

ZHULIAN

Annual Report 2011





For **ZHULIAN**, success is about looking to the future with foresights and insights. We map out our future by making constructional changes and strategic decisions about the business that benefits our people; we take pro-active approaches that cover improving the infrastructures, reinforcing the training and development programmes, materialising new product ideas, capturing opportunities by analysing the market trends and identifying future market needs that aim to catapult the Company to a rapid growth path.

INITIATING CHANGE, ACCELERATING GROWTH

VISION & MISSION

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.

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FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED 30 NOVEMBER

	2011	2010	2009	2008	2007
1. RESULTS (RM'000)					
Revenue	357,542	322,611	315,275	303,577	220,546
Profit Before Taxation ("PBT")	115,072	105,897	102,704	94,993	74,348
Profit After Taxation	95,320	86,672	82,057	74,690	58,927

2. STATEMENT OF FINANCIAL POSITION (RM'000)

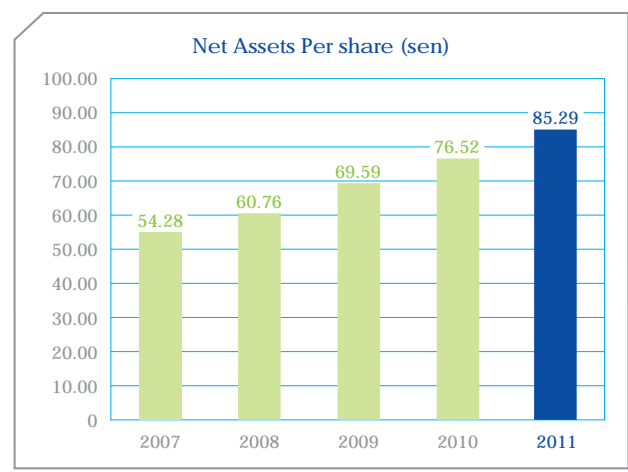
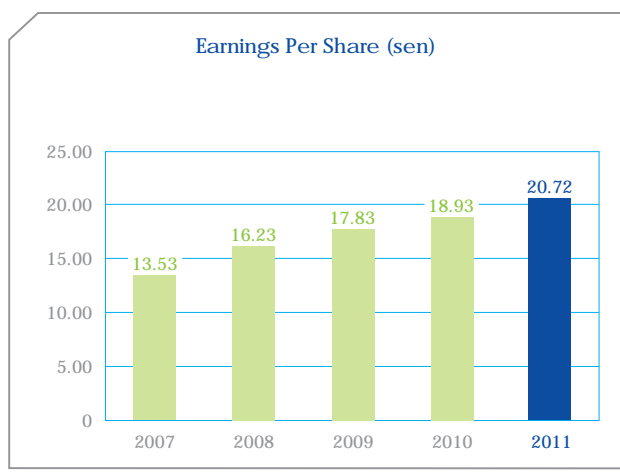
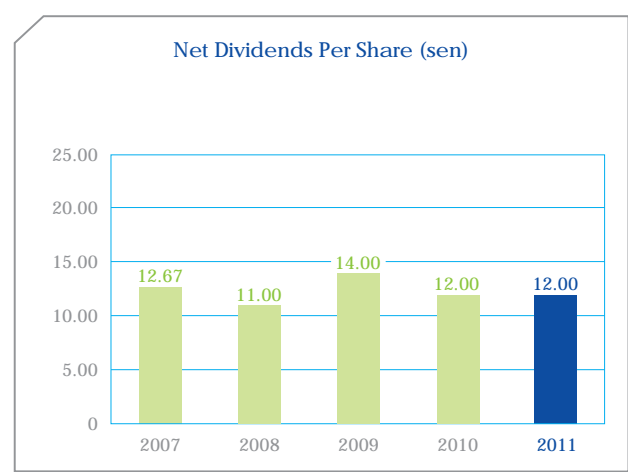
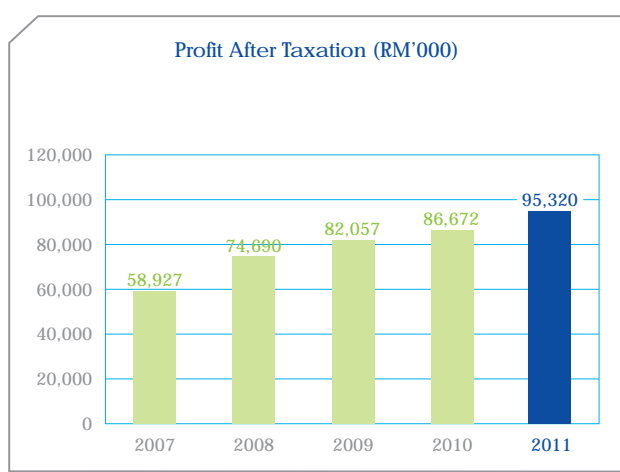
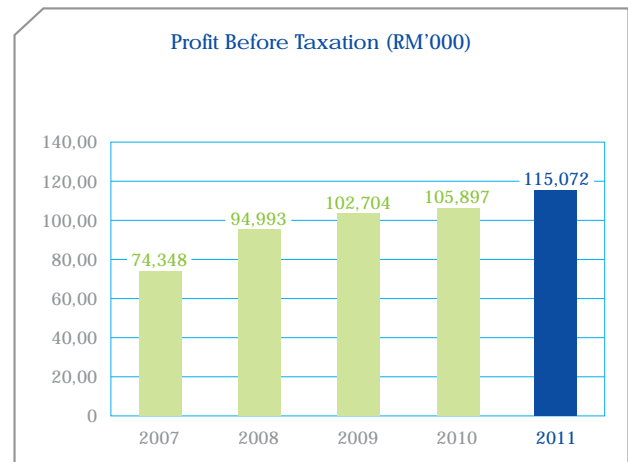
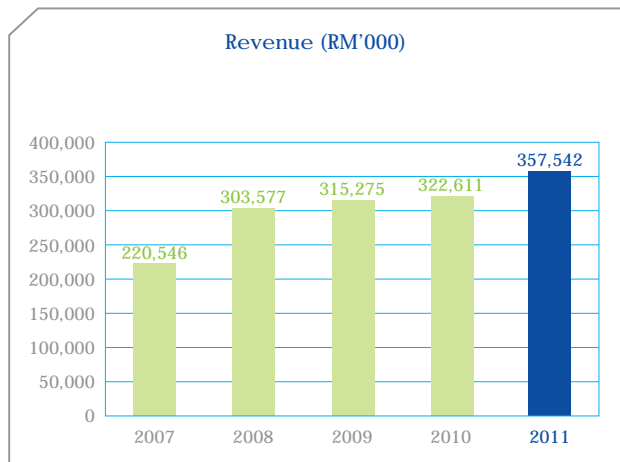
Total Equity Attributable to Owners of The Company	392,319	351,987	320,111	279,500	249,679
Total Assets	446,219	405,612	373,334	342,457	283,500
Total Borrowings	—	—	—	—	—

3. RATIO

Net Dividends Per Ordinary Share (sen)	12.00	12.00	14.00	11.00	12.67
Earnings Per Share (sen)*	20.72	18.93	17.83	16.23	13.53
Net Assets Per Share (sen)	85.29	76.52	69.59	60.76	54.28
Gearing Ratio (%)	0%	0%	0%	0%	0%

* Earnings Per Share (EPS) was calculated based on weighted average number of ordinary share in issue of 435,228,000 for the financial year 2007.

FIVE-YEAR GROUP FINANCIAL CHARTS





CORPORATE REVIEW

Corporate Profile

Chairman's Statement /
Penyata Pengerusi

Group Structure

Corporate Information

Board of Directors

Directors' Profile

Empowering Synergy for Business Success



CORPORATE PROFILE

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

ZHULIAN 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 associate 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

CHAIRMAN'S STATEMENT

“...ZHULIAN Group is able to sustain the uptrend for five consecutive years - a testimony of the Group's resilience in steering through the growing competition and great challenges in Multi-Level Marketing (“MLM”) industry. This encouraging performance is backed by its prudent management and dedicated Distributors who have unwavering faith in the business, also driven by the innovative and proactive strategic initiatives taken in shaping the Group's future...”

Dear Valued Shareholders,

On behalf of the Board of
Directors of **ZHULIAN
CORPORATION BERHAD**
 (“ZHULIAN” or “the Company”),
I am pleased to present the
Annual Report and Audited
Consolidated Financial
Statements of **ZHULIAN** and
its subsidiaries (“ZHULIAN
Group” or “the Group”) for the financial year ended
30 November 2011.



FINANCIAL OVERVIEW

Despite the prevailing situation of global uncertainty, such as financial crisis in Europe, rising costs due to surging prices of petrol and raw materials, especially food, the Malaysia's economy showed positive recovering signs during 2011 with a GDP growth of 5%.

As for **ZHULIAN** Group, our domestic and export market demand remained resilient with a positive growth in the year under review where we took the Group's revenue up a notch to RM357.5 million, which is equivalent to 11% growth from previous year's revenue of RM322.6 million, a remarkable increase as compared to growth of only 2% in 2010. That also means **ZHULIAN** Group was able to sustain the uptrend for five consecutive years, a remarkable track record that serves as a testimony of the Group's resilience in steering through the growing competition and great challenges in the MLM industry. Thanks to its prudent management and dedicated Distributors who always have strong faith in the business, also driven by the innovative and proactive strategic initiatives taken in shaping the Group's future.

ZHULIAN Group has gone through a year of enormous strategic change in order to position itself to compete effectively in the market and march into the new stage of growth. Initiatives were taken to expand market share, increase product mix, refine business model, improve infrastructure to boost efficiency in coping with increasing business volume. The positive momentum augured well for the Company's long-term growth prospects.



The Group did not start up the year on a positive note as there was a drop in its first quarter's net profit compared to 2010 first quarter's Profit After Tax. That was mainly due to the drop in gross profit margin as a result of the strengthening of the Ringgit Malaysia against the US Dollar. However, the Group recovered strongly later on in the 2nd and 3rd quarter, backed by an increase in the number and productivity of Distributors, better sales performance and higher demand for our products in the regional markets. During the last quarter of 2011 when coping with the trials and tribulations of the flood disaster in Thailand, the Group managed to come up with contingency plans to overcome the logistical challenge in flood area promptly without disrupting our supply chain. Such effective remedial action enables the Group to sustain the uptrend momentum till the final quarter to conclude the year with a 11% increase in revenue to RM357.5 million for the year under review, compared to RM322.6 million for year 2010. Profit Before Tax increased to RM115.1 million against the previous year's RM105.9 million while Profit After Tax (PAT) increased to RM95.3 million in year 2011, an increase of 10% from last year's PAT of RM86.7 million.

DIVIDENDS

Consistently Giving Back to Shareholders

The Company continued to uphold the policy of creating value for shareholders through a sustainable dividend policy, i.e. 60% of Profit After Tax for the year under review will be paid to shareholders as dividends. Taken together with the fourth interim single-tier dividends of 3 sen declared in January, 2012, the total dividend for the financial year ended 30 November 2011 amounts to 12 sen net per share. The total net dividend payout of RM55.2 million will translate into a net dividend yield of 7%. This is the 5th consecutive financial year that **ZHULIAN** has declared dividends to shareholders since listing on the Main Market of Bursa Malaysia Securities Berhad in 2007.

CORPORATE DEVELOPMENT

Further Improvement on Infrastructure

The newly revamped RM29.9 million Zhulian International Headquarters Building in Penang which was officially opened in a grand ceremony held on 23 July 2011, created much excitement and inspired confidence amongst all Distributors under the umbrella of **ZHULIAN** Group. This certainly reinforced the Group's commitment towards delivering its best to its Distributors and Consumers in the region.

Currently, the Group's Plot 3 food manufacturing plant is undergoing an extension project to add 3,283 sq. metres to the existing built-up area of 17,444 sq. metres. The extended area is particularly catered for the use as the warehouse and production floor in order to provide more room for the business segment to grow in terms of productivity in coping with increasing business volume. The project has completed in February, 2012.





AWARDS AND RECOGNITIONS

Represents Prominence and Competitiveness

The Group added another feather in its cap when **ZHULIAN MARKETING (M) SDN. BHD.** received another prestigious award, namely “1 Malaysia Enterprise Award 2012 – 1 Malaysia Master Leader” under the national category. The award presentation which was organised by Malaysia Food Processing and Packaging Entrepreneurs Association (MAFPA) was held in Subang, Selangor on 10 January 2012. With the winning of this exceptional recognition, we believe **ZHULIAN**'s visionary Board and prudent management will be able to mould a model of credibility, accountability and sustainability for others to emulate.



CORPORATE GOVERNANCE

Key to Business Resilience and Growth

ZHULIAN is committed to upholding the principles of integrity, transparency and accountability and this is reflected in the good corporate governance practices and strong internal control we have incorporated into the way we do business. The Board is dedicated in ensuring all the practices related to Corporate Governance comply with the relevant laws and regulations. We place our focus on value creation, in a management culture that conforms to the latest standards of Corporate Governance and in the Company's policy of communicating transparently. The

core principles of **ZHULIAN**'s Corporate Governance are clearly laid down by the Board in the Group's Statement on Corporate Governance and the Statement on Internal Control as stated in this Annual Report. An internal audit function is in place throughout the Company to examine and evaluate the Company's procedures and systems, including internal controls, disclosure procedures and information systems in ensuring compliance to good corporate governance standards.

CORPORATE SOCIAL RESPONSIBILITIES

Fulfilling Social Responsibility

The Group takes pride in bringing people together by offering an equitable business opportunity that is instrumental to change people's life towards betterment. We promote the culture of sharing and caring as the key principle of our business. To **ZHULIAN** Group, corporate responsibility is about doing business with conscience and respect to the need of community at large. The Group embraces this tenet into the place we work, the way we do our business, the products we developed and manufactured and the way we serve the people who are connected to the Group in any way to enable long-term viability of the Group.

Based on this belief, the Group is dedicated in undertaking various corporate social responsibility initiatives that add values in the aspect of the workplace, community, environment and marketplace. We create the most conducive working environment for the employees especially in the aspects of work safety. We continue to inspire our Distributors in our endeavour to groom successful entrepreneurs through the comprehensive Zhulian Golden Business Plan and training and development programmes. On top of that, we also specially set up Education Trust Fund to encourage our Distributors to work together with their children towards pursuing excellence in their career and studies respectively. As a corporate citizen who is responsible to the community, we extend our helping hands to the underprivileged groups in the communities with contributions in cash and in kind amounting to RM140,000 through various charity bodies. In the aspect of environment, we ensure the environment is not adversely affected by our business operations by adhering to Environmental Quality Act and other regulations stipulated in regards of environment protection. In addition, since the year 2010 more than 8,000 recycle bags were given away at the National Convention, namely Night of Honour held annually in the Group's effort to help promote the use of reusable bags while fulfilling its environmental responsibility. As far as the marketplace is concerned, the Group also put effort in ensuring ethical business practices amongst its Distributors and encourage fair competition in the market place.

The Group holds on to its belief that a business should be able to bring positive changes to the quality of life of the communities and the environment where people live and work. Thus, we would continue our effort in doing our very best in helping our people live a better life and making our environment a better place to live with the future generations in mind.

