operates in a tax jurisdiction with higher tax rate and a subsidiary operates in a tax jurisdiction with lower tax rate.

*** The corporate tax rates are at 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

24. Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of RM82,005,000 (2008 : RM74,690,000) and a weighted average number of ordinary shares outstanding during the financial year of 345,000,000 (2008 : 345,000,000).

25. Dividends

Dividends recognised in the current year by the Company are :

	2009 RM'000	2008 RM'000
In respect of financial year ended 30 November 2007		
- Third interim single tier dividend of 5 sen per ordinary share paid on 26 February 2008	—	17,250
In respect of financial year ended 30 November 2008		
- First interim single tier dividend of 2 sen per ordinary share paid on 3 June 2008	—	6,900
- Second interim single tier dividend of 3 sen per ordinary share paid on 8 September 2008	—	10,350
- Third interim single tier dividend of 3 sen per ordinary share declared on 15 October 2008	—	10,350
- Fourth interim single tier dividend of 3 sen per ordinary share paid on 10 March 2009	10,350	—
In respect of financial year ended 30 November 2009		
- First interim single tier dividend of 3 sen per ordinary share paid on 29 May 2009	10,350	—
- Second interim single tier dividend of 3 sen per ordinary share paid on 28 August 2009	10,350	—
- Third interim single tier dividend of 3 sen per ordinary share paid on 26 November 2009	10,350	—
	41,400	44,850

The Directors declared a fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each and a special interim single tier dividend of 2 sen per ordinary share of RM0.50 each, totalling RM17,250,000 in respect of the financial year ended 30 November 2009 on 20 January 2010. The financial statements do not reflect this dividend declared after 30 November 2009, which will be accounted for as appropriation of retained earnings in the year ending 30 November 2010.

26. Contingent liabilities, unsecured - Company

Continuing financial support

The Company has undertaken to provide continuing financial support to certain subsidiaries to enable them to meet their financial obligations as and when they fall due.

Corporate guarantees

The Company has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to limits of RM2.1 million (2008 : RM2.1 million).

27. Commitments - Group

(a) Capital commitment

	2009 RM'000	2008 RM'000
Property, plant and equipment		
Approved but not contracted for	12,809	21,600
Contracted but not provided for	17,410	3,872
	30,219	25,472

(b) Operating lease commitments

The future minimum lease payments under non-cancellable leases are as follows :

	2009 RM'000	2008 RM'000
Less than one year	4	5
Between one and five years	13	17
	17	22

28. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise investment in an associate and related revenue, borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

Business segments

The Group is principally engaged in the manufacturing and sale of costume jewellery and consumer products on a direct sales basis. Business segment information has therefore not been prepared as the Group's revenue, operating profit, assets employed, capital expenditure, depreciation and amortisation and non-cash expenses are mainly confined to one business segment.

Geographical segments

All the business segments operate in three principal geographical areas, Malaysia, Thailand and Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

28. Segment reporting (Cont'd)

Geographical segments

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Others RM'000	Consolidated RM'000
2009					
Revenue from external customers	171,887	127,018	13,446	2,924	315,275
Segment assets	320,339	—	12,099	9,760	342,198
Capital expenditure	6,510	—	5,651	1	12,162
2008					
Revenue from external customers	177,186	110,803	11,589	3,999	303,577
Segment assets	308,310	—	—	10,067	318,377
Capital expenditure	42,514	—	—	158	42,672

29. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows :

	Transactions amount for the year ended 30 November	
	2009 RM'000	2008 RM'000
Group		
Associate		
Sales	127,018	110,803
Company		
Subsidiaries		
Advances provided	—	23,300
Dividend income	63,167	69,981

The terms and conditions for the above transactions are based on normal trade terms.

30. Financial instruments

Exposure to credit, interest rate, currency and liquidity risks arises in the normal course of Group's business.

Credit risk

Exposure to credit risk is monitored on an ongoing basis.

At balance sheet date, there were no significant concentrations of credit risk other than the amount due from an associate (Note 12). The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Group places excess funds with reputable licensed banks to generate interest income for the Group.

Foreign currency risk

The Group incurs foreign currency risk on sales, purchases and dividend income which are denominated in a currency other than Ringgit Malaysia. The currency that gives rise to this is primarily US dollars, Thai Baht, Singapore dollars, Brunei dollars, Japanese Yen and Indonesian Rupiah.

In respect of other monetary assets and liabilities held in currencies other than RM, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Liquidity risk

The liquidity risk is minimal as the Group maintains adequate funds to meet its obligations as and when they fall due.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

	Average effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000
Group				
2009				
Fixed rate instruments				
Short term deposits with licensed banks	2.11	104,109	104,109	—
Cash at bank	1.47	12,350	12,350	—
2008				
Fixed rate instruments				
Short term deposits with licensed banks	3.24	90,859	90,859	—
Cash at bank	2.05	7,094	7,094	—
Company				
2009				
Fixed rate instruments				
Short term deposits with licensed banks	2.38	3,718	3,718	—
Cash at bank	1.50	158	158	—
2008				
Fixed rate instruments				
Short term deposits with licensed banks	2.98	14,136	14,136	—
Cash at bank	2.05	134	134	—

30. Financial instruments (Cont'd)

Fair values

The carrying amounts of cash and cash equivalents, receivables and payables, approximate fair values due to the relatively short term nature of these financial instruments.