OUTLOOK AND PROSPECTS

The Malaysian government has said in its annual economic forecast that Malaysia will be able to achieve economic growth of 4 to 5 percent in 2012 and cut its fiscal deficit further as strong domestic demand and commodities exports cushion the impact of a global downturn. It is also forecasted that GDP growth in Malaysia will be largely domestic-driven, due to heightened uncertainties in the global economy. The government also said domestic inflation is increasingly affected by external factors, including supply constraints. Meanwhile, the Asian Development Bank (ADB) said Malaysia's 2012 GDP growth forecast to be 5.1 percent. This encouraging forecast was echoed by economists from Credit Suisse that Malaysia's economy is expected to remain robust in 2012 due to strong private consumption growth, supported by pay rises and bonus payments for civil servants and pensioners announced in the 2012 Budget.

Although the fundamentals of the Group are strong with many plans in-place for future development, we are mindful that external factors, such as the alarming global economic situation and higher fuel costs may continue to impact the regional economic condition. For instance, the economic pinch that can be felt domestically for the past financial year including steady hike in petrol, sugar and flour prices has already impacted consumer spending power in general and the operating costs of our business. The Group however will continue to adopt a cautious and strategic approach into the business while stepping-up control through more efficient and focused operations in order to be more cost-effective. Our strengths lie on our wide variety of self-developed and self-manufactured high quality products and our capacity to meet the demand of the ever-changing market through continuous innovation and uncompromising quality. We will continue to strengthen brand equity, increase product mix, extend market reach and expand our distribution network. Therefore, we remain cautiously optimistic that the continued support from our dedicated and resilient Distributors coupled with the improved facilities, necessary initiatives and marketing programmes put in place to support Distributors in their efforts to develop their business, we will be able to bring our Group to greater heights in the coming financial year.

APPRECIATION

ZHULIAN Group has come out stronger than before in our 5th year after listing on the Main Board of Bursa Malaysia and I am indeed very proud of our achievements. 2011 has been another step towards our continued success. The support of our shareholders and Board of Directors, along with the fighting spirits of our MLM entrepreneurs, efforts of our competent management team and our dedicated staff, have allowed us to stand strong against all challenges.

First of all, on behalf of **ZHULIAN**'s Board of Directors, I would like to thank all of our 573,883 Distributors, including our leaders and authorised agents for their continued loyalty and dedication to the Group and undivided commitment and faith in the Group's MLM business. Undeniably, their entrepreneurial spirit is the key to take our business to the next level. On top of that, I would like to take this opportunity to thank the Board members for their diligent effort, strong leadership and prudent insights. I believe with their insight and guidance, the Group will be able to accelerate forward by leaps and bounds. My heartfelt thanks also go to the management and staff whose dedicated hard work has yielded another year of amazing achievements. The Board wishes to convey sincere gratitude to our business associate, suppliers and bankers for their steadfast support and the kind cooperation extended to the Group. Last but not least, my deepest appreciation to all the shareholders for their continuing support and unwavering confidence in the Group. All of you can be rest-assured that **ZHULIAN** Group is fully committed towards achieving excellence in our performance, dedicated in serving our Distributors, and determined to stand by our commitments to our valuable shareholders in maximising shareholders' value as well as our mission to our entrepreneurs in helping them achieve their goals.

On Behalf of the Board
ZHULIAN CORPORATION BERHAD

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

PENYATA PENGERUSI

“...Kumpulan **ZHULIAN** berupaya mengekalkan tren menaik selama lima tahun berturut-turut – testimoni keteguhan Syarikat meredah persaingan yang kian meningkat dan cabaran-cabaran hebat di dalam industri Pemasaran Berbilang Tingkat (Multi-Level Marketing - “MLM”). Prestasi menggalakkan ini disokong oleh pengurusan teliti dan para Pengedar berdedikasi yang memiliki keyakinan tidak bergoyah terhadap perniagaan ini, serta dipacu oleh inisiatif-inisiatif strategik yang inovatif dan proaktif yang dilaksanakan bagi membentuk masa depan Kumpulan...”



Para Pemegang Saham Yang
Dihargai,

Bagi pihak Lembaga Pengarah
**ZHULIAN CORPORATION
BERHAD** (“**ZHULIAN**” atau
“Syarikat”), saya dengan
sukacitanya membentangkan
Laporan Tahunan dan Penyata
Kewangan Disatukan Yang Diaudit
bagi **ZHULIAN** dan subsidiarinya
(“Kumpulan **ZHULIAN**” atau
“Kumpulan”) untuk tahun
kewangan yang berakhir pada
30 November 2011.

TINJAUAN KEWANGAN

Walaupun di dalam situasi global semasa yang tidak pasti, seperti krisis kewangan di Eropah, peningkatan kos yang disebabkan oleh peningkatan harga petrol dan bahan mentah, terutamanya makanan, namun ekonomi Malaysia menunjukkan tanda-tanda pemulihan yang positif bagi 2011 dengan pertumbuhan KDNK sebanyak 5%.

Bagi Kumpulan **ZHULIAN**, permintaan pasaran domestik dan eksport kita kekal bertahan dengan pertumbuhan positif semasa tahun dalam tinjauan di mana kita merekodkan perolehan sehingga RM357.5 juta, bersamaan 11% pertumbuhan berbanding perolehan bagi tahun sebelumnya sebanyak RM322.6 juta, iaitu satu peningkatan menakjubkan berbanding pertumbuhan tahun kewangan 2010 yang hanya sebanyak 2% pada 2010. Ia juga bermakna Kumpulan **ZHULIAN** berupaya mengekalkan tren menaik selama lima tahun berturut-turut, iaitu rekod pencapaian cemerlang yang menjadi testimoni keteguhan Kumpulan meredah persaingan yang kian meningkat dan cabaran-cabaran hebat di dalam industri MLM, oleh kerana pengurusan teliti dan para Pengedar berdedikasi yang memiliki keyakinan tidak bergoyah terhadap pemiagaan ini, serta dipacu oleh inisiatif-inisiatif strategik yang inovatif dan proaktif yang dilaksanakan bagi membentuk masa depan Kumpulan.

Kumpulan **ZHULIAN** telah melalui setahun yang penuh dengan perubahan strategik yang ketara bagi membolehkannya bersaing secara berkesan di dalam pasaran dan melangkah ke tahap pertumbuhan yang baru. Inisiatif-inisiatif telah diambil bagi mengembangkan syer pasaran, menambahkan campuran produk, memperbaiki modal pemiagaan, mempertingkatkan infrastruktur demi merangsang kecekapan menangani jumlah pemiagaan yang meningkat. Momentum positif ini merupakan petanda yang baik bagi prospek pertumbuhan jangka panjang Syarikat.



Kumpulan tidak memulakan tahun tersebut dengan nada yang begitu positif lantaran penurunan keuntungan bersih pada suku pertamanya berbanding Keuntungan Selepas Cukai suku pertama tahun 2010. Kekurangan ini adalah disebabkan oleh kemerosotan margin untung kasar yang berpunca daripada nilai Ringgit Malaysia yang kian kukuh berbanding Dollar Amerika Syarikat. Namun, Kumpulan kian pulih pada suku kedua dan ketiga, lantaran peningkatan bilangan Pengedar dan produktiviti Pengedar, prestasi jualan yang lebih baik serta peningkatan permintaan terhadap produk kita di pasaran serantau. Semasa menghadapi cabaran dan dugaan bencana banjir di Thailand sepanjang suku terakhir tahun 2011, Kumpulan berupaya melaksanakan pelan kontinjensi bagi menangani masalah logistik di kawasan banjir dengan pantas tanpa menjejaskan rantaian bekalan kita. Tindakan pemulihan berkesan sedemikian membolehkan Kumpulan **ZHULIAN** mengekalkan momentum naiknya sehinggalah suku terakhir bagi menamatkan tahun tersebut dengan peningkatan 11% bagi perolehan, dengan jumlah RM357.5 juta bagi tahun dalam tinjauan, berbanding RM322.6 juta bagi 2010. Keuntungan Sebelum Cukai meningkat kepada RM115.1 juta berbanding RM105.9 juta pada tahun sebelumnya, sementara Keuntungan selepas Cukai (PAT) meningkat kepada RM95.3 juta iaitu peningkatan sebanyak 10% daripada PAT tahun lepas sebanyak RM86.7 juta.

DIVIDENDS

Sentiasa Memulangkan Kembali kepada Para Pemegang Saham

Syarikat terus menjulang polisi mencipta nilai buat para pemegang saham melalui polisi dividen yang boleh dikedalkan, yakni 60% daripada Keuntungan Selepas Cukai bagi tahun dalam tinjauan akan dibayar kepada para pemegang saham sebagai dividen. Dikira bersama dividen peringkat tunggal interim keempat berjumlah 3 sen yang diisytiharkan pada Januari 2012, jumlah dividen bagi tahun kewangan berakhir 30 November 2011 adalah berjumlah 12 sen bersih sesaham. Pembayaran jumlah dividen bersih sebanyak RM55.2 juta diterjemahkan ke dalam hasil dividen bersih 7%. Tahun ini adalah tahun kewangan ke-5 berturut-turut di mana **ZHULIAN** mengisytiharkan dividen kepada para pemegang saham semenjak penyenaaraiannya di Papan Utama Bursa Malaysia Securities Berhad pada tahun 2007.



PEMBANGUNAN KORPORAT

Penambahbaikan Lanjut Infrastruktur

Bangunan serba baru Ibu Pejabat Antarabangsa **ZHULIAN** bernilai RM29.9 juta di Pulau Pinang yang telah dibuka dengan rasminya secara besar-besaran pada 23 Julai 2011, telah menyuntik keterujaan dan keyakinan pada semua Pengedar yang bernaung di bawah payung Kumpulan **ZHULIAN**. Ia mengukuhkan lagi komitmen Kumpulan **ZHULIAN** untuk menawarkan yang terbaik kepada para Pengedar dan Pelanggannya di rantau ini.

Terkini, loji pengilangan makanan Plot 3 milik Kumpulan sedang melalui projek peluasan untuk menambah lagi 3,283 meter persegi kepada luas binaan sedia ada seluas 17,444 meter persegi. Kawasan yang diperluaskan ini diperuntukkan bagi kegunaan gudang dan pengeluaran agar dapat mengembangkan lagi produktiviti segmen pemiagaan tersebut supaya berupaya memenuhi jumlah pemiagaan yang kian meningkat. Projek ini telah siap sepenuhnya di bulan Februari, 2012.



ANUGERAH DAN PENGIKTRAFAN

Menggambarkan Kemasyhuran dan Berdaya Saing

Kumpulan telah menambah satu lagi pengiktirafan apabila **ZHULIAN MARKETING (M) SDN. BHD.** menerima satu lagi anugerah berprestij iaitu "1 Malaysia Enterprise Award 2012 - 1 Malaysia Master Leader" di bawah kategori kebangsaan. Penyampaian anugerah yang dianjurkan oleh Persatuan Usahawan Pemprosesan dan Pembungkusan Makanan Malaysia (Malaysia Food Processing and Packaging Entrepreneurs Association - MAFFPA) telah berlangsung di Subang, Selangor pada 10 Januari 2012. Dengan kemenangan pengiktirafan yang menakjubkan ini, kita percaya Lembaga yang berwawasan serta pengurusan yang teliti di bawah **ZHULIAN** akan berupaya membentuk model yang boleh dipercayai, bertanggungjawab dan berkekalan untuk diteladani.



TADBIR URUS KORPORAT

Kunci ke Arah Ketahanan dan Pertumbuhan Pemiagaan

ZHULIAN berkomitmen menegakkan prinsip kesepaduan, ketelusan dan kebertanggungjawaban, serta ia dicerminkan oleh amalan tadbir urus korporat yang baik dan kawalan dalaman yang kuat, yang telah kita gabungkan ke dalam pelaksanaan pemiagaan kita. Lembaga Pengarah berdedikasi untuk memastikan segala amalan yang bersangkutan dengan Tadbir Urus Korporat adalah mematuhi perundangan dan peraturan yang berkaitan. Kita memfokuskan kepada penciptaan nilai di dalam budaya pengurusan yang mematuhi piawaian terkini Tadbir Urus Korporat dan di dalam polisi Syarikat yang

menyampaikan ketelusan. Prinsip teras Tabdir Urus Korporat **ZHULIAN** dibentangkan secara jelas oleh Lembaga di dalam Penyata Tadbir Urus Korporat (Statement of Corporate Governance) dan Penyata Kawalan Dalaman (Statement of Internal Control) seperti yang tertera di dalam Laporan Tahunan ini. Fungsi audit dalaman diadakan bagi keseluruhan Syarikat untuk menguji dan menilai prosedur dan sistem Syarikat, termasuklah kawalan dalaman, prosedur pendedahan dan sistem informasi bagi memastikan kepatuhan terhadap piawaian tadbir urus korporat yang baik.

TANGGUNGJAWAB SOSIAL KORPORAT

Memenuhi Tanggungjawab Sosial

Kumpulan berbangga dapat menyatukan insan dengan menawarkan peluang pemiagaan saksama yang berupaya membantu merubah kehidupan ke arah kebaikan. Kita memupuk budaya berkongsi dan prihatin sebagai prinsip utama pemiagaan kita. Bagi Kumpulan **ZHULIAN**, tanggungjawab korporat adalah tentang menjalankan perniagaan dengan berhemat dan menghormati keperluan komuniti umum. Kumpulan menyerapkan prinsip ini ke dalam tempat kita bekerja, cara kita menjalankan pemiagaan, produk-produk yang kita bangunkan dan kilangkan serta cara kita melayan setiap insan yang berhubung kait dengan Kumpulan, agar Kumpulan terus berdaya maju dalam jangka panjang.

Berdasarkan kepercayaan ini, Kumpulan berazam untuk menjalankan pelbagai tanggungjawab sosial korporat yang menambahkan nilai kepada aspek tempat kerja, komuniti, alam sekitar dan persekitaran pasaran. Kita mewujudkan persekitaran kerja yang amat kondusif buat para pekerja terutamanya dari segi keselamatan kerja. Kita terus menginspirasi para Pengedar kita dalam usaha kita membentuk para usahawan berjaya melalui Pelan Pemiagaan Keemasan Zhulian, serta latihan dan program pembangunan wang tunai atau barangan berjumlah sehingga RM140,000 melalui pelbagai badan kebajikan. Dari sudut alam sekitar, kita memastikan alam sekitar tidak terjejas teruk akibat operasi pemiagaan kita dengan mematuhi Akta Kualiti Alam Sekitar dan peraturan-peraturan termaktub lain yang berkenaan perlindungan alam sekitar. Di samping itu, sejak tahun 2010 lebih daripada 8,000 beg kitar semula telah diedarkan ketika berlangsungnya Konvensyen Kebangsaan, iaitu Malam Penganugerahan yang diadakan setiap tahun, dalam usaha Kumpulan membantu menggalakkan penggunaan beg yang boleh diguna semula sambil memenuhi tanggungjawab kepada alam sekitar. Dari segi persekitaran pasaran, Kumpulan juga berusaha memastikan amalan pemiagaan beretika di kalangan para Pengedarnya dan memupuk persaingan yang sihat di dalam pasaran.