The Company provides financial guarantees to financial institutions for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows :

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group/Company				
Quoted unit trusts	6,074	6,091	4,453	4,450

31. Significant events during the year

- (a) On 25 May 2009, **ZMSB**, a wholly-owned subsidiary of the Company acquired 60% equity interest in **PT. ZHULIAN INDONESIA (PTZI)**, a direct marketing of costume jewellery and consumer products company at a cash consideration of RM1,562,400.

In the six months to 30 November 2009, **PTZI** contributed profit of approximately RM78,000. If the acquisition had occurred on 1 December 2008, the Management estimates that consolidated revenue and consolidated profit for the year after minority interest would have been RM320.17 million and RM80.82 million respectively.

- (b) On 12 February 2009, the Company subscribed for 99,998 ordinary shares of RM1.00 each at par in a wholly-owned subsidiary, **AMAZING VESTRAX SDN. BHD.**
- (c) On 26 August 2009, the Company incorporated an 80% owned subsidiary, **ZHULIAN LABUAN LIMITED (ZL)**. The intended principal activity of **ZL** is an investment holding company.

32. Subsequent event

On 8 September 2009, **ZHULIAN DEVELOPMENT SDN. BHD.**, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement to dispose of its freehold land for a cash consideration of RM5,950,000 with a gain on disposal amounting to RM1,346,667. The transaction was completed on 8 December 2009.

Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 48 to 92 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 November 2009 and of their financial performance and cash flows for the year then ended.

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

.....
Teoh Beng Seng

.....
Teoh Meng Keat

Penang,

Date : 20 January 2010

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, **Teoh Beng Seng**, the Director primarily responsible for the financial management of **ZHULIAN CORPORATION BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 48 to 92 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 20 January 2010.

.....
Teoh Beng Seng

Before me :

Cheah Beng Sun, DJN, AMN, PKT, PJK, PJM, PK
(No. P103)
Commissioner for Oaths
Penang

Independent Auditors' Report

To The Members Of ZHULIAN CORPORATION BERHAD

Report on the Financial Statements

We have audited the financial statements of **ZHULIAN CORPORATION BERHAD**, which comprise the balance sheets as at 30 November 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 48 to 92.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 November 2009 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Ng Swee Weng
1414/03/12 (J/PH)
Chartered Accountant

Date : 20 January 2010

Penang

List Of Properties

Location	Description/ Existing use	(i) Land area (ii) Built-up area (m ²)	Tenure	Approximate age of building (years)	Carrying amounts at 30 Nov 2009 (RM'000)	Date of Acquisition
Plot 42, Bayan Lepas Industrial Estate, Phase IV, 11900 Penang.	The property comprises a parcel of industrial land and a 4-storey factory and office.	(i) 0.8304 hectares (2.052 acres) (ii) 15,097.06 sq. metres	Leasehold (60 years expiring 2 Feb 2055)	11	18,311	10/03/1994
Plot 41, Bayan Lepas Industrial Estate, Phase IV, 11900 Penang.	The property comprises a parcel of industrial land with a detached factory, double-storey office and one storey of production floor. (Currently under reconstruction)	(i) 0.8659 hectares (2.140 acres) (ii) 5,785.54 sq. metres	Leasehold (60 years expiring 30 Dec 2053)	13	6,400	27/02/1993
Unit 26-B and 26-C, Jalan Tun Dr Awang, 11900 Pulau Pinang.	Two commercial units located on 2nd and 3rd floor of a 4 ½-storey complex(a).	(i) n/a (ii) 100,614 sq. metres on each floor	Freehold shoplot	16	373	27/12/1994
Lot 2428-2584, 2587-2589, 2592-2593, Keladi, Bandar Kulim, Daerah Kulim. (Formerly known as Geran No. HSM861 to HSM1022 and No. Lot PT5081 to PT5244)	Development land.	(i) 28,918 sq. metres (ii) n/a	Freehold	n/a	6,092	13/03/1996
No.3, Changkat Minden, Jalan 8, 11700 Penang.	Development land with a single-storey bungalow has been disposed and transaction completed on 8 December 2009.	(i) 3,184 sq. metres (ii) 555.36 sq. metres	Freehold	25	4,604	23/08/2004
Plot 3, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang.	3 Storey factory building.	(i) 4.314 acres (17,458 sq. metres) (ii) 17,444 sq. metres	Leasehold (60 years expiring 29 May 2051)	2	29,560	25/07/2005
5, Jalan Masjid, #01-09, Kembangan Court, Singapore 418924.	Residential with commercial at 1 Storey only.	(i) n/a (ii) 410 sq. metres	Freehold	14	6,245	14/11/2006
5, Jalan Masjid, #01-08, Kembangan Court, Singapore 418924.	Residential with commercial at 1 Storey only.	(i) n/a (ii) 123 sq. metres	Freehold	14	2,225	14/12/2006
Blok C1, Pasirgombang Cikarang Utara Bekasi, Jawa Barat Indonesia	Construct office building and warehouse in future.	(i) 25,000 sq. metres (ii) n/a	Leasehold (expiring 24 Sep 2027)	n/a	5,570	10/09/2009

Notes:

(a) This property is currently vacant.