Kumpulan menjulang kepercayaan bahawa sebuah pemiagaan seharusnya berupaya membawa perubahan-perubahan yang positif terhadap kualiti kehidupan masyarakat dan persekitaran di mana masyarakat hidup dan bekerja. Oleh itu, kita akan meneruskan usaha terbaik dalam membantu orang-orang kita supaya menjalani kehidupan yang lebih baik dan menjadikan alam sekitar tempat yang lebih baik untuk kehidupan dengan sentiasa memikirkan kepentingan generasi masa hadapan.

TINJAUAN DAN PROSPEK

Kerajaan Malaysia telah menyatakan di dalam ramalan ekonomi tahunannya bahawasanya Malaysia dijangka berupaya mencapai pertumbuhan ekonomi sebanyak 4 ke 5 peratus di dalam tahun 2012, dan merendahkan defisit fiskalnya kerana permintaan domestik dan eksport komoditi yang kukuh dapat menampung kesan kegawatan global. Turut diramalkan, pertumbuhan KDNK Malaysia akan digerakkan oleh permintaan domestik, lantaran ketidakpastian ekonomi global yang meningkat. Kerajaan juga menyatakan bahawa inflasi domestik kian terjejas oleh faktor-faktor luaran, termasuklah kekangan bekalan. Sementara itu, Asian Development Bank (ADB) menyatakan ramalan pertumbuhan KDNK 2012 Malaysia adalah sebanyak 5.1 peratus. Ramalan yang menggalakkan ini disusuli dengan ramalan oleh pakar-pakar ekonomi Credit Suisse bahawa ekonomi Malaysia dijangka kekal kukuh di dalam tahun 2012 kerana pertumbuhan penggunaan swasta yang teguh, disokong oleh kenaikan gaji dan pembayaran bonus kepada pekerja kerajaan dan pesara yang diumumkan di dalam Belanjawan 2012.

Walaupun asas Kumpulan adalah kuat dengan banyak perancangan telah diatur demi perkembangan masa depannya, kita sedar bahawa faktor-faktor luaran seperti situasi ekonomi global yang mencemaskan dan kos bahan api yang lebih tinggi berkemungkinan terus meninggalkan impaknya kepada situasi ekonomi di rantau ini. Misalannya, ketegangan ekonomi yang dapat dirasai setempat sepanjang tahun kewangan lalu seperti kenaikan harga petrol, gula dan tepung yang berterusan telah pun menjejaskan kuasa pembelian para pengguna secara umumnya dan kos pengoperasian pemiagaan kita. Walau bagaimanapun Kumpulan akan terus mengamalkan pendekatan berwaspada dan berstrategi terhadap pemiagaan ini sambil meningkatkan kawalan merentasi operasi yang lebih cekap dan terfokus agar lebih berkesan kos. Kekuatan kita terletak pada kepelbagaian meluas produk berkualiti tinggi kita yang dibangunkan dan dikilangkan sendiri serta kapasiti yang memenuhi permintaan pasaran yang berubah-ubah melalui inovasi berterusan dan kualiti yang tiada kompromi. Kita akan terus mengukuhkan ekuiti jenama, meningkatkan campuran produk, membesarkan jangkauan pasaran dan meluaskan rangkaian Pengedar kita. Oleh itu, kita sentiasa bersikap optimistik secara berwaspada bahawa dengan sokongan berterusan daripada para Pengedar kita yang berdedikasi dan bersemangat, kemudahan-kemudahan yang dipertingkatkan, serta inisiatif dan program pemasaran penting yang telah diatur bagi menyokong usaha pembangunan pemiagaan para Pengedar, kita akan dapat mengangkat Kumpulan ke tahap yang lebih memberangsangkan di dalam tahun kewangan berikutnya.

PENGHARGAAN

Dalam tahun kelima penyenaiaannya di Papan Utama Bursa Malaysia, Kumpulan **ZHULIAN** semakin kukuh berbanding tahun-tahun sebelumnya dan saya amat berbangga dengan pencapaian-pencapaian kita. Tahun 2011 adalah satu lagi langkah bagi kesinambungan kejayaan kita. Sokongan para pemegang saham dan Lembaga Pengarah, seiring dengan semangat juang para usahawan MLM kita, usaha gigih barisan pengurusan yang cekap serta kakitangan yang berdedikasi, telah membantu kita berdiri teguh dalam menghadapi segenap cabaran.

Pertama sekali, bagi pihak Lembaga Pengarah **ZHULIAN**, saya ingin mengucapkan ribuan terima kasih kepada Penganjur kita seramai 573,883, termasuklah para pemimpin dan ejen bertaauliah di atas kesetiaan dan dedikasi berpanjangan mereka kepada Kumpulan serta komitmen dan keyakinan tidak berbelah bahagi terhadap pemiagaan MLM Kumpulan. Tidak disangkal lagi, semangat keusahawanan mereka adalah kunci yang akan membawa pemiagaan kita ke tahap lebih tinggi. Selain itu, saya juga ingin mengambil kesempatan ini untuk menyampaikan setinggi-tinggi penghargaan kepada ahli-ahli Lembaga Pengarah di atas usaha tekun, kepimpinan teguh dan wawasan bijaksana mereka. Saya yakin dengan wawasan dan bimbingan mereka, Kumpulan akan dapat terus memacu pantas dan jauh. Terima kasih setulus ikhlas juga buat pengurusan dan kakitangan kerana kerja keras penuh dedikasi mereka telah membuahkan satu lagi tahun yang dipenuhi pencapaian menakjubkan. Lembaga ingin menyampaikan ucapan sekalung penghargaan kepada rakan sekutu, pembekal-pembekal dan bank-bank di atas sokongan padu dan kerjasama baik yang diberikan kepada Kumpulan. Akhir sekali, penghargaan tertinggi buat semua pemegang saham di atas sokongan berterusan dan kepercayaan yang tidak bergoyah terhadap Kumpulan. Anda sekalian yakinlah bahawa Kumpulan **ZHULIAN** berkomitmen penuh bagi mencapai kecemerlangan prestasi, berdedikasi untuk berkhidmat kepada Penganjur kita, dan berazam untuk terus teguh memegang komitmen kita terhadap para pemegang saham yang dihargai demi memaksimumkan nilai pemegang saham serta misi kita terhadap para usahawan yakni membantu mereka menggapai impian mereka.

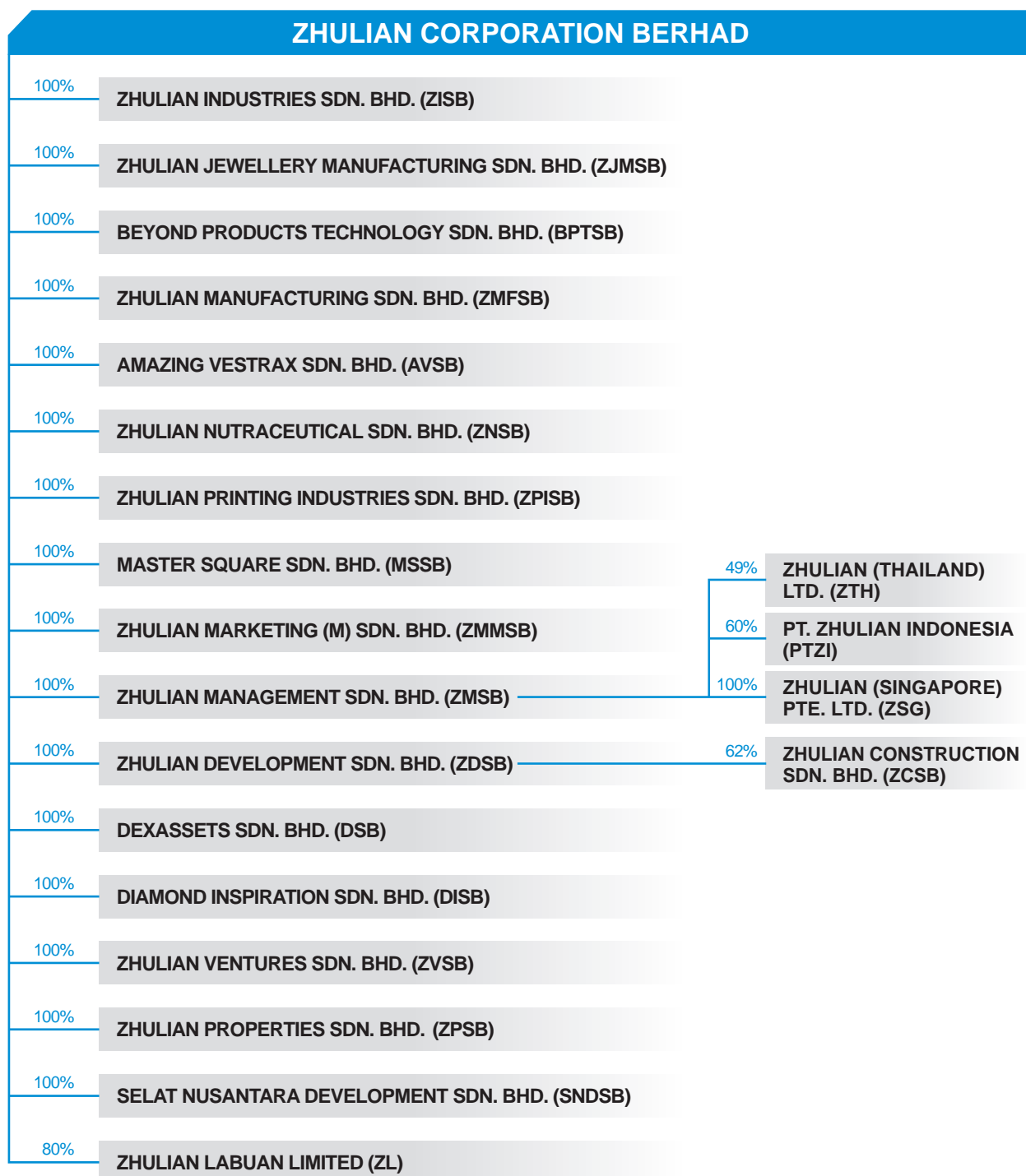
Bagi pihak Lembaga Pengarah
ZHULIAN CORPORATION BERHAD

Haji Wan Mansoor Bin Wan Omar
Pengerusi, Pengarah Bebas Bukan Eksekutif

GROUP STRUCTURE

A WELL-DIVERSIFIED BUSINESS NETWORK

“ZHULIAN is dealing with a well diversified business across the South-East Asian region. We pride ourselves on being a group of entrepreneurs bound by the common belief that “We Can Achieve What We Believe”. We always think out-of-the-box when we make a strategic entry to a new business segment with MLM business remains as our focus.”



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 SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Ong Tze-En (MAICSA 7026537)

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
Sitham & Associates

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities")
(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>

DIRECTORS' PROFILE



Haji Wan Mansoor Bin Wan Omar

Independent Non-Executive Chairman

Haji Wan Mansoor Bin Wan Omar, a Malaysian aged 63, 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 in various departments and ministries including public services department, Malaysian 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, an honorary Secretary General to the Malaysian Chamber of Rural Industry Entrepreneurs and Secretary General to the CODUID (Koperasi Dewan Usahawan Industri Desa Malaysia).

Haji Wan Mansoor Bin Wan Omar has attended all Board Meetings held during the financial year ended 30 November 2011 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 53, 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 the Board Meetings held during the financial year ended 30 November 2011. 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.



Teoh Meng Keat

Group Managing Director

Teoh Meng Keat, a Malaysian aged 45, 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 the Board Meetings held during the financial year ended 30 November 2011. 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 49, 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 the Board Meetings held during the financial year ended 30 November 2011. 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.



Teoh Meng Lee

Executive Director

Teoh Meng Lee, a Malaysian aged 42, 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.** 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 all the Board Meetings held during the financial year ended 30 November 2011. 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 42, 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 that 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 all the Board Meetings held during the financial year ended 30 November 2011. 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.



Diong Chin Teck

Senior Independent Non-Executive Director

Diong Chin Teck, a Malaysian aged 79, 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 was the Company Secretary of Oriental Holdings Berhad and its subsidiaries from 1974 to February 2010. 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 the Board Meetings held during the financial year ended 30 November 2011. 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

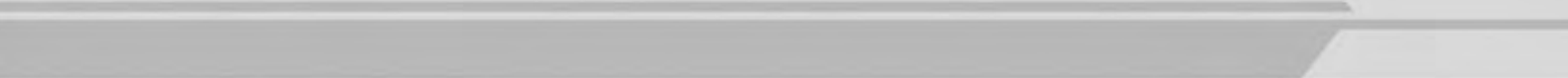
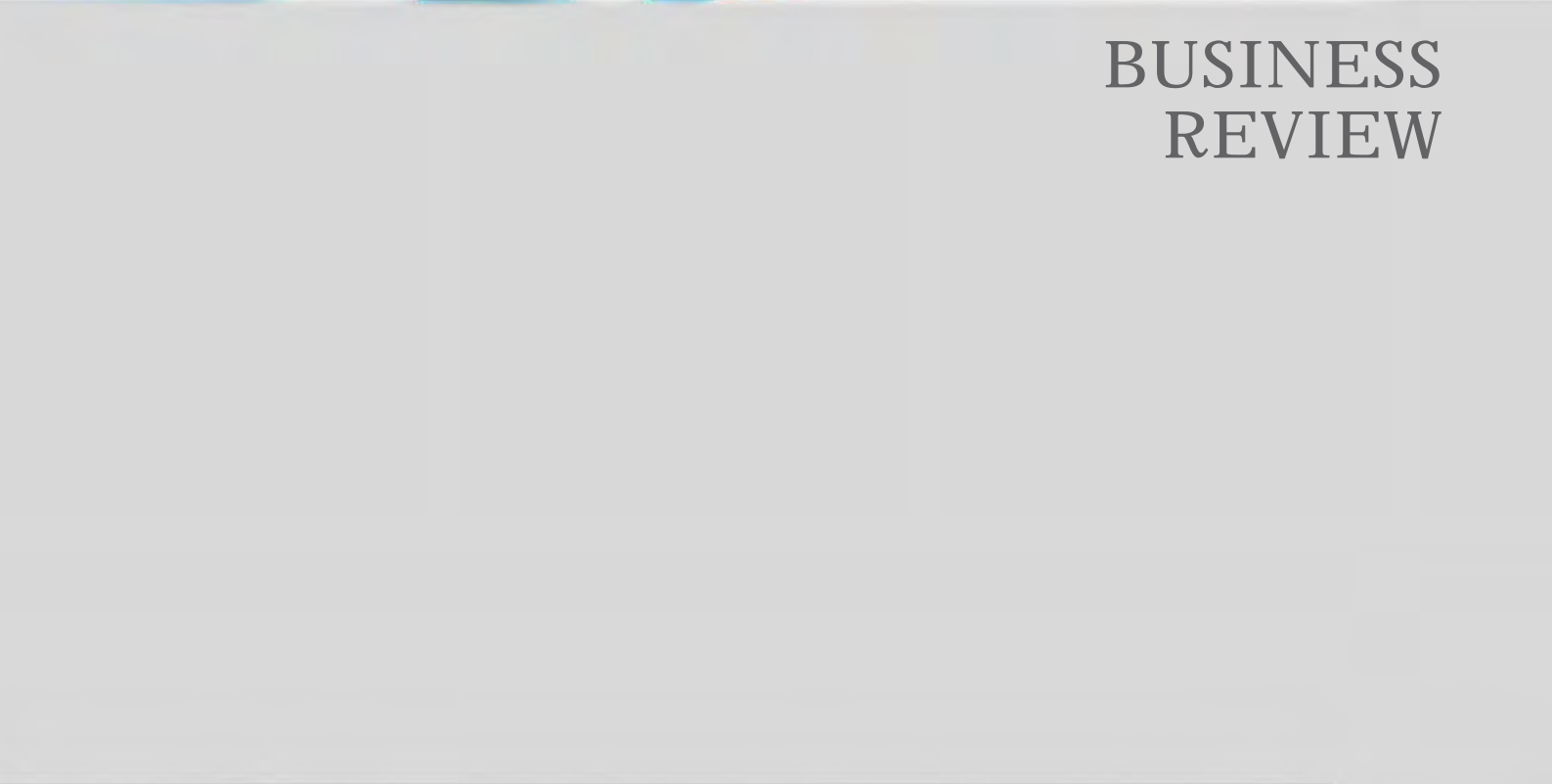
Tan Lip Gay, Malaysian aged 48, was appointed to our Board as an Independent Non-Executive Director on 30 October 2006. He graduated from Middlesex Polytechnic in London, England with a Bachelor of Laws (LLB) Honours degree in 1987 and subsequently received his Certificate in Legal Practise (CLP) in 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 three of the four Board Meetings held during the financial year ended 30 November 2011. 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.



BUSINESS REVIEW



Initiating Change to Move Forward





“For ZHULIAN Group, the key to sustainable growth is to strategise proactively on how to tackle customer needs. We initiate changes that focus on creating values for customers. We upgrade and improve in every way we can through better execution and faster delivery. We listen to understand what the customers want and develop products that will sell in the marketplace.”

The Group demonstrated strong financial performance in year of review with Group sales revenue growing by 11% to RM357.5 million to achieve another record year. Ever since the listing of ZHULIAN on Bursa Main Market, the Group has seen to be able to sustain a 5 consecutive years of growth. This overwhelming track record speaks volume to the resilience and solidity of the Group that its products and Business Opportunity remain relevant to the overall market. This success is attributed to the Distributors who are fully committed in executing the 3Ss of direct selling – sponsoring, selling and servicing, along with another S which is referring to ‘School’ (means life-long learning). These 4Ss serve as the foundation for our Distributors to build their business.

The Group’s overall business network in the region has shown strong growth of 6% of which its core Distributor Force reached 573,883 in year 2011 from a total of 540,583 Distributors in the previous financial year. Meanwhile, up till the closing of the financial year under review, its agency network that span across Malaysia, Thailand, Indonesia and Singapore also expanded from 293 to 315 authorised agencies.

Although our MLM Business Model continues to stand the test of time, there is a constant need to emphasise on innovations, so that our business model as well as its products continue to remain appealing to the consumers. Thus, we took a step further to identify market needs and then responded to them by initiating positive changes which were relevant for long-term sustainability of the business. The Group continued to take effort in integrating our vastly-diversified resources in order to operate more efficiently. Our strong financial fundamentals enabled us to execute every initiative in place that aimed to deliver the desirable results while managing our costs. All the initiatives taken in 2010, such as new product development, organising marketing activities, incentive programmes and motivational trainings, also upgrading its facilities and enhancing its brand positioning to support Distributors’ sales and sponsoring activities, continued into 2011 with some additional new developments to spearhead the Group’s thrust to stronger growth.





ENHANCING INFRASTRUCTURES AND FACILITIES

In order to strengthen our business fundamentals for future growth, the Group took a strategic move to revamp Zhulian International Headquarters (“ZIHQ”) building during FY2009 and the extension project had been completed in the month of February during the year of review. The opening of this new premise has heightened the excitement level of all the Distributors as visitors flocked in from every nook and corner to Penang just for the sake of taking a closer look of the premise. From the date it was officially re-opened for visit i.e. on 23 July 2011 till the end of the financial year, the ZIHQ has attracted more than 15,000 visitors from all over Malaysia, Thailand, Indonesia and Singapore. The new facilities such as the magnificent Zhulian Royal Crown Auditorium which is able to accommodate up to 2,000 pax, is fully utilised to hold marketing functions and training sessions. The year 2011 saw many motivational activities and training sessions being conducted at its premises, including the Sales Executive Recognition Ceremony, Diamond Orientation Seminars and Syawal Get-together with Zhulian Royal Leaders which were truly effective in fostering the interactions between the management and staffs of headquarters and Distributors.

On the other hand, the Group also commenced an extension project on the Plot 3 plant which is catered for producing food & beverage and nutritional supplement products during the year in review in anticipating increasing demand of its nutritional food and beverage products.



INCREASING PRODUCT MIX

The Group continues to innovate in order to capture new market opportunity and meet the needs of the constantly changing market. In 2011, the Group added BEYOND FOOD JUNCTION DETOXIFYING UNIT and also SMARTSEAL FOOD STORAGE CONTAINERS to its home technology product range. Meanwhile, BEYOND MICROPLASMA AIR PURIFIER with added improved features was also re-launched as the upgraded model. Recognising the varied taste and demand of the health-conscious market segment, a new range of Traditional Herbal Supplements under the brand name of GREENLEX which includes GREENLEX I-COMPLEX, GREENLEX MEMO COMPLEX and GREENLEX ORGANIC SPIRULINA was strategically introduced to the market to attract a new group of Distributors and consumers. In additions, the Group had also launched jewellery products to meet the seasonal demands of Hari Raya Aidilfitri as it used to every year as the jewellery product range has successfully carved a niche in Malay market. The new launches managed to create excitements among our Distributors and generate considerable amount of sales revenue for the Group.





ENGAGING WITH DISTRIBUTORS THROUGH MARKETING PROGRAMMES

During the reviewed year, several key marketing programmes successfully fostered the engagement between the Group, Distributors and the customers. One of which is the factory visit programmes which had resumed after the re-opening of the Plot 41's Headquarters building, whereby it was re-designed to incorporate the recognition ceremony of Sales Executives (the first promotion rank in the Group's MLM Recognition System). Besides, the regional convention, namely Day of Honour and national convention, namely Night of Honour were also held in order to recognise the outstanding Distributors who have been able to stand out among the crowd. The Group also initiates trainings and product demonstration or business presentation meeting at the company level as well as the agency level to give informative inputs on the product knowledge, particularly the product benefits. These marketing activities also provide experiential opportunity for prospective customers to be up close and personal with our new products where the participants can witness the before and after effects of using the products. Such activities had motivated the Distributors to continue seeking excellence in the MLM arena.

There were two major incentive campaigns being carried out during the year under review to boost the productivity of Distributors. One of which is Diamond International Forum 2012 to Perth, Australia which required the Distributors ranked Diamond Sales Managers and above to fulfil the stipulated conditions within the prescribed period during the year of 2011. Apart from this, the tour incentive campaign with destinations to Ho Chi Minh City, Vietnam had also become a motivational factor for Distributors to improve their sales performance.

REFINING TRAINING AND DEVELOPMENT PROGRAMMES

Focus has also been extensively placed on training and development programmes for our Distributors to build their competency and resilience to market challenges. The regular training programmes held by the Group include National Leadership Seminars that aims to breed new leaders, Diamond Orientation Seminar that sets the objective to equip the newly promoted Diamond leaders with adequate knowledge, so that they are fully prepared mentally to excel in the MLM arena and also the Top Distributor of The Year (TDOTY) Roadshow where the selected TDOTY speaks on the true experience along the path to success and shares his/her key secrets to success. On top of these, the Group also engaged Prof. Dr. Azhar Mat Easa as the Group's Scientific Advisor to conduct talks on the S.I.H.A.T concept in Malaysia and Singapore. Other than that, a brand new programme, namely Motivation Rally was kicked off in November during the year with the collaboration of 18 selected high-calibre leaders who generously shared their expertise and experience with other fellow Distributors. The event received overwhelming response from Distributors whereby more than 2,000 Distributors had participated in this programme.



EASY PAYMENT FACILITY FOR DISTRIBUTORS

All Distributors under the umbrella of ZHULIAN Group are eligible to enjoy the Zhulian Zero Interest Easy Payment Scheme where they can purchase our selected premium products by using the designated credit cards and split the sum of payment into 12-month interest-free instalments. During the year of review, the newly launched products - BEYOND FOOD JUNCTION DETOXIFYING UNIT was added into the scheme to make the product a lot more affordable to consumers.



BOOSTING THE MORALE AMONG DISTRIBUTORS

The morale among our Distributors was boosted by many new developments during the year of review as the result of improved facilities at the Headquarters and improved incentive in the newly revised Zhulian Golden Business Plan. The Diamond International Forum 2011 which was held in Dubai, UAE and travel incentive to Shanghai had effectively injected motivation into our Distributors. This in turn, translated into higher Distributor productivity which augured well for the continual growth of the Group.



ENHANCING BRAND POSITIONING

In 2011, the Group made use the power of media to reach and engage the community. The Group has placed a total of 153 Billboards featuring a slogan which says “Bersama Menyambut Ulang Tahun ke-50 di Tahun 2039” (meaning “Together We Celebrate the 50th Anniversary in Year 2039”) along the North-South Highways, East Coast Region and Klang Valley in Peninsular Malaysia. The billboard campaign is part of the Group’s effort in increasing the public awareness about ZHULIAN Group and it’s brand. The slogan is used to signify the foresight or vision of the Group that always places importance in sustaining the business.



GAINING STRONGER POSITION IN THAILAND MARKET

In the year under review, exports to Thailand, Indonesia and Singapore contributed 52% of the Group’s total revenue. The Group managed to gain its competitive edge in Thailand Market in year 2011 whereby the Group’s export to ZHULIAN (THAILAND) LTD. leaped 12% from RM149.2 million to RM167.2 million. Our products, particularly nutritional beverages, health supplements, jewellery, water treatment system and bedding products, continued to maintain strong demand which were not impacted by the flood disaster that happened last year, thanks to the strategic marketing programmes initiated by the Company. The strong performance also stemmed from our proven business model as well as solid supports from Zhulian International Headquarters based in Malaysia with reliable and efficient supply of quality products marketed under household brand name of “ZHULIAN”.



CORPORATE SOCIAL RESPONSIBILITY

Sharing Responsibilities in Building the Future





UNDERSTANDING PEOPLE'S NEED

The Group is committed to doing things right, so that in the long run, all the people involved in the business can play their part in contributing positively to the communities and environment. To ZHULIAN Group, what we do is more than a business, it is a means for helping people to grow and live a better life. Thus, while striving to create strong market presence and value, the Group also endeavoured in creating an environment where our people are engaged with the communities by maintaining a strong understanding of people's need and a sense of responsibility to the environment.

Our aspiration to give the best in terms of quality and health benefits through our products is what pushes us to move ahead. During the 22 years of history in the Multi-level Marketing arena, we have offered entrepreneurial opportunities to people from all walks of life. Through the practical and workable Zhulian Golden Business Plan, many of our Distributors have successfully become more independent financially. It is our hope that by adhering to the set of values that stipulated in our vision and mission statement in the long run, we are able to build the trust within our people by fulfilling their needs and at the same time contribute positively to our communities and our environment.



MARKETPLACE

In ZHULIAN, we define corporate responsibility as "Governance in Action" based on the principles of integrity, transparency and accountability. We exercise ethical professional judgement in what should or should not be done, taking account of the interests of others as well as our own cautiously and cost-effectively to maintain our business competitive advantage.

As a corporate citizen, our marketing decisions aim to optimise its positive influence and minimise its negative influence to the people and environment as a whole. In ensuring customers' satisfaction and encouraging fair competition in the marketplace, strict measures are taken to ensure its business operations in total compliance to all the provisions of the Direct Sales Act 1993 and also to the DSAM (Direct Selling Association of Malaysia)'s Code of Conduct. The Group also practices self-regulation and the same applies to its Distributors who are bound by the rules of conducts stipulated in Zhulian Distributors Rules and Regulations booklet. Meanwhile, our manufacturing companies are also fully committed to comply with all the regulatory requirements set by the relevant authorities. Being a market-oriented Group of Companies, we also ensure that our products meet the highest quality standards. The Group's food manufacturing division which is Good Manufacturing Practice (GMP) compliance also adopts the ISO 9001-2008 quality management system as to ensure only the best is delivered to the market.





ENVIRONMENT

As part of the Group's effort in protecting the environment, the revamped Zhulian International Headquarters building on Plot 41 was specially designed to allow much natural light to penetrate the building besides the use of energy saving fluorescent tubes and bulbs, therefore minimise energy usage for lightings. The interior and exterior of the building also promotes green concept with lots of plants, trees and beautiful landscaping.

The Group also promotes the use of recycle bags and is committed to gradually replace the plastic bags in use to eco-friendly bio-degradable plastic bags. The use of recycle bags will indeed help in cutting down the demand of plastic bags of which the production of them associated with pollution and oil consumption. Recycle bags are convenient and can withstand heavier load. They are more durable as compared to plastic bags as they are washable and made from organic cotton. Being concerned about these facts as well as in the Group's effort to fulfill its environmental responsibility, more than 8,000 recycle bags were given away at the National Convention every year ever since 2010.

Keeping the environment clean is not only a matter of caring for our environment but also for our own health. Therefore, each of the Group's three manufacturing plants on Plot 41, 42 and Plot 3 are equipped with wastewater treatment system and air filtration system to treat our water and air to prevent pollution of our waste to environment.





WORKPLACE

The Group always maintains safe, clean, friendly work environment for all our employees at our facilities spanning from Zhulian Headquarters, regional offices and agencies. For instance, the Plot 41 headquarters' office facilities have been upgraded whereby the office staffs are also placed in a modern well-facilitated workplace with spacious and systematically partitioned computer-equipped work stations. The Group considers the workplace safety and health as the management responsibility and safety measures are implemented in all our work stations from the office area to the production area. As for staffs working in the manufacturing plants, trainings on safety precautions as well as necessary gears and equipments are provided to ensure they are well-protected against any workplace hazards.



COMMUNITY

In line with the Group's motto which says "Helping others to help yourself", we encourage our Distributors and employees to offer their helping hands to the needy and underprivileged group. To set an example to our people, we continue to do what we can to help the needy by contributing RM140,000 in cash and in kind through various charity bodies, relief centres, non-profit organisations and hospitals.

In its other effort to fulfil its obligations to the community, the Group also encourage the children of its Distributors to strive for academic excellence along with their parents who endeavoured in the MLM business through its Education Trust Fund. A total of 36 children received the fund in the year under review.