Regional Offices, Distribution Centres & District Agents (As At 28 February 2010)

Regional Offices

Country	Company	Address	Tel	Fax
THAILAND	ZHULIAN (THAILAND) LTD. *	88 Moo 9, Bangbuathong – Supanburi Road, Tambol La-Han, Ampure Bangbuathong, Nontaburi 11110, Thailand.	662-9833984	662-9833916 662-9833917 662-9833918
INDONESIA	PT. ZHULIAN INDONESIA	Plaza Chase Lt.9, Jl. Jend. Sudirman Kav.21, Jakarta 12920 Indonesia.	6221-5229988	6221-5229977 6221-5207337
SINGAPORE	ZHULIAN (SINGAPORE) PTE. LTD.	5 Jalan Masjid, #01-08/09, Kembangan Court, Singapore 418924	65-6846 8848	65-6846 8844

* Our associated company.

Distribution Centres

Location	Distribution Centre	Address	Tel	Fax
KOTA KINABALU	Kota Kinabalu Warehouse	M-9, Lot 116, Block M, Ground Floor, Alamesra Plaza Permai, Jalan Sulaiman, Kuala Menggatal, 88400 Kota Kinabalu, Sabah.	088-484930	088-484920
KUCHING	Kuching Warehouse	Lot 28, No. 471 Lorong Stutong 9, Jalan Stutong, 93350 Kuching, Sarawak.	082-463946	082-463593

District Agents

Penang

Location	Authorised Agent(s)	Address	Tel	Fax
PENANG (PNG)	ROSNA BT YUSOFF SITI HAWA BT MAD ISA	No. 108-B, 2nd Floor, Jalan Tan Sri Teh Ewe Lim, 11600 Penang.	04-2822973 016-4160236 012-4440069	04-2828972
BAYAN BARU (BBA)	JOHNNY LIM ENG CHENG	No. 54, 1st Floor, Jalan Tengah, Taman Sri Tunas, Bayan Baru, 11950 Penang.	04-6413615 012-4083341	04-6413615
BUTTERWORTH (BWB)	ALEX LOOI SWEE LIN CHOW POH KAM	No. 7229, Jln Permatang Pauh, Taman Bagan, 13400 Butterworth, Penang.	04-3323899 012-4087193	04-3323899
BERTAM (BTA)	MOHD RIDZUAN BIN GHASALI RUHIZA BT ABDULLAH	No. 24, Persiaran Seksyen 4/2, Bandar Putra Bertam, 13200 Kepala Batas, Penang.	04-5783124 04-5783123 019-4779473 019-4529473	04-5783122
BUKIT MERTAJAM (BMC)	SEAH BOON CHIN	No. 9, Lorong Perda Utama 7, Bandar Perda, 14000 Bukit Mertajam, Penang.	04-5383219 019-5752219	04-5395219
SIMPANG AMPAT (SPS)	ALEX LOOI SWEE LIN CHOW POH KAM LOOI KHAI YUEN	No. 83, Lorong Tasek Mutiara 1/SS2, Bandar Tasek Mutiara, 14120 Simpang Ampat, Penang.	04-5021998 012-4087193 012-5896072	04-5021998

Perlis

KANGAR (KGA)	FOO YAU GEEM LOOI KONG YOKE	No. 69, Jalan Kangar - Alor Setar, Taman Pertiwi, 01000 Kangar, Perlis Indera Kayangan.	04-9777269 016-3303578	04-9777269
--------------	--------------------------------	---	---------------------------	------------

District Agents

Kedah

Location	Authorised Agent(s)	Address	Tel	Fax
SUNGAI PETANI (SPT)	FOO YAU GEEM LOOI KONG YOKE	23-A, Ground & 1st Floor, Jalan Pahlawan, Taman Lagenda Indah, 08000 Sungai Petani, Kedah Darul Aman.	04-4223319 012-4949300	04-4227168
KULIM (KUB)	KEE AH BA	No. 15, Jalan Kempas 1, Taman Kempas Indah, 09000 Kulim, Kedah Darul Aman.	04-4918466 012-4841960	04-4918466
BALING (BLI)	CHEW SWEE SANG HOR KEK BOON	No. 8, Jalan Liku, 09100 Baling, Kedah Darul Aman.	04-4707392 019-5975998 016-4907392	04-4707392
ALOR SETAR (AST)	SA'ADIAH BT BAHARUM UMMI WARDIAH @ WAHIDA BT ABDELLAH	No. 63, Jln Shahab 7, Kompleks Shahab Perdana, 05350 Alor Setar, Kedah Darul Aman.	04-7322309 017-4759604 019-4772309	04-7322309
GUAR CEMPEDAK (GCA)	IBRAHIM BIN ISMAIL ROSLINDA BT KAMIS	13 A, Taman Mewah, Guar Cempedak, 08800 Gurun, Kedah Darul Aman.	04-4619005/07 016-4196719	04-4619006
POKOK SENJA (KNC)	HANIZA BT MD ISA NOZHATUNSIMA BT GHAZALI ZUBIDAH BT CHE DAUD	No. 11, Taman Bunga Sena, 06400 Pokok Sena, Kedah Darul Aman.	04-7823526 013-4282765 016-4496028 016-4496044	04-7823228
JITRA (KNA)	ONG CHING SOO TEH KIM LOOI	No. 83, Taman Ihsan, 06000 Jitra, Kedah Darul Aman.	04-9183888 019-4167766 016-5247766 012-4291672	04-9183883