CORPORATE GOVERNANCE

Statement on Corporate
Governance

Audit Committee Report

Statement on Internal
Control

Other Corporate
Disclosure

*Upholding Commitment to Integrity,
Compliance and Good Governance*



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 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 2011.

Statement of Principles

The following statement sets out how the Company has applied the Principles of Corporate Governance 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”) 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 2011, 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 2011 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	4/4
Mr Teoh Meng Lee	4/4
Independent Non-Executive Directors	
Tuan Haji Wan Mansoor bin Wan Omar (Chairman)	4/4
Mr Diong Chin Teck	4/4
Mr Tan Lip Gay	3/4

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 with 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 Directors of the calibre necessary to carry sufficient weight in Board decisions.

The Independent 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 Tuan 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 Secretaries, of whom the Board believes to be competent in the performance of their duties. The Board believes that the current Company Secretaries are capable of carrying out their 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 2011, comprised the following members:

Director	
Mr Tan Lip Gay	- Chairman, Independent Non-Executive Director
Tuan 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 once (1) 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 9 May 2012 are detailed in the Notice of the Fifteenth Annual General Meeting on page 119.

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 Malaysia Securities Berhad. 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 Secretaries circulate relevant guidelines for the Board's reference and briefed the Board on these updates at the quarterly Board Meetings. The External Auditors also briefed the Board members on any new Financial Reporting Standards that would affect the Group's financial statements during the year.

Training workshops and seminars attended by Directors are as follows:

Training Programme
Risks Management In Audit Practices
2011 Tax Updates
Risk Management for Directors, CEOs And Senior Executives
KPMG Tax Summit 2011
PwC Tax Seminar 2011
Building Confidence in Capital Market
Tax Implications of Transfer Pricing in Malaysia

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge.

B. Directors' Remuneration

Remuneration Committee

During the financial year ended 30 November 2011, the Remuneration Committee comprised the following members:

Director	
Mr Tan Lip Gay	- Chairman, Independent Non-Executive Director
Tuan 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 with the exception of Mr Tan Lip Gay who was absent from one meeting.

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	—	4,247	535	48	569	1	5,400
Non-Executive Directors	120	—	—	12	—	—	132
Total	120	4,247	535	60	569	1	5,532

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 RM500,000	3	—
RM1,100,000 to RM2,000,000	1	—
RM2,500,000 to RM3,000,000	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 annual 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, the provisions of the Companies Act, 1965 and the Listing Requirements 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 45 to 46 of this Annual Report provides an overview of the state of internal controls within the Group during the financial year ended 30 November 2011.

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 43 to 44 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 42 to 44 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 2011.

This statement is issued in accordance with a resolution of Directors dated 19 January 2012.

AUDIT COMMITTEE REPORT

Membership

Directors who have served as members of the Audit Committee (“the Committee”) during the financial year ended 30 November 2011 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
Tuan 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 43 to 44.

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. Representative of the Board, representatives of the External Auditors, Messrs KPMG, Chartered Accountants, the Administration Manager, Senior Chief Accountant and Head of Internal Audit 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 2011 are as follows:

Directors	Attendance
Mr Diong Chin Teck (Chairman)	4/4
Mr Tan Lip Gay	3/4
Tuan Haji Wan Mansoor bin Wan Omar	4/4

Summary of activities of the Committee during the financial year ended 30 November 2011

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 Chief Accountant and the 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 the audited financial statements for the financial year ended 30 November 2011 before they were approved by the Board;
- 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;
- Conducted internal audit exercise on PT. ZHULIAN INDONESIA (subsidiary company) and ZHULIAN (THAILAND) LTD. (associate company).
- 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: -

- (a) the Audit Committee must be composed of not less than three (3) members;
- (b) all must be Non-Executive Directors, with a majority of them being Independent Directors; and
- (c) at least one (1) member of the Audit Committee:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) 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;
 - (iii) fulfils such other requirements as prescribed or approved by the Bursa Securities.
- (d) 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 Secretaries shall be the secretaries 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 Secretaries who act as Secretaries 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 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;
 - the audit report;
 - 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 (supported 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 Audit 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 19 January 2012.

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 2011.

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 objective is to add maximum sustainable value to all the business activities in the Group, measures and control systems are in place to manage the business risks faced by the Group, so as to increase the probability of success, and reduces both the probability of failure and the uncertainty of achieving the Group’s overall objectives and goals.

The Board has established a proper risk management framework that conforms to the Internal Control Guidance to better identify, assess and prioritise the possible risk factors that may affect the results of the goals set, then brainstorm the mitigation actions for each risk factor and build a risk profile to ensure the risks are under control.

In this context, the risk management function is led by the Internal Audit Department whereby the process is integrated into the operation system of the related companies under the Group with each director, manager and head of department responsible for the management of risk as part of their job description. The Audit Committee that consists of the Board members will then review the Risk Management Report produced by the Internal Audit Department.

In view of risk management is a continuous process which runs throughout the planning, implementation and control process of the Group, the effectiveness of the risk management process are reviewed from time to time and changes may be made to include new risk factors or exclude those no longer applicable when necessary.

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 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 following 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 2011 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 2011 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 2011 were approximately RM122,000.00.

This statement is issued in accordance with a resolution of Directors dated 19 January 2012.

OTHER CORPORATE DISCLOSURE

In compliance with Bursa Securities Listing Requirements, the following information is provided:

SHARE BUY-BACK

There was no share buy-back effected during the financial year ended 30 November 2011.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued by the Company during the financial year ended 30 November 2011.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year.

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 during the financial year.

NON-AUDIT FEES

During the financial year, a total of RM85,000 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 2011. There was no variation to the unaudited results which were announced for the financial year ended 30 November 2011.

PROFIT GUARANTEE

There were no profit guarantees during the financial year ended 30 November 2011 by the Company.

MATERIAL CONTRACTS

During the financial year, 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.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no related party transactions during the financial year ended 30 November 2011.

CORPORATE SOCIAL RESPONSIBILITY

The disclosure on the Corporate Social Responsibility ("CSR") activities or practices undertaken during the financial year ended 30 November 2011 is stated on pages 32 to 34 of the annual report.

DIRECTORS' REPORT

For The Year Ended 30 November 2011

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 2011.

Principal activities

The Company is an investment holding company whilst the principal activities of the subsidiaries are as set out in Note 5 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year other than the commencement of operations by a subsidiary in the manufacturing of traditional products.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	95,320	52,022

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 fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the year ended 30 November 2010 on 8 March 2011;
- ii) paid a first interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the year ended 30 November 2011 on 31 May 2011;
- iii) paid a second interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the year ended 30 November 2011 on 7 September 2011;
- iv) paid a third interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the year ended 30 November 2011 on 15 November 2011; and
- v) declared a fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the year ended 30 November 2011 on 19 January 2012.

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
Teoh Meng Soon	- Executive Director
Diong Chin Teck @ Tiong Chin Sang	
Tan Lip Gay	

Directors' interests in shares

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 or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.12.2010	Bought	(Sold)	Balance at 30.11.2011
Number of ordinary shares of RM0.50 each				
Haji Wan Mansoor Bin Wan Omar :				
Interest in the Company :				
- own	13,333	—	—	13,333
Teoh Beng Seng :				
Interest in the Company :				
- own	47,900,280	—	—	47,900,280
Deemed interest in the Company :				
- own	240,816,455	—	—	240,816,455
Teoh Meng Keat :				
Interest in the Company :				
- own	26,869,600	—	—	26,869,600
- others #	2,666,666	—	—	2,666,666
Khoo Teng It :				
Interest in the Company :				
- own	213,333	—	—	213,333
- others #	73,333	—	—	73,333

Directors' interests in shares (Cont'd)

	Balance at 1.12.2010	Bought	(Sold)	Balance at 30.11.2011
Number of ordinary shares of RM0.50 each				
Teoh Meng Lee :				
Interest in the Company :				
- own	6,375,999	—	—	6,375,999
Teoh Meng Soon :				
Interest in the Company :				
- own	6,306,666	—	—	6,306,666
Diong Chin Teck @ Tiong Chin Sang :				
Interest in the Company :				
- own	33,333	—	—	33,333
Tan Lip Gay :				
Interest in the Company :				
- own	20,000	—	—	20,000
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

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, Mr. Teoh Beng Seng is also deemed 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 other than those transactions entered into in the ordinary course of business between the Group and a company in which a Director has a substantial financial interest as disclosed in Note 26.

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 authorised, issued and paid-up 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 statements of comprehensive income and statements of financial position 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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 financial performance of the Group and of the Company for the financial year ended 30 November 2011 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.

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 : 13 February 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2011

	Note	2011 RM'000	2010 RM'000 (Restated)
Assets			
Property, plant and equipment	3	120,304	114,144
Investment property	4	16,958	363
Goodwill	6	1,168	1,168
Land held for property development	7	—	6,092
Investment in an associate	8	72,265	51,279
Other investments	9	6,451	6,535
Deferred tax assets	10	883	547
Total non-current assets		218,029	180,128
Trade and other receivables	11	49,250	48,260
Inventories	12	48,799	44,350
Current tax assets		2,438	1,327
Cash and cash equivalents	13	127,703	131,547
Total current assets		228,190	225,484
Total assets		446,219	405,612
Equity			
Share capital	14	230,000	230,000
Reserves	15	162,319	121,987
Total equity attributable to owners of the Company		392,319	351,987
Non-controlling interests		32	32
Total equity		392,351	352,019
Liabilities			
Deferred tax liabilities	10	3,711	2,935
Total non-current liabilities		3,711	2,935
Trade and other payables	16	45,273	47,490
Current tax liabilities		4,884	3,168
Total current liabilities		50,157	50,658
Total liabilities		53,868	53,593
Total equity and liabilities		446,219	405,612

The notes on pages 62 to 104 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 November 2011

	Note	2011 RM'000	2010 RM'000
Continuing operations			
Revenue	17	357,542	322,611
Changes in manufactured inventories and work-in-progress		2,410	809
Raw materials and consumables used		(100,715)	(84,728)
Employee benefits expenses		(32,198)	(30,286)
Depreciation		(7,754)	(6,889)
Other operating expenses		(152,667)	(137,756)
Other operating income		12,962	11,738
Results from operating activities	18	79,580	75,499
Share of profit of equity accounted investee, net of tax		35,492	30,398
Profit before tax		115,072	105,897
Income tax expense	20	(19,752)	(19,225)
Profit for the year		95,320	86,672
Other comprehensive income, net of tax			
Foreign currency translation differences for foreign operations		(10)	11
Fair value of available-for-sale financial assets		(15)	—
Share of other comprehensive income of equity accounted investee, net of tax		201	—
Total other comprehensive income for the year, net of tax		176	11
Total comprehensive income for the year		95,496	86,683
Profit attributable to :			
Owners of the Company		95,320	87,065
Non-controlling interests		—	(393)
Profit for the year		95,320	86,672
Total comprehensive income attributable to :			
Owners of the Company		95,496	87,076
Non-controlling interests		—	(393)
Total comprehensive income for the year		95,496	86,683
Basic earnings per ordinary share (sen)	21	20.72	18.93

The notes on pages 62 to 104 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 November 2011

	Attributable to owners of the Company						
	Share capital RM'000	Non-distributable translation reserve RM'000	Non-distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 December 2009	172,500	(21)	—	147,632	320,111	425	320,536
Total other comprehensive income for the year	—	11	—	—	11	—	11
- Foreign currency translation differences for foreign operations	—	—	—	87,065	87,065	(393)	86,672
Profit for the year	—	11	—	87,065	87,076	(393)	86,683
Total comprehensive income for the year	—	—	—	(55,200)	(55,200)	—	(55,200)
Total distribution to owners	57,500	—	—	(57,500)	—	—	—
- Dividends to owners of the Company (Note 22)	—	—	—	—	—	—	—
- Bonus issue (1 for 3)	57,500	—	—	(57,500)	—	—	—
At 30 November 2010	230,000	(10)	—	121,997	351,987	32	352,019
Note 14	Note 15	Note 15	Note 15	Note 15			
At 1 December 2010	230,000	(10)	—	121,997	351,987	32	352,019
- as previously stated	—	—	36	—	36	—	36
- effect of adopting FRS 139 (Note 29)	230,000	(10)	—	121,997	351,987	32	352,019
At 1 December 2010, restated	230,000	(10)	36	121,997	352,023	32	352,055
Foreign currency translation differences for foreign operations	—	(10)	—	—	(10)	—	(10)
Fair value of available-for-sale financial assets	—	—	(15)	—	(15)	—	(15)
Share of other comprehensive income of equity accounted investee, net of tax	—	201	—	—	201	—	201
Total other comprehensive income for the year	—	191	(15)	—	176	—	176
Profit for the year	—	—	—	95,320	95,320	—	95,320
Total comprehensive income for the year	—	191	(15)	95,320	95,496	—	95,496
Total distribution to owners	—	—	—	(55,200)	(55,200)	—	(55,200)
- Dividends to owners of the Company (Note 22)	—	—	—	—	—	—	—
At 30 November 2011	230,000	181	21	162,117	392,319	32	392,351
Note 14	Note 15	Note 15	Note 15	Note 15			

The notes on pages 62 to 104 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 November 2011

	Note	2011 RM'000	2010 RM'000
Cash flows from operating activities			
Profit before tax from continuing operations		115,072	105,897
Adjustments for :			
Depreciation of :			
- property, plant and equipment	3	7,684	6,879
- investment property	4	70	10
Interest income	18	(4,140)	(3,264)
Property, plant and equipment written off	18	1,693	22
Gain on disposal of :			
- property, plant and equipment	18	(314)	(122)
- asset classified as held for sale	18	—	(1,346)
Share of profit of equity accounted investee, net of tax		(35,492)	(30,398)
Impairment loss / (Reversal of impairment loss) on other investments	18	751	(300)
Operating profit before changes in working capital		85,324	77,378
Changes in working capital :			
Trade and other receivables		(999)	3,644
Inventories		(4,431)	3,472
Trade and other payables		(2,336)	1,098
Cash generated from operations		77,558	85,592
Income tax paid		(18,715)	(20,654)
Proceeds from disposal of asset classified as held for sale		—	5,950
Dividends received from an associate		14,707	9,871
Net cash from operating activities		73,550	80,759
Cash flows from investing activities			
Purchase of other investments		(646)	(161)
Interest received		4,140	3,264
Proceeds from disposal of property, plant and equipment		317	125
Purchase of property, plant and equipment	3	(15,422)	(22,290)
Additions to investment property	4	(10,573)	—
Net cash used in investing activities		(22,184)	(19,062)
Cash flows from financing activities			
Dividends paid to owners of the Company	22	(55,200)	(55,200)
Net cash used in financing activities		(55,200)	(55,200)
Net (decrease) / increase in cash and cash equivalents		(3,834)	6,497
Effect of exchange rate fluctuations on cash held		(11)	(33)
Cash and cash equivalents at 1 December		131,499	125,035
Cash and cash equivalents at 30 November	A	127,654	131,499

Consolidated Statement Of Cash Flows For The Year Ended 30 November 2011 (Cont'd)

NOTES

A. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts :

	Note	2011 RM'000	2010 RM'000
Short term deposits with licensed banks	13	47,919	110,966
Cash and bank balances	13	79,784	20,581
		127,703	131,547
Less : Deposits pledged	13.1	(49)	(48)
		127,654	131,499

The notes on pages 62 to 104 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 November 2011

	Note	2011 RM'000	2010 RM'000
Assets			
Investment in subsidiaries	5	177,236	145,236
Other investments	9	6,451	6,535
Total non-current assets		183,687	151,771
Other receivables	11	11,048	92,793
Current tax assets		198	216
Cash and cash equivalents	13	50,430	3,746
Total current assets		61,676	96,755
Total assets		245,363	248,526
Equity			
Share capital	14	230,000	230,000
Reserves	15	15,178	18,335
Total equity attributable to owners of the Company		245,178	248,335
Liabilities			
Other payables	16	185	191
Total current liabilities		185	191
Total equity and liabilities		245,363	248,526

The notes on pages 62 to 104 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 November 2011

	Note	2011 RM'000	2010 RM'000
Continuing operations			
Revenue	17	52,400	108,750
Other operating expenses		(1,143)	(487)
Other operating income		765	559
Results from operating activities			
Income tax expense	20	—	(7)
Profit for the year		52,022	108,815
Other comprehensive income, net of tax			
Fair value of available-for-sale financial assets		(15)	—
Total other comprehensive income for the year, net of tax		(15)	—
Total comprehensive income for the year		52,007	108,815

The notes on pages 62 to 104 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 November 2011

	Share capital RM'000	Non-distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 December 2009	172,500	—	22,220	194,720
Total comprehensive income for the year				
- Profit for the year	—	—	108,815	108,815
Total distribution to owners				
- Dividends to owners of the Company (Note 22)	—	—	(55,200)	(55,200)
- Bonus issue (1 for 3)	57,500	—	(57,500)	—
At 30 November 2010	230,000	—	18,335	248,335
At 1 December 2010				
- as previously stated	230,000	—	18,335	248,335
- effect of adopting FRS 139 (Note 29)	—	36	—	36
At 1 December 2010, restated	230,000	36	18,335	248,371
Total other comprehensive income for the year				
- Fair value of available-for-sale financial assets	—	(15)	—	(15)
Profit for the year	—	—	52,022	52,022
Total comprehensive income for the year	—	(15)	52,022	52,007
Total distribution to owners				
- Dividends to owners of the Company (Note 22)	—	—	(55,200)	(55,200)
At 30 November 2011	230,000	21	15,157	245,178
	Note 14	Note 15	Note 15	

The notes on pages 62 to 104 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For The Year Ended 30 November 2011

	Note	2011 RM'000	2010 RM'000
Cash flows from operating activities			
Profit before tax from continuing operations		52,022	108,822
Adjustments for :			
Dividend income	18	(52,400)	(108,750)
Interest income	18	(765)	(259)
Impairment loss / (Reversal of impairment loss) on other investments	18	751	(300)
Operating loss before changes in working capital		(392)	(487)
Changes in working capital :			
Other receivables		58,406	(56,203)
Other payables		(6)	22
Cash generated from / (used in) operations		58,008	(56,668)
Income tax refunded / (paid)		18	(105)
Dividends received		55,200	112,200
Net cash from operating activities		113,226	55,427
Cash flows from investing activities			
Additions to investment in subsidiaries	A	(11,461)	(500)
Purchase of other investments		(646)	(161)
Interest received		765	259
Net cash used in investing activities		(11,342)	(402)
Cash flows from financing activities			
Dividends paid to owners of the Company	22	(55,200)	(55,200)
Net cash used in financing activities		(55,200)	(55,200)
Net increase / (decrease) in cash and cash equivalents		46,684	(175)
Cash and cash equivalents at 1 December		3,746	3,921
Cash and cash equivalents at 30 November	13	50,430	3,746

NOTE

A. Additions to investment in subsidiaries

During the year, the Company subscribed for the shares in subsidiaries with an aggregate cost of RM32,000,000 (2010 : RM500,000) of which RM20,539,000 (2010 : RM Nil) were acquired through capitalisation of amount due from subsidiaries.

The notes on pages 62 to 104 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 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") 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 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 13 February 2012.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and the Company :

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011
<ul style="list-style-type: none"> • Amendments to FRS 1, First-time Adoption of Financial Reporting Standards <ul style="list-style-type: none"> - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemption for First-time Adopters
<ul style="list-style-type: none"> • Amendments to FRS 2, Group Cash-settled Share Based Payment Transactions *
<ul style="list-style-type: none"> • Amendments to FRS 7, Financial Instruments : Disclosures - Improving Disclosures about Financial Instruments
<ul style="list-style-type: none"> • IC Interpretation 4, Determining whether an arrangement contains a Lease
<ul style="list-style-type: none"> • IC Interpretation 18, Transfers of Assets from Customers *
<ul style="list-style-type: none"> • Improvements to FRSs (2010)
FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011
<ul style="list-style-type: none"> • IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
<ul style="list-style-type: none"> • Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement *
FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012
<ul style="list-style-type: none"> • FRS 124, Related Party Disclosures (revised)
<ul style="list-style-type: none"> • Amendments to FRS 1, First-time Adoption of Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
<ul style="list-style-type: none"> • Amendments to FRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets
<ul style="list-style-type: none"> • Amendments to FRS 112, Income Taxes - Deferred Tax: Recovery of Underlying Assets
FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012
<ul style="list-style-type: none"> • Amendments to FRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013
<ul style="list-style-type: none"> • FRS 9, Financial Instruments (2009)
<ul style="list-style-type: none"> • FRS 9, Financial Instruments (2010)
<ul style="list-style-type: none"> • FRS 10, Consolidated Financial Statements
<ul style="list-style-type: none"> • FRS 11, Joint Arrangements
<ul style="list-style-type: none"> • FRS 12, Disclosure of Interests in Other Entities
<ul style="list-style-type: none"> • FRS 13, Fair Value Measurement
<ul style="list-style-type: none"> • FRS 119, Employee Benefits (2011)
<ul style="list-style-type: none"> • FRS 127, Separate Financial Statements (2011)
<ul style="list-style-type: none"> • FRS 128, Investments in Associates and Joint Ventures (2011)
<ul style="list-style-type: none"> • IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 December 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 January 2011 and 1 July 2011, except for those marked with “*” 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 or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

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

IC Interpretation 4, Determining whether an Arrangement contains a Lease

IC Interpretation 4 provides guidance on determining whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, Leases. Where an arrangement is within the scope of FRS 117, the Group applies FRS 117 in determining whether the arrangement is a finance or an operating lease.

The adoption of IC Interpretation 4 will result in a change in accounting policy which will be applied retrospectively in accordance with FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors in which certain arrangements are to be accounted for as a finance lease.

The initial applications of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

The Group's and the Company's financial statements for annual period beginning on 1 December 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments that will be effective for annual periods beginning on or after 1 January 2012, 1 July 2012 and 1 January 2013.

(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 is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs 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 estimates are 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 the following notes :

- Note 4 - valuation of investment property
- Note 6 - assessment on impairment of goodwill
- Note 10 - recognition of deferred tax assets

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 the Group entities, other than those disclosed in the following notes :

- Note 2(a) - Basis of consolidation
- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(j) - Receivables

(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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 December 2010, the Group will apply FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 1 December 2010

For acquisitions on or after 1 December 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Accounting for business combinations (Cont'd)

Acquisitions between 1 January 2006 and 1 December 2010

For acquisitions between 1 January 2006 and 1 December 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

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.

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. 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.

(iv) Loss of control

The Group applied FRS 127, Consolidated and Separate Financial Statements (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-safe financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(v) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income 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 associate, the carrying amount of that interest including any long-term investments is reduced to zero, 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 measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous financial years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(vii) 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 investees. 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 reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value 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 profit or loss, except for differences arising on the retranslation of available-for sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

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

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, 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 foreign operations, are translated to RM at exchange rates at the dates of the transactions.

2. Significant accounting policies (Cont'd)

(b) Foreign currency (Cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (Cont'd)

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes off only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR within equity.

(c) Financial instruments

Arising from the adoption of FRS 139, Financial Instruments: Recognition and Measurement, with effect from 1 December 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 December 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 29.

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (Cont'd)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(m)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as financial liability and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. Significant accounting policies (Cont'd)

(c) Financial instruments (Cont'd)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

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

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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

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 knowledgeable willing parties 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 available and replacement cost when appropriate.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a 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 or the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. Significant accounting policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss 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 reviewed, and adjusted as appropriate at end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards ownership are classified as finance leases. On 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.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or investment property, where appropriate.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. 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.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

The Group has adopted the amendment made to FRS 117, Leases during the financial year ended 30 November 2011 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

2. Significant accounting policies (Cont'd)

(e) Leased assets (Cont'd)

(ii) Operating lease (Cont'd)

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred. Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investees.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

(g) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured 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(d)(iii).

Cost includes expenditures that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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

2. Significant accounting policies (Cont'd)

(g) Investment property (Cont'd)

(i) Investment property carried at cost (Cont'd)

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings and 44 years for short term leasehold land. Freehold land is not depreciated.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

An investment property under construction before 1 December 2010 was classified as property, plant and equipment and measured at cost. Such property is stated at cost until construction or development is complete, at which time it is reclassified as investment property.

Following the amendment made to FRS 140, Investment Property, with effect from 1 December 2010, investment property under construction is classified as investment property.

(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.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, 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 the 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.

(i) Receivables

Prior to 1 December 2010, receivables were initially recognised at their costs and subsequently stated at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivable are categorised and measured as loans and receivables in accordance with Note 2(c).

(j) Non-current assets held for sale or distribution

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distributions, 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 costs to sell.

2. Significant accounting policies (Cont'd)

(j) Non-current assets held for sale or distribution (Cont'd)

Any impairment loss on a disposal group is first 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, employee benefit 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 or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

(k) Land held for property development

Land held for property 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 property 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.

(l) Cash and cash equivalents

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

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2(c).

(m) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

2. Significant accounting policies (Cont'd)

(m) Impairment (Cont'd)

(i) Financial assets (Cont'd)

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 (known as cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or the group of cash-generating units and then to reduce the carrying amount of the other assets in the cash-generating unit (or a group of cash-generating 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 the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the year in which the reversals are recognised.

(n) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

2. Significant accounting policies (Cont'd)

(o) Employee benefits

(i) Short-term 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 liability 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.

(ii) State plans

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

(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. The unwinding of the discount is recognised as finance cost.

(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.

(r) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities 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 persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to surveys of work performed.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Significant accounting policies (Cont'd)

(s) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(t) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. 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 or 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 end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(u) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (EPS). 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.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment - Group

	Short term leasehold land RM'000	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 2009, restated	12,722	50,671	9,000	16,714	22,961	2,725	75	114,868
Additions	—	—	—	3,054	1,247	50	17,939	22,290
Disposals	—	(3)	—	—	—	(235)	—	(238)
Written off	—	—	—	(9)	(53)	—	—	(62)
Effect of movements in exchange rates	(48)	—	(218)	—	(7)	(3)	—	(276)
At 30 November 2010 / 1 December 2010, restated	12,674	50,668	8,782	19,759	24,148	2,537	18,014	136,582
Additions	—	5,264	—	1,084	7,044	—	2,030	15,422
Disposals	—	—	—	(3)	(2)	(1,123)	—	(1,128)
Written off	—	(1,702)	—	(453)	(366)	—	—	(2,521)
Reclassifications	—	12,685	—	802	4,527	—	(18,014)	—
Effect of movements in exchange rates	(63)	—	193	—	—	3	—	133
At 30 November 2011	12,611	66,915	8,975	21,189	35,351	1,417	2,030	148,488
Accumulated depreciation								
At 1 December 2009, restated	675	2,877	530	6,315	3,339	2,116	—	15,852
Depreciation for the year	463	1,200	176	2,198	2,548	294	—	6,879
Disposals	—	—	—	—	—	(235)	—	(235)
Written off	—	—	—	(7)	(33)	—	—	(40)
Effect of movements in exchange rates	(1)	—	(12)	—	(4)	(1)	—	(18)
At 30 November 2010 / 1 December 2010, restated	1,137	4,077	694	8,506	5,850	2,174	—	22,438
Depreciation for the year	460	1,410	180	2,196	3,305	133	—	7,684
Disposals	—	—	—	(1)	(1)	(1,123)	—	(1,125)
Written off	—	(199)	—	(296)	(333)	—	—	(828)
Reclassifications	—	—	—	511	(511)	—	—	—
Effect of movements in exchange rates	(4)	—	15	—	3	1	—	15
At 30 November 2011	1,593	5,288	889	10,916	8,313	1,185	—	28,184
Carrying amounts								
At 1 December 2009, restated	12,047	47,794	8,470	10,399	19,622	609	75	99,016
At 30 November 2010 / 1 December 2010, restated	11,537	46,591	8,088	11,253	18,298	363	18,014	114,144
At 30 November 2011	11,018	61,627	8,086	10,273	27,038	232	2,030	120,304

4. Investment property - Group

	Note	Freehold land RM'000	Short term leasehold land RM'000	Freehold shoplots RM'000	Total RM'000
Cost					
At 1 December 2009 / 30 November 2010 / 1 December 2010		—	—	412	412
Additions		—	10,573	—	10,573
Transfer from land held for property development	7	6,092	—	—	6,092
At 30 November 2011		6,092	10,573	412	17,077
Accumulated depreciation					
At 1 December 2009		—	—	39	39
Depreciation for the year	18	—	—	10	10
At 30 November 2010 / 1 December 2010		—	—	49	49
Depreciation for the year	18	—	60	10	70
At 30 November 2011		—	60	59	119
Carrying amounts					
At 1 December 2009		—	—	373	373
At 30 November 2010 / 1 December 2010		—	—	363	363
At 30 November 2011		6,092	10,513	353	16,958
Fair values					
At 1 December 2009		—	—	373	373
At 30 November 2010 / 1 December 2010		—	—	363	363
At 30 November 2011		12,626	11,365	390	24,381

The following are recognised in profit or loss in respect of investment property :

	Group	
	2011 RM'000	2010 RM'000
Direct operating expenses :		
- non-income generating investment property	114	15

5. Investment in subsidiaries - Company

	2011 RM'000	2010 RM'000
Unquoted shares, at cost	177,236	145,236

Details of subsidiaries are as follows :

Name of Subsidiaries	Effective ownership interest		Country of incorporation	Principal activities
	2011	2010		
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 NUTRACEUTICAL SDN. BHD.	100%	100%	Malaysia	Manufacturing of traditional products
DIAMOND INSPIRATION SDN. BHD.	100%	100%	Malaysia	Operator of cafeteria for the employees of the Group
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

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

Name of Subsidiaries	Effective ownership interest		Country of incorporation	Principal activities
	2011	2010		
ZHULIAN LABUAN LIMITED *	80%	80%	Malaysia	Investment holding
DEXASSETS SDN. BHD.	100%	100%	Malaysia	Domant
Subsidiary of ZDSB				
ZHULIAN CONSTRUCTION SDN. BHD.	62%	62%	Malaysia	Domant
Subsidiaries of ZMSB				
PT. ZHULIAN INDONESIA *	60%	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 member firms of KPMG International

6. Goodwill, at cost - Group

	2011 RM'000	2010 RM'000
At 30 November	1,168	1,168

Impairment testing for cash-generating units containing goodwill

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 9.0% (2010 : 12.5%) which is specific to the CGU.

7. Land held for property development - Group

	2011 RM'000	2010 RM'000
At 1 December	6,092	6,092
Transfer to investment property (Note 4)	(6,092)	—
At 30 November **	—	6,092
** This amount comprises :		
At Cost		
Freehold land	—	4,294
Other outgoings	—	1,798
	—	6,092

8. Investment in an associate - Group

	2011 RM'000	2010 RM'000
Unquoted shares, at cost	10,287	10,287
Share of post-acquisition reserves	61,777	40,992
Share of other comprehensive income, net of tax	201	—
	72,265	51,279

Summary financial information for an associate, not adjusted for the percentage ownership held by the Group :

	Country of incorporation	Effective ownership interest	Revenue (100%) RM'000	Profit for the year (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2011						
ZHULIAN (THAILAND) LTD.	Thailand	49%	479,529	71,431	247,333	99,853
2010						
ZHULIAN (THAILAND) LTD.	Thailand	49%	406,621	61,320	183,501	74,688

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

	Quoted unit trust in Malaysia RM'000
2011	
Non-current	
Available-for-sale financial assets, at fair value	6,451
Market value of quoted investments	6,451
2010	
Non-current	
At cost	8,335
Less : Impairment loss	(1,800)
	6,535
Market value of quoted investments	6,571

The comparative figures as at 30 November 2010 have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44 AA.

10. Deferred tax assets / (liabilities) - Group

Recognised deferred tax assets / (liabilities)

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property, plant and equipment	192	119	(6,168)	(4,935)	(5,976)	(4,816)
Provisions	97	212	1,016	420	1,113	632
Tax loss carry-forwards	594	216	—	—	594	216
Other items	—	—	1,441	1,580	1,441	1,580
	883	547	(3,711)	(2,935)	(2,828)	(2,388)

10. Deferred tax assets / (liabilities) - Group (Cont'd)

The component and movement in temporary differences during the year are as follows :

	At 1 December 2009 RM'000	Effect of movements in exchange rates RM'000	Recognised in profit or loss (Note 20) RM'000	At 30 November 2010 RM'000	Effect of movements in exchange rates RM'000	Recognised in profit or loss (Note 20) RM'000	At 30 November 2011 RM'000
Assets							
Property, plant and equipment	48	—	71	119	(2)	75	192
Provisions	162	(1)	51	212	(2)	(113)	97
Tax loss carry-forwards	16	—	200	216	(3)	381	594
	226	(1)	322	547	(7)	343	883
Liabilities							
Property, plant and equipment	(4,132)	—	(803)	(4,935)	—	(1,233)	(6,168)
Provisions	461	—	(41)	420	—	596	1,016
Other items	2,311	—	(731)	1,580	—	(139)	1,441
	(1,360)	—	(1,575)	(2,935)	—	(776)	(3,711)
Net deferred tax assets / (liabilities)	(1,134)	(1)	(1,253)	(2,388)	(7)	(433)	(2,828)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at net) :

	2011 RM'000	2010 RM'000
Taxable temporary differences	(830)	(366)
Capital allowances carry-forwards	712	569
Tax loss carry-forwards	1,473	1,289
Provisions	627	462
Other items	(3)	—
	1,979	1,954

The tax loss 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 loss carry-forwards and capital allowances carry-forwards available to the Group.

11. Trade and other receivables

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade					
Amount due from an associate	11.1	38,819	39,716	—	—
Others		1,516	1,594	—	—
		40,335	41,310	—	—
Non-trade					
Amount due from an associate	11.1	—	4	—	—
Amount due from subsidiaries	11.2	—	—	15	78,953
Other receivables		1,014	1,087	1	1
Deposits	11.3	282	1,944	5	5
Prepayments		7,619	3,915	27	34
Dividend receivable		—	—	11,000	13,800
		8,915	6,950	11,048	92,793
		49,250	48,260	11,048	92,793

11.1 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 was unsecured, interest-free and repayable on demand.

11.2 Amount due from subsidiaries

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

11.3 Deposits

Included in deposits of the Group is an amount of RM Nil (2010 : RM1,200,000) in respect of deposit paid for the purchase of an industrial property.

12. Inventories - Group

	2011 RM'000	2010 RM'000
Raw materials	19,068	16,726
Work-in-progress	9,191	8,492
Finished goods	17,538	15,910
Consumables	3,002	3,222
	48,799	44,350

13. Cash and cash equivalents

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term deposits with licensed banks	13.1	47,919	110,966	5,404	3,310
Cash and bank balances		79,784	20,581	45,026	436
		127,703	131,547	50,430	3,746

13.1 Short term deposits with licensed banks

Included in the short term deposits with licensed banks of the Group is RM49,000 (2010 : RM48,000) pledged for a banking facility.

14. Share capital

	Amount 2011 RM'000	Number of shares 2011 '000	Amount 2010 RM'000	Number of shares 2010 '000
Ordinary shares of RM0.50 each :				
Authorised	500,000	1,000,000	500,000	1,000,000
Issued and fully paid shares classified as equity instruments :				
Balance at 1 December	230,000	460,000	172,500	345,000
Bonus issue (1 for 3)	—	—	57,500	115,000
Balance at 30 November	230,000	460,000	230,000	460,000

15. Reserves

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable					
Translation reserve	15.1	181	(10)	—	—
Fair value reserve	15.2	21	—	21	—
Distributable					
Retained earnings	15.3	162,117	121,997	15,157	18,335
		162,319	121,987	15,178	18,335

15. Reserves (Cont'd)

The movements in reserves are shown in statements of changes in equity.

15.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

15.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

15.3 Retained earnings

The Company is able to distribute dividends out of its entire retained earnings as at 30 November 2011 as the Company has opted for the single tier system.

16. Trade and other payables

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables		13,790	15,906	—	—
Non-trade					
Other payables	16.1	20,244	20,239	7	—
Accrued expenses		11,239	11,345	178	191
		31,483	31,584	185	191
		45,273	47,490	185	191

16.1 Other payables

Included in other payables of the Group is an amount of RM17,903,000 (2010 : RM17,785,000) in respect of security deposits received from agents.

17. Revenue

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Dividend income	—	—	52,400	108,750
Sale of goods	352,459	312,299	—	—
Services rendered	5,083	4,362	—	—
Sale of land	—	5,950	—	—
	357,542	322,611	52,400	108,750

18. Results from operating activities

Results from operating activities are arrived at :

	Group		Company	
	2011 RM'000	2010 RM'000 (Restated)	2011 RM'000	2010 RM'000
After charging :				
Auditors' remuneration				
- Statutory audit				
KPMG Malaysia				
- current year	179	177	36	36
- prior year	2	10	—	1
Other auditors	38	38	—	—
- Other services				
KPMG Malaysia	26	14	26	14
Affiliates of KPMG Malaysia	59	60	3	3
Inventories written off	131	100	—	—
Personnel expenses (including key management personnel)				
- Contributions to state plans	3,012	2,918	—	—
- Wages, salaries and other	29,186	27,368	12	12
Depreciation of :				
- property, plant and equipment (Note 3)	7,684	6,879	—	—
- investment property (Note 4)	70	10	—	—
Impairment loss on :				
- Trade receivables	244	—	—	—
- Other investments	751	—	751	—
Property, plant and equipment written off	1,693	22	—	—
Loss on foreign exchange				
- Realised (net)	273	4,498	—	—
Research and development expenditure	97	99	—	—
Rental of machinery	7	10	—	—
Rental of premises	566	729	—	—
and after crediting :				
Dividend income from subsidiaries (unquoted)	—	—	52,400	108,750
Gain on disposal of :				
- property, plant and equipment	314	122	—	—
- asset classified as held for sale	—	1,346	—	—
Interest income	4,140	3,264	765	259
Gain on foreign exchange				
- Unrealised	1,264	344	—	—
Reversal of impairment loss on :				
- Trade receivables	—	10	—	—
- Other investments	—	300	—	300
Reversal of inventories written down	576	177	—	—

19. Key management personnel compensations

The key management personnel compensations are as follows :

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors of the Company				
- Fees	120	120	120	120
- Remuneration	5,412	5,721	12	12
Other Directors				
- Fees	27	24	—	—
- Remuneration	529	485	—	—
	6,088	6,350	132	132

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

20. Income tax expense

Recognised in profit or loss

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Income tax expense on continuing operations	19,752	19,225	—	7
Share of tax of equity accounted associate	15,372	13,332	—	—
Total income tax expense	35,124	32,557	—	7

Major components of income tax expense include :

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense				
- Current year	19,984	18,465	4	7
- Prior year	(665)	(493)	(4)	—
Total current tax recognised in profit or loss	19,319	17,972	—	7
Deferred tax expense				
(Reversal) / Origination of temporary differences				
- Current year	(35)	588	—	—
- Prior year	468	665	—	—
Total deferred tax recognised in profit or loss	433	1,253	—	—
Share of tax of equity accounted associate	15,372	13,332	—	—
Total income tax expense	35,124	32,557	—	7

20. Income tax expense (Cont'd)

Reconciliation of effective tax expense

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the year	95,320	86,672	52,022	108,815
Total income tax expense	35,124	32,557	—	7
Profit excluding tax	130,444	119,229	52,022	108,822
Income tax calculated at Malaysian tax rate of 25% (2010 : 25%)	32,611	29,807	13,005	27,206
Effect of tax rates in foreign jurisdictions *	2,679	2,396	—	—
Non-deductible expenses	1,384	1,284	277	122
Tax exempt income	(293)	(267)	(13,278)	(27,321)
Tax incentives	(1,085)	(1,005)	—	—
Change in unrecognised temporary differences	25	169	—	—
Other items	—	1	—	—
(Over) / Under provided in prior year	(197)	172	(4)	—
Income tax expense	35,124	32,557	—	7

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

21. Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of RM95,320,000 (2010 : RM87,065,000) and a weighted average number of ordinary shares outstanding during the financial year of 460,000,000 (2010 : 460,000,000).

22. Dividends

Dividends recognised in the current year by the Company are :

	2011 RM'000	2010 RM'000
In respect of financial year ended 30 November 2009		
- Fourth interim single tier dividend of 3 sen and special interim single tier dividend of 2 sen per ordinary share paid on 1 March 2010	—	17,250
In respect of financial year ended 30 November 2010		
- First interim single tier dividend of 3 sen per ordinary share paid on 27 May 2010	—	10,350
- Second interim single tier dividend of 3 sen per ordinary share paid on 30 August 2010	—	13,800
- Third interim single tier dividend of 3 sen per ordinary share paid on 29 November 2010	—	13,800
- Fourth interim single tier dividend of 3 sen per ordinary share paid on 8 March 2011	13,800	—
In respect of financial year ended 30 November 2011		
- First interim single tier dividend of 3 sen per ordinary share paid on 31 May 2011	13,800	—
- Second interim single tier dividend of 3 sen per ordinary share paid on 7 September 2011	13,800	—
- Third interim single tier dividend of 3 sen per ordinary share paid on 15 November 2011	13,800	—
	55,200	55,200
Gross dividends per ordinary share (sen)	12.00	12.00
Net dividends per ordinary share (sen)	12.00	12.00

The Directors declared a fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the year ended 30 November 2011 on 19 January 2012. The financial statements do not reflect this dividend declared after 30 November 2011, which will be accounted for as appropriation of retained earnings in the year ending 30 November 2012.

The gross dividends per ordinary share and net dividends per ordinary share as disclosed above take into account the total interim and final dividends for the financial year.

23. 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 (2010 : RM2.1 million) of which RM1.6 million (2010 : RM1.3 million) was utilised as at the end of the reporting date.

24. Commitments - Group

(a) Capital commitments

	2011 RM'000	2010 RM'000
Property, plant and equipment		
Authorised but not contracted for	2,550	5,000
Contracted but not provided for	6,629	17,756
	9,179	22,756

(b) Operating lease commitments

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

	2011 RM'000	2010 RM'000
Less than one year	8	4
Between one and five years	—	8
	8	12

25. Operating segments

The Group is principally confined to the manufacture and sale of costume jewellery and consumer products on a direct sales basis which are principally carried out in Malaysia, Thailand, Indonesia and Singapore. The operations in Thailand are principally carried out by an associate of the Group. Accordingly, information by operating segments on the Group's operations as required by FRS 8 is not presented.

Geographical segments

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. The amounts of non-current assets do not include financial instruments (including investment in an associate) and deferred tax assets.

Geographical information

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Singapore RM'000	Consolidated RM'000
2011					
Revenue	172,118	167,219	15,683	2,522	357,542
Non-current assets	123,722	—	6,537	8,171	138,430
2010					
Revenue	157,711	149,220	13,385	2,295	322,611
Non-current assets	106,841	—	6,717	8,209	121,767

25. Operating segments (Cont'd)

Major customers

The following is major customer with revenue equal or more than 10% of the Group's total revenue :

	Revenue	
	2011 RM'000	2010 RM'000
Associate	167,219	149,220

26. Related parties

Identity of 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. Key management personnel include all the Directors of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 19), are as follows :

	Amount transacted for the year ended 30 November	
	2011 RM'000	2010 RM'000
Group		
Associate		
Sales	167,219	149,220
Company		
Subsidiaries		
Advances provided	8,914	58,204

The non-trade outstanding balances with related parties are disclosed in Note 11 to the financial statements. All the amounts outstanding are expected to be settled in cash.

27. Financial instruments

Certain comparative figures have not been presented for 30 November 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

27.1 Categories of financial instruments

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

- (a) Loans and receivables (L&R);
- (b) Available-for-sale financial assets (AFS); and
- (c) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM'000	L & R / (OL) RM'000	AFS RM'000
2011			
Financial assets			
Group			
Other investments	6,451	—	6,451
Trade and other receivables	41,631	41,631	—
Cash and cash equivalents	127,703	127,703	—
	175,785	169,334	6,451
Company			
Other investments	6,451	—	6,451
Other receivables	11,021	11,021	—
Cash and cash equivalents	50,430	50,430	—
	67,902	61,451	6,451
Financial liabilities			
Group			
Trade and other payables	(45,273)	(45,273)	—
Company			
Other payables	(185)	(185)	—

27.2 Net gains and losses arising from financial instruments

	Group	Company
	2011 RM'000	2011 RM'000
Net gains / (losses) arising on :		
Available-for-sale financial assets		
- recognised in other comprehensive income	(15)	(15)
- recognised in profit or loss	(751)	(751)
Loans and receivables (net)	(244)	—
	(1,010)	(766)

27. Financial instruments (Cont'd)

27.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment securities. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally security deposits are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Receivables amounting to RM39,224,000 (2010 : RM40,363,000) are partially secured by deposits received.