Perak

IPOH (IPA)	NORLIA BT SHAHARUDDIN SHARIFAH SALWAH BT MOHD JIPLUS SETRIA HAZAZI BIN MOHD ANUAR	No. 10, Jalan Mas 1, Taman Mas, Falim, 30200 Ipoh, Perak Darul Ridzuan.	05-2816401 019-4470450	05-2816401
SIMPANG PULAI (SPP)	SONIA KHOR MUI NGEE FRANKIE WOO KOK WAH	No. 38, Persiaran Pulau Timor 8, Taman Chandan Desa, 31300 Spg. Pulau, Perak Darul Ridzuan.	05-3577511 012-5039889	05-3577511
SITIAWAN (SWN)	LAU SHENG MING WONG YEAK MEI	127, Pusat Perniagaan Sri Manjung, 32040 Bandar Sri Manjung, Sitiawan, Perak Darul Ridzuan.	05-6889828 016-4198899	05-6881899
PARIT BUNTAR (PBA)	KEE AH BA	No. 3, Jalan Shahbandar, Pusat Bandar, 34200 Parit Buntar, Perak Darul Ridzuan.	05-7165952 012-4841960 012-4210690	05-7165952
TAIPING (TPI)	FRANKIE WOO KOK WAH MOHD NOOR BIN ZAINUDDIN SONIA KHOR MUI NGEE SANIAH BT MOHAMED JACKY WOO KOK HONG	No. 63, Jln Taman Kamunting Maju, Medan Saujana Kamunting, 34600 Kamunting, Perak Darul Ridzuan.	05-8082550 012-5039889 012-5175707 016-5515355	05-8082550
KUALA KANGSAR (KKS)	SURAIYA BT SHAHARUDDIN OTHMAN BIN HJ NOH	No. 7A, Tingkat 1, Persiaran Taiping 1, Jalan Taiping, 33000 Kuala Kangsar, Perak Darul Ridzuan.	05-7775239 016-5209366	05-7776125
BAGAN SERAI (BGS)	RAHAINE BT BASRAN	No. 20, Tingkat 1, Jalan Harmoni, Pusat Bandar, 34300 Bagan Serai, Perak Darul Ridzuan.	05-7217820 012-5126739	05-7217820
GERIK (GRA)	SITI A'JAM BT HARUN	Lot 8292, Jalan Air Suda Bahagia, Jalan Taman Intan, 33300 Gerik, Perak Darul Ridzuan.	05-7921009 019-4406377	05-7921009
TG. MALIM (TJA)	CHE'MAH BT ADAM ZAINAL ABIDIN BIN ZAMRI RAMLAH BT ADAM	No. 18, Atas, Jalan Wangsa Jaya, Taman Wangsa Jaya, 35900 Tanjung Malim, Perak Darul Ridzuan.	05-4583303 012-4149335	05-4583303
TELUK INTAN (TB)	ZAKIAH BT YAHYA LAU SHENG MING	No. 27, Tingkat Bawah, Lorong Tembaga 1, Taman Sri Emas, Jalan Maharajalela, 36000 Teluk Intan, Perak Darul Ridzuan.	05-6215952 019-5757336	05-6227453

District Agents

Wilayah Persekutuan

Location	Authorised Agent(s)	Address	Tel	Fax
BANGSAR (BSR)	IR. ANIS BIN MD. SALLEH LATIPAH BT SABTU	No. 4-G, Jalan Bangsar Utama 9, Bangsar Utama, 59100 Kuala Lumpur, Wilayah Persekutuan.	03-22841077 012-335 2912	03-22849078
BANDAR TASIK SELATAN (SRA)	AMRAN BIN MOHAMMAD YATIM ZALIZAN BT YA'ACOB	23-1, Jalan 8/146, Bandar Tasik Selatan, 57000 Kuala Lumpur, Wilayah Persekutuan.	03-90576293 019-3926711	03-90576293
BANDAR TUN RAZAK (BTR)	ISMAIL BIN HASSAN TAN PUAY LENG	No. 57-1, Jalan Dwitasik 2, Dataran Dwitasik, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan.	03-91737616 03-91737618 019-7741363 019-3363838	03-91737617

Selangor

SUNGAI BULOH (KPA)	SAKINAH BT SALLEH ALWI BIN MOHD YUNUS	No. 15, Jalan BRP 1/5, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan.	03-61413372 019-3353648	03-61413375
KLANG (KLD)	AISHAH BT MOHAMED	No. 13-01-1 & 15-01-1, Lorong Batu Nilam 1A, Bandar Bukit Tinggi, 41200 Klang, Selangor Darul Ehsan.	03-33236264 012-5065983 016-5243829	03-33237961
SUNGAI BESAR (SGB)	HAMIDIN BIN SAIRI	No. 6, PT 1476, Jalan SBBC 4, Sg Besar Business Centre, 45300 Selangor Darul Ehsan.	03-32243413 019-5642332 016-5262332	03-32245958
AMPANG (AMG)	DING MOY NGUK DING TING SENG	No. 4A & 4B, Pusat Komersial Ara Ampang, Jaijan Ampang, 68000 Ampang, Selangor Darul Ehsan.	03-42513668 03-42510668 012-3938112 012-3828112	03-42531668
SHAH ALAM (SAA)	DAVID LEE THIAM SENG TAN SAY	No. 7, Jalan Cheong Sam 10/11, Section 10, 40000 Shah Alam, Selangor Darul Ehsan.	03-55104170 012-2248722 012-3229589	03-55107841
BANTING (BNA)	AZMI BIN ABDUL MANAF	B-30-1, Tingkat 1, Jalan Bunga Pekan 9, Pusat Perniagaan Banting Uptown, 42700 Banting, Selangor Darul Ehsan.	03-31812253 019-2743953	03-31812955
SUBANG JAYA (SJA)	DARMA TA'SIAH BT ISMAIL	No. 1-1, Jalan USJ 1/1C, Regalia Business Centre, UEP Subang Jaya, 47620, Selangor Darul Ehsan.	012-3207648 012-3171749	03-80247719
PETALING JAYA (PJU)	AHMAD RAZALI BIN MUSTAFFA RAMLAH BT ABU BAKAR	No. 11&13, Jalan PJU 5/9, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.	03-61408134 03-61408135	03-61408154
KAJANG (KJA)	TEOH SENG LOCK CHONG KIOOK HEONG	C-12A-GB, Jalan Prima Saujana 2/B, Seksyen 2, Taman Prima Saujana, 43000 Kajang, Selangor Darul Ehsan.	03-87379878 012-2169878 012-3229878	03-87396248
BANDAR BARU BANGI (BGA)	TENGGU REIHANAH BT TUAN ABDULLAH	No. 11(G), Jalan 9/9C, Seksyen 9, Bandar Baru Bangi, 43650 Selangor Darul Ehsan.	03-89266848 019-2799094	03-89262672
RAWANG (RWC)	SHANTY BT ABDULLAH ROHANI BT AHMAD	No. 83, Jalan Bandar Rawang 2, Pusat Bandar Rawang, 48000 Selangor Darul Ehsan.	03-60910085 012-4058085 012-4276762	03-60910085
KUALA SELANGOR (KSA)	SANIAH BT SAYUTI ANIZAH BT SYED ALWEE	21, Jalan Raja Lumu, Bandar Kuala Selangor, 45000 Kuala Selangor, Selangor Darul Ehsan.	03-32896036 019-7285626	03-32896027
PUCHONG (PCB)	LIM SIONG SUM LIM SIONG TECK	No. 3-1, Jalan Puteri 2/6, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan.	03-80631216 012-3295218	03-80631216

District Agents

Negeri Sembilan

Location	Authorised Agent(s)	Address	Tel	Fax
NILAI (NLB)	SITI NORBAYA BT ABD. KADIR	PT 9895, Jalan BBN 1/3J, Putra Point Bandar Baru Nilai, 71800 Nilai, Negeri Sembilan.	06-8503707 019-2246271	06-8503257
SEREMBAN (SMA)	DATIN ANIMAH BT SABTU DATO' IR. ZAMZURI BIN ABD. GHAFAR	602 & 603, Jln Haruan 4/8, Oakland Commercial Centre, 70300 Seremban, Negeri Sembilan.	06-6336433	06-6323909
PORT DICKSON (PDC)	NORAZIMAH BT MOHAMAD	Lot G 4, Bangunan Arked D'Mara, 71000 Port Dickson, Negeri Sembilan.	06-6463677 013-6219749	04-6463677
BAHAU (BHA)	ZARINA BT ZAINUDIN	No. 15, Tingkat 1, Jalan Mahligai, 72100 Bahau, Negeri Sembilan.	06-4540562 012-2083660 012-6967100	06-4540562

Melaka

MELAKA (MKA)	SIAO FOON FUAT CATHERINE NA PEY FANG	7, 7A & 7B, Jalan Melaka Raya 24, Taman Melaka Raya, 75000 Melaka.	06-2843090 012-6127474	06-2843081
MASJID TANAH (MJT)	GAN CHIN KEONG	MT 1408, Pusat Perdagangan Masjid Tanah, 78300 Masjid Tanah, Melaka.	06-3848128 016-5207128	06-3848127
AYER KEROH (AKY)	ZAIDAH BT YET	No. 152, 152-1, Jalan TU 2, Taman Tasik Utama, Ayer Keroh, 75450 Melaka.	06-2322887 012-6117495	06-2320326
BATU BERENDAM (BBM)	DR. ROSNANI BT SABTU MOHD AFIQ BIN MOHD YAZID	No. 17 & 17-1, Jalan Mutiara Melaka 5, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka.	06-3178607 012-6239447	06-3178609

Johor

BATU PAHAT (BPH)	TAN TIONG WI @ TAN TIONG HUI LIM CHWEE CHOO TAN CHIAT MING	No. 16, Jalan Rotan Cucur, Taman Sri Jaya, 83000 Batu Pahat, Johor Darul Takzim.	07-4334331 07-4337331 012-7079385	07-4338331
JOHOR BAHRU (JHA)	ROZANA BT ABDUL RAHIM AZAHARI BIN BAHARUM	No. 12, Jalan Suria 19, Taman Suria, 81100 Johor Bahru, Johor Darul Takzim.	07-3322020 07-3340958 019-7252257 019-7252262	07-3323020
KLUANG (KLG)	LOW BOK LUAN	No. 35, Jalan Berangan, 86000 Kluang, Johor Darul Takzim.	07-7738899 012-7098899 012-7878899	07-7735431
KOTA TINGGI (KTI)	CHIA CHENG MING	No. 3-G, Jalan Abdullah, 81900 Kota Tinggi, Johor Darul Takzim.	07-8834933 019-7765799	07-8834933
MUAR (TKA)	SIMON TEW KAM HOCK	No. 37, Jalan Pesta 1-2, Taman Tun Dr Ismail-1, 84000 Muar, Johor Darul Takzim.	06-9547996 012-6237996 012-6287996	06-9547996
KULAI (KIA)	SOELASTRO BIN DAMIS	No. 039, Jalan Kenanga 29/3, Bandar Indahpura, 81000 Kulai, Johor Darul Takzim.	07-6625579 019-7707666	07-6625579
SKUDAI (SKA)	JAMALIAH BT ESA JAMILAH BT MOHAMMAD	No. 6 & 7, Jalan Pendidikan 3, Taman Universiti, 81300 Skudai, Johor Darul Takzim.	07-5206255 019-7788848	07-5206355
SEGAMAT (SMT)	NGOI MEE CHIN TAN KIAN SAI	No. 1, Jalan Nagasari 14, Bandar Segamat Baru, 85000 Segamat, Johor Darul Takzim.	07-9437008 07-9437168 019-7587289	07-9437168
PONTIAN (PTA)	AZARI BIN A GHANI	No. 53, Aras Bawah PTB 12820, Bangunan Baitulmal, Jalan Delima, Pusat Perdagangan Baru, 82000 Pontian, Johor Darul Takzim.	07-6868076 019-7004070 013-7704388	07-6868086
MERSING (MGA)	NORMAHDAH BT ARSAD	No. 933, Jalan Endau, 86800 Mersing, Johor Darul Takzim.	07-7982717 019-7586234	07-7982717
MASAI (MSD)	NORLIN BT AHMAD	No. 7G, Jalan Suria 7, Bandar Seri Alam, 81750 Masai, Johor Darul Takzim.	012-7035307 012-7196535	07-5542311

District Agents

Johor

Location	Authorised Agent(s)	Address	Tel	Fax
BANDAR AYER HITAM (JAH)	LIM BOON PIAU	No. 2, Jalan Putra 1, Taman Medan Putra, 86100 Ayer Hitam, Johor Darul Takzim.	07-7583996 012-7127828 017-7748996	07-7583996
BANDAR PENAWAR (JBP)	KHAIRLUNNISHA BT OTHMAN DEWI AISHAH BT MOHD SAID NUR SARAH BT AZIZUL	No.14, Pusat Bandar Penawar, 81930 Bandar Penawar, Johor Darul Takzim.	07-8222020 017-7162332	07-8222020
LEDANG (LED)	WANOYAH BT SAMSI	No.8, Tingkat Bawah, Pusat Perniagaan Naib Long, Jalan Naib Long, Tangkak, 84900 Ledang, Johor Darul Takzim.	06-9789039 019-6863408	06-9789039

Kelantan

KOTA BHARU (KBA)	NORMA BT NAWI	Wisma Norma Nawi, Seksyen 26, Jalan Dusun Muda, 15200 Kota Bharu, Kelantan Darul Naim.	09-7419153 09-7419150 09-7419152 019-9591314	09-7438150
PASIR MAS (PMB)	ROHIDA BT ISMAIL	No. 9, Tkt 1, Wisma Al-Ridha, Lorong Hj. Ahmad Sebelah Balai Polis Pasir Mas, 17000 Pasir Mas, Kelantan Darul Naim.	09-7902004 019-9178256	09-7902004
PASIR TUMBOH (PSA)	WAN AHMAD BIN WAN IDRIS LONG HABSAH BT ISMAIL	PT904, Desa Darul Naim, Pasir Tumboh, 16150 Kota Bharu, Kelantan Darul Naim.	09-7656588 013-9805020 016-9236937	09-7647588

Terengganu

KUALA TERENGGANU (KTR)	AS'ARI BIN OMAR	No. 51B, 1st Floor, Jalan Tok Lam, 20100 Kuala Terengganu, Terengganu Darul Iman.	09-6311868 013-9305776	09-6311868
JERTEH (JET)	CHE ROSNAH BT CHE HUSIN	Lot 371, Jalan Tangki Air, Taman Jerteh, 22000 Jerteh, Terengganu Darul Iman.	09-6974188 019-9130188	09-6974188
CHENDERING (CDA)	FATIMI BT MOHAMMAD @ MOHD ZAIN	2022 K, Taman Permint Jaya, Fasa IV, Chendering, 21080 Kuala Terengganu, Terengganu Darul Iman.	09-6170221 012-3833255	09-6175602
DUNGUN (DGA)	CHE ROSNAH BT CHE HUSIN	Lot 6519, Tingkat Atas, Batu 48, Jalan Dungun Paka, 23000 Dungun, Terengganu Darul Iman.	09-8481928 09-8451928 019-9130188	09-8451928
KEMAMAN (KMB)	AZIMAH BT ABD HADI MOHD AZHAM BIN ABD HADI	PT8897, Tingkat Bawah & Satu, Jalan Kemaman-Kuantan, Taman Geliga Sakti, 24000 Kemaman, Terengganu Darul Iman.	09-8684227 012-9211599	09-8684226

Pahang

KUANTAN (MSB)	VICTOR KEOW WUN LIONG	No. 94B, Jalan Wong Ah Jang, 25100 Kuantan, Pahang Darul Makmur.	09-5151388 019-9159967	09-5151488
TEMERLOH (TMH)	MOHD IRWAN BIN ZULKEFLI	No. 9, Tingkat 1, Jalan Sudirman, Pusat Perdagangan Sri Semantan, 28000 Temerloh, Pahang Darul Makmur.	09-2968700 013-9222278 016-6266554	09-2968700
PEKAN (PKB)	ZABEDAH BT ISMAIL	No. 3, Pusat Komersial Pekan, Jalan Sultan Abu Bakar, 26600 Pekan, Pahang Darul Makmur.	09-4211020 013-9285448	09-4211021
INDERA MAHKOTA (DMA)	MAZIAH BT HAMZAH	B 36, Persiaran Sultan Abu Bakar, Taman Sri Mahkota 25200 Kuantan, Pahang Darul Makmur.	09-5736716 019-9596122 013-9852868	09-5736716

District Agents

Sarawak

Location	Authorised Agent(s)	Address	Tel	Fax
TABUAN STUTONG (TSA)	DAVID LAM TAH WI NAH KHENG ANG	1st Floor, Lot 153, Jalan Haji Taha, 93400 Kuching, Sarawak.	082-232022 017-2200022	082-236022
KOTA SAMARAHAN (KHA)	SITI A'JAM BT HARUN ANITA BT SHAWAL	Ground Floor, Lot 3022, S/L 30, Jalan Dato' Mohd Musa, Desa Ilmu Phase II, 94300 Kota Samarahan, Sarawak.	082-662676 019-8174292	082-662676

Sabah

KOTA KINABALU (KKK)	CHONG YIN TECK CHEAH SOO SIANG @ APANG	Lot 10, Block L, Batu 5½, Jalan Tuaran, KK Taipan, 88459 Kota Kinabalu, Sabah.	088-380713 019-8633918 012-7581783	088-383712
TAWAU (TWB)	ARMINOH BT JAPAR AISHAH BT MARSUS	Lot 7, TB 4416, 1st Floor, Sabindo Square, Lorong Sabindo Baru, 91000 Tawau, Sabah.	089-759768 013-8868279 019-8134269	089-759768
PENAMPANG (PNP)	NIKMAH BT JAOJAINI	Lot 29, Blok E, 1st & 2nd Floor, Donggongan Square, Km10, Pekan Donggongan, 89500 Penampang, Sabah.	088-731006 013-8865006	088-731006
LAHAD DATU (LDA)	CHEAH SOO SIANG @ APANG CHONG YIN TECK	MDLD 7055, Lot 307, Jln Silam, Bandar Sri Perdana, 91100 Lahad Datu, Sabah.	089-862898 019-8633918	089-862898
SANDAKAN (SDB)	SALASIAH BT MASBAKUN SITI HAJAR BT ABDUL RAHIM	No. 1-46, Shopping Arcade Tyng Garden, Mile 6, 90000 Sandakan, Sabah.	089-668848 016-2292107 013-8562882	089-669848

This page has been left blank intentionally.

Analysis Of Shareholdings

As At 25 February 2010

AUTHORISED SHARE CAPITAL	: RM500,000,000
ISSUED AND FULLY PAID-UP CAPITAL	: RM172,500,000
CLASS OF SHARE	: Ordinary shares of RM0.50 each fully paid
VOTING RIGHT	: On a show of hands one vote for every shareholder On a poll one vote for every ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 25 FEBRUARY 2010

Size of Holdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Issued Share Capital
Less than 100	6	0.24	315	0.00
100 - 1,000	507	19.87	457,600	0.13
1,001 - 10,000	1440	56.45	7,257,500	2.11
10,001 - 100,000	507	19.87	15,809,693	4.58
100,001 - 17,249,999	86	3.37	59,297,632	17.19
17,250,000 - 345,000,000	5	0.20	262,177,260	75.99
TOTAL	2,551	100.00	345,000,000	100.00

DIRECTORS' SHAREHOLDINGS AS AT 25 FEBRUARY 2010

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1	Haji Wan Mansoor Bin Wan Omar	10,000	0.00	—	—
2	Teoh Beng Seng	40,124,618	11.63	180,612,342	52.35
3	Teoh Meng Keat	20,152,200	5.84	*2,000,000	0.58
4	Khoo Teng It	160,000	0.05	*55,000	0.02
5	Teoh Meng Lee	2,782,000	0.81	—	—
6	Teoh Meng Soon	2,730,000	0.79	—	—
7	Tan Lip Gay	15,000	0.00	—	—
8	Diong Chin Teck @ Tiong Chin Sang	5,000	0.01	—	—

* These are shares held in the name of the spouse and are treated as interest of the Director as in accordance with Section 134(12)(c) of the Companies Act, 1965.

By virtue of his interests of more than 15% in the shares of the Company, Mr Teoh Beng Seng is also deemed to be interested in the shares of the subsidiaries to the extent that the Company has an interest.

SUBSTANTIAL SHAREHOLDERS AS AT 25 FEBRUARY 2010

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1	Teoh Beng Seng	40,124,618	11.63	180,612,342	52.35
2	Teoh Meng Keat	20,152,200	5.84	—	—
3	The Best Source Holdings Pte Ltd	59,827,342	17.34	—	—
4	Zhulian Holdings Sdn. Bhd.	120,785,000	35.01	—	—
5	Lembaga Tabung Haji	21,298,100	6.17	—	—

THIRTY LARGEST SHAREHOLDERS AS AT 25 FEBRUARY 2010

No.	Name	No. of Shares	% of Issued Share Capital
1	Zhulian Holdings Sdn. Bhd.	120,785,000	35.01
2	The Best Source Holdings Pte. Ltd.	59,827,342	17.34
3	Teoh Beng Seng	40,124,618	11.63
4	Lembaga Tabung Haji	21,288,100	6.17
5	Teoh Meng Keat	20,152,200	5.84
6	A. A. Anthony Nominees (Tempatan) Sdn. Bhd. for Matlamat Handal Sdn. Bhd.	7,978,200	2.31
7	Chong Siew Kam	5,125,000	1.49
8	Malaysian Technology Development Corporation Sdn. Bhd.	4,652,824	1.35
9	Teoh Beng Chye	3,846,900	1.12
10	Yayasan Terengganu	2,599,634	0.75
11	A. A. Anthony Nominees (Tempatan) Sdn. Bhd. for Ahmad Razali Bin Mustaffa	2,500,000	0.73
12	Teoh Meng Soon	2,250,000	0.65
13	Teoh Meng Lee	2,250,000	0.65
14	Khoo Lay Boon	2,000,000	0.58
15	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt an for MIDF Amanah Asset Nominees (Tempatan) Sdn. Bhd. (Account 1)	1,653,502	0.48
16	P'ng Swee Guan	1,565,115	0.45
17	Perbadanan Kemajuan Negeri Kedah	1,429,349	0.41
18	Teoh Siew Hong	1,250,002	0.36
19	Teoh Siew Choo	1,250,000	0.36
20	Mohd Munir Bin Abdul Majid	1,128,500	0.33
21	Ng Gaik Hua	1,050,000	0.30
22	Khoor Ah Siew	918,000	0.27
23	Yayasan Kelantan Darul Naim	646,444	0.19
24	Chen Tam Chai	581,200	0.17
25	CIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teoh Meng Lee (Penang)	532,000	0.15
26	Soon Bee Ai	510,000	0.15
27	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fong SiLing (CEB)	500,000	0.15
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teoh Meng Soon (Penang)	480,000	0.14
29	Yeik Nai Soon	418,000	0.12
30	Yayasan Melaka	384,731	0.11
	TOTAL:	309,676,661	89.76

Notice Of Thirteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 21 April 2010 at 2:30 p.m. for the following purposes:-

AGENDA

1.	To receive the Audited Financial Statements for the year ended 30 November 2009 and Reports of the Directors and Auditors thereon.	
2a.	To re-elect the following Directors who retire pursuant to Article 94 of the Company's Articles of Association:-	
	i. Tuan Haji Mansoor Bin Wan Omar	Ordinary Resolution 1
	ii. Mr Teoh Meng Keat	Ordinary Resolution 2
2b.	To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association:-	
	i. Mr Teoh Meng Lee	Ordinary Resolution 3
	ii. Mr Teoh Meng Soon	Ordinary Resolution 4
2c.	To re-elect Mr Diong Chin Teck, who retires pursuant to Section 129 of the Companies Act, 1965 ("Act").	Ordinary Resolution 5
3.	To approve Directors' fees for the year ended 30 November 2009.	Ordinary Resolution 6
4.	To re-appoint Messrs. KPMG and to authorise the Directors to fix their remuneration.	Ordinary Resolution 7
5.	As Special Business To consider, and if thought fit, to pass the following Ordinary Resolution:-	
	SECTION 132D OF THE COMPANIES ACT, 1965 "THAT pursuant to Section 132D of the Act and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorized to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."	Ordinary Resolution 8
6.	To transact any other business of which due notice shall have been given.	

By Order of the Board

Lam Voon Kean
(MIA 4793)
Company Secretary

Penang, 30 March 2010.

Notes:

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
4. To be valid, the proxy form duly completed must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42-A Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty eight (48) hours before the time appointed for holding the meeting.
5. The details of the Directors standing for re-election as in Agenda 2(a) – (c) are as more particularly disclosed in Pages 19 to 22 of the Annual Report of the Company.

Explanatory Note on Special Business:

1. The Ordinary Resolution 8, if passed, will give authority to the Board of Directors to issued and allot ordinary shares from the unissued capital of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 21 April 2009 and which will lapse at the conclusion of the Thirteenth AGM.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Statement Accompanying Notice of Annual General Meeting

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

1. No individual is seeking election as a Director at the forthcoming Thirteenth AGM of the Company.

Proxy Form

ZHULIAN CORPORATION BERHAD (415527-P)
(Incorporated in Malaysia)

I/We,
 of
 being a member / members of the above-named Company hereby
 appoint
 of
 or failing him,
 of

(Full name in block letters)

(Address)

(Full name in block letters)

(Address)

(Full name in block letters)

(Address)

as my/our proxy, to vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company will be held at Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 21 April 2010 at 2:30 p.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS	FOR	AGAINST
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		
Resolution 6		
Resolution 7		
Resolution 8		

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

In the case of more than one proxy is appointed, the proportions of my/our percentage of shareholdings to be represented by my/our proxies are as follows:

First named Proxy	%	No. of Ordinary Shares Held
Second named Proxy	%	
	100%	

Signed this day of 2010.

.....
 Signature of Shareholder(s)

Notes :

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
4. To be valid, the proxy form duly completed must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42-A Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty eight (48) hours before the time appointed for holding the meeting.

Please fold here

(STAMP)

TO,
The Company Secretary
ZHULIAN CORPORATION BERHAD (415527-P)
Suite 2-1, 2nd Floor, Menara Penang Garden
42-A, Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Please fold here

Fold this flap for sealing



BEYOND WATER
BIO-ACTIVE REFORMING SYSTEM



WE continue
to **INNOVATE**
towards achieving
the ideals of
HEALTHY LIVING
in the most natural way.





ZHULIAN CORPORATION BERHAD (415527-P)

Plot 42, Bayan Lepas Industrial Estate, Phase IV, 11900 Penang, Malaysia.
Tel: 604-616 2020 FAX: 604-642 5989 Website: www.zhulian.com