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was :

	Group	
	2011 RM'000	2010 RM'000
Thailand	38,819	39,716
Indonesia	79	98
Malaysia	1,437	1,496
	40,335	41,310

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Receivables (Cont'd)

Impairment losses

The ageing of receivables as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
Group				
2011				
Not past due	39,429	—	—	39,429
Past due 1 - 30 days	874	—	—	874
Past due 31 - 120 days	28	—	—	28
Past due more than 120 days	304	(300)	—	4
	40,635	(300)	—	40,335
2010				
Not past due	39,139	—	—	39,139
Past due 1 - 30 days	1,872	—	—	1,872
Past due 31 - 120 days	67	—	—	67
Past due more than 120 days	288	(56)	—	232
	41,366	(56)	—	41,310

The movements in the allowance for impairment losses of trade receivables during the financial year were :

	Group	
	2011 RM'000	2010 RM'000
At 1 December	56	66
Impairment loss recognised	251	—
Impairment loss reversed	(7)	(10)
At 30 November	300	56

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations except for the impairment loss recognised in respect of quoted unit trusts below. The Group does not have overdue investments that have not been impaired.

The investments and other financial assets are unsecured.

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Investments and other financial assets (Cont'd)

Impairment losses

An impairment loss of RM751,627 (2010 : RM Nil) in respect of quoted unit trusts of the Group and the Company, which are unsecured, was recognised during the financial year owing to significant diminution in value.

The movements in the allowance for impairment loss during the financial year were :

	Group and Company	
	2011 RM'000	2010 RM'000
At 1 December	1,800	2,100
Impairment loss recognised	751	—
Impairment loss reversed	—	(300)
At 30 November	2,551	1,800

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM1.6 million (2010 : RM1.3 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

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

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances are repayable on demand.

27.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

27. Financial instruments (Cont'd)

27.5 Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2011							
Non-derivative financial liabilities							
Trade and other payables	45,273	—	45,273	45,273	—	—	—
Company							
2011							
Non-derivative financial liabilities							
Other payables	185	—	185	185	—	—	—

27. Financial instruments (Cont'd)

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and dividend income that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), Singapore Dollar ("SGD"), Brunei Dollar ("BND") and Australian Dollar ("AUD").

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was :

	Denominated in			
	USD RM'000	SGD RM'000	BND RM'000	AUD RM'000
Group 2011				
Trade and other receivables	38,819	1	—	—
Cash and cash equivalents	3,758	27	18	1,555
Trade and other payables	(34)	(3)	—	—
Net exposure in the statement of financial position	42,543	25	18	1,555
2010				
Trade and other receivables	39,720	—	—	—
Cash and cash equivalents	4,658	24	20	—
Trade and other payables	(27)	(2)	—	—
Net exposure in the statement of financial position	44,351	22	20	—

Currency risk sensitivity analysis

A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased / (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss RM'000
Group 2011	
USD	(3,105)
SGD	(2)
BND	(1)
AUD	(117)

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

27. Financial instruments (Cont'd)

27.6 Market risk (Cont'd)

27.6.2 Interest rate risk

Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's interest earning financial assets are mainly short term in nature and are mostly placed in short term deposits.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed rate instruments				
Financial assets				
- deposits	47,919	110,966	5,404	3,310
- cash at banks	64,956	17,033	44,983	376
	112,875	127,999	50,387	3,686

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

27.6.3 Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Group Executive Directors, as appropriate.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI (FBMKLCI).

A 10% strengthening in FBMKLCI index at the end of the reporting period would have increased equity by RM484,000. A 10% weakening in FBMKLCI index would have had equal but opposite effect on equity.

27. Financial instruments (Cont'd)

27.7 Fair value of financial instruments

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

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

	2011		2010	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group and Company				
Quoted unit trusts	6,451	6,451	6,535	6,571

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Investment in equity securities

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

28. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal (debt-to-equity) ratio that complies with debt covenants and regulatory requirements.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected strategic investment opportunities. The Group adopts a formal dividend policy to distribute at least 60% of the Group's net profit to owners of the Company after taking into consideration the following factors and the financial position of the Group in recommending and determining the level of dividend payments, if any, in any particular financial year or period :

- the Group's level of cash, gearing, return on equity and retained earnings;
- the Group's projected level of capital expenditure;
- the Group's investment plans; and
- the Group's working capital requirements.

The Group does not have any bank borrowings during the financial year ended 30 November 2011.

There were no changes in the Group's approach to capital management during the financial year.

29. Significant changes in accounting policies

	Fair value reserve	
	2011 RM'000	2010 RM'000
Group / Company		
At 1 December, as previously stated	—	—
Adjustment arising from adoption of FRS 139		
- Fair value of equity securities classified as available-for-sale	36	—
	36	—
At 1 December, as restated	36	—

29.1 FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries and an associate were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and an associate are now categorised and measured as available-for-sale as detailed in Note 2(c).

Financial guarantee contracts

Prior to the adoption of FRS 139, financial guarantee contracts were not recognised in the statement of financial position unless it becomes probable that the guarantee may be called upon. With the adoption of FRS 139, financial guarantee contracts are now recognised initially at their fair values and subsequently stated at their initially measured amount less cumulative amortisation. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made.

Inter-company loans

Prior to the adoption of FRS 139, inter-company loans were recorded at cost. With the adoption of FRS 139, inter-company loans are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Finance income and costs are recognised in profit or loss using the effective interest method.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

Consequently, the adoption of FRS 139 does not affect the basic earnings per ordinary share for prior periods. It is not practicable to estimate the impact arising from the adoption of FRS 139 to the current year's basic earnings per ordinary share.

29. Significant changes in accounting policies (Cont'd)

29.2 FRS 101, Presentation of Financial Statements (revised)

The Group applies FRS 101 (revised) which became effective as of 1 December 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

29.3 FRS 117, Leases

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases have been reclassified from prepaid lease payments to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic earnings per ordinary share for the current and prior periods.

29.4 FRS 140, Investment Property

Before 1 December 2010, an investment property under construction was classified as property, plant and equipment and measured at cost. Such property was stated at cost until construction or development was completed, at which time it would be reclassified as investment property.

With the amendment made to FRS 140 with effect from 1 December 2010, investment property under construction is classified as investment property.

The change in accounting policy has been made prospectively in accordance with the transitional provisions of FRS 140.

Hence, the adoption of FRS 140 does not affect the basic earnings per ordinary share for prior periods and has no material impact to current year's basic earnings per ordinary share.

30. Comparative figures

30.1 FRS 101, Presentation of Financial Statements (revised)

Arising from the adoption of FRS 101 (revised), income statements for the year ended 30 November 2010 have been re-presented as statements of comprehensive income. All non-owner changes in equity that were presented in the statements of changes in equity are now included in the statements of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statements of changes in equity.

30.2 FRS 117, Leases

Following the adopting of the amendment to FRS 117, certain comparatives have been re-presented as follows :

	30.11.2010		1.12.2009	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Group				
Carrying amount				
Prepaid lease payments	—	11,537	—	12,047
Property, plant and equipment	114,144	102,607	99,016	86,969

31. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 30 November 2011, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows :

	2011		2010	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total retained earnings of the Company and its subsidiaries :				
- Realised	225,682	15,157	206,979	18,335
- Unrealised	(2,873)	—	(3,240)	—
	222,809	15,157	203,739	18,335
Total share of retained earnings of an associate				
- Realised	62,166	—	41,030	—
- Unrealised	(389)	—	(38)	—
	61,177	—	40,992	—
	284,586	15,157	244,731	18,335
Less : Consolidation adjustments	(122,469)	—	(122,734)	—
Total retained earnings	162,117	15,157	121,997	18,335

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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 53 to 103 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 as at 30 November 2011 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 31 on page 104 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

.....
Teoh Beng Seng

.....
Teoh Meng Keat

Penang,

Date : 13 February 2012

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 53 to 104 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 13 February 2012.

.....
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
(Company No. 415527-P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Zhulian Corporation Berhad, which comprise the statements of financial position as at 30 November 2011 of the Group and of the Company and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 53 to 103.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements 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 2011, 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 subsidiaries of which we have not acted as auditors, which are indicated in Note 5 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 Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 31 on page 104 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Lee Kean Teong
1857/02/12 (J)
Chartered Accountant

Date : 13 February 2012

Penang



OTHER INFORMATION

Sustaining Stability, Solidity and Growth



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 2011 (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) 15,151.06 sq. metres	Leasehold (60 years expiring 2 Feb 2055)	13	17,475	10/03/1994
Plot 41, Bayan Lepas Industrial Estate, Phase IV, 11900 Penang.	The property comprises a parcel of industrial land and a 3-storey factory and office	(i) 0.8659 hectares (2.140 acres) (ii) 12,515.81 sq. metres	Leasehold (60 years expiring 30 Dec 2053)	15	22,188	27/02/1993
Unit 26-B and 26-C, Jalan Tun Dr Awang, 11900 Pulau Pinang.	Two commercial units located on 2 nd and 3 rd floor of a 4 ½-storey complex (a)	(i) n/a (ii) 100.614 sq. metres on each floor	Freehold shoplot	18	353	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 (a)	(i) 28,918 sq. metres (ii) n/a	Freehold	n/a	6,092	13/03/1996
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)	4	28,136	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	16	5,929	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	16	2,157	14/12/2006
Blok C1, Pasirgombong Cikarang Utara Bekasi, Jawa Barat Indonesia	Construct office building and warehouse in future (a)	(i) 25,000 sq. metres (ii) n/a	Leasehold (30 years expiring 24 Sep 2027)	n/a	4,846	10/09/2009
58D, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Pulau Pinang.	Industrial land (a)	(i) 16,244 sq. metres	Leasehold (60 years expiring 18 Oct 2055)	n/a	10,513	29/07/2010

Notes:

(a) These properties are currently vacant.

REGIONAL OFFICES, DISTRIBUTION CENTRES & DISTRICT AGENTS

(As At 29 February 2012)

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. Sudiman Kav.21, Jakarta 12920 Indonesia.	6221-5229988	6221-5208271 6221-5208131
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 SIH HAWA BT MAD ISA	No. 108-B, 2nd Floor, Jalan Tan Sri Teh Ewe Lim, 11600 Penang.	04-2822973 016-4160236	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 LOOI KHAI YUEN	No. 7229, Jln Pematang Pauh, Taman Bagan, 13400 Butterworth, Penang.	04-3323899 012-4087193	04-3323899
BERTAM (BTA)	MOHD RIDZUAN BIN GHASALI RUHIZA BT ABDULLAH	No.79, Jalan Dagangan 4, Pusat Bandar Bertam Perdana 1, 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
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District Agents

Kedah

Location	Authorised Agent(s)	Address	Tel	Fax
SUNGGAI 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)	UMMI WARDIAH @ WAHIDA BT ABDELLAH	No. 32, Jln Shahab 6, Kompleks Shahab Perdana, Lebuhraya Sultanah Bahiyah, 05350 Alor Setar, Kedah Darul Aman.	04-7346899 017-4759604	04-7346899
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
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
CHANGLUN (CHA)	ONG CHING SOO ONG POON SIANG	No. 106-A, Tingkat Bawah, Taman Pertama, Jalan Sintok, 06100 Changlun, Kedah Darul Aman.	04-9242230 016-5247766	04-9242230
KUALA KETIL (KTA)	LER LIAN HENG	No. 20 A-B Bangunan PKNK (sebelah Pasaraya Mutiara), Jalan Baling, 09300 Kuala Ketil, Kedah Darul Aman.	04-4160390 019-5575496 016-7855237	04-4160390
LANGKAWI (LKB)	ROZITA BT SABRI	No. 66 Bandar Baru Baron, 07000 MK.Kuah, Langkawi, Kedah Darul Aman.	04-9660439 013-4428878	04-9660439
POKOK SENJA (PKS)	TEH BAK CHUI ONG CHING SOO	No. 7 Taman Angsana, Pokok Senja, 06400 Kedah Darul Aman.	04-7822231 016-5247766	04-7822231

Perak

IPOH (IPA)	SHADIAH FARWIN BT ARSHAD SABARIAH BT SHAPIE NORLIA BT SHAHARUDDIN SHARIFAH SALWAH BT MOHD JIPLUS	No. 10, Jalan Mas 1, Taman Mas, Falim, 30200 Ipoh, Perak Darul Ridzuan.	05-2816401 019-5176112	05-2816401
SIMPANG PULAI (SPP)	SONIA KHOR MUI NGEER 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 Pemiagaan 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 NGEER 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 Hamoni, 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

District Agents

Perak

Location	Authorised Agent(s)	Address	Tel	Fax
TG. MALIM (TJA)	CHE'MAH BT ADAM RAMLAH BT ADAM FATMAH NOOR BT ZAINAL ABIDIN	No. 18, Atas, Jalan Wangsa Jaya, Taman Wangsa Jaya, 35900 Tanjung Malim, Perak Darul Ridzuan.	05-4583303 019-4466355	05-4583303
TELUK INTAN (ITB)	ZAKIAH BT YAHYA LAU SHENG MING	No.8B, Lorong 1, Taman Mewah, 36000 Teluk Intan, Perak Darul Ridzuan.	05-6215952 019-5757336	05-6227453

Wilayah Persekutuan

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 Dwtasik 2, Dataran Dwtasik, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan.	03-91737616 019-3363838	03-91737617
SETAPAK (SPA)	ROSLINA BT SAMAT	No.10-2, Jalan Rampai Niaga 1, Rampai Business Park, 53300 Kuala Lumpur, Wilayah Persekutuan.	03-41431545 019-3803659	03-41431545

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.	03-33237961 012-5065983	03-33180013
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, Jalan 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.9, Jalan Tukul N15/N, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan.	03-55235505 03-55238722 012-2248722	03-55107841
BANTING (BNA)	AZMI BIN ABDUL MANAF	B-30-1, Tingkat 1, Jalan Bunga Pekan 9, Pusat Pemiagaan Banting Uptown, 42700 Banting, Selangor Darul Ehsan.	03-31812253 019-2743953	03-31812955
SUBANG JAYA (SJA)	DARMA TA'SIAH BT ISMAIL	No.9, Jalan USJ 1/1B, Regalia Business Centre, UEP Subang Jaya, 47620 Selangor Darul Ehsan.	012-3207648 012-5068939	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
SELAYANG (SLA)	SANIAH BT SAYUTI RAHMAH BT ABDUL	No.1-1, Jalan Dataran Selayang 1, 68100 Batu Caves, Selangor Darul Ehsan.	03-61857494	03-61857490
RINCHING (RCH)	MAFUZAH BT ZAKARIA AHMAD NADZERY RIZAL BIN ABD. KADIR	41-1, Jalan TPS 1/6, Taman Pelangi Semenyih, 43500 Rinching, Selangor Darul Ehsan.	03-87234529 019-6643448	03-87234529
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 ROZAIDA BINTI ABDUL MALEK MOHD BIN ABAS	No. 83, Jalan Bandar Rawang 2, Pusat Bandar Rawang, 48000 Selangor Darul Ehsan.	03-60910085 012-4058085 012-3197059	03-60910085

District Agents

Selangor

Location	Authorised Agent(s)	Address	Tel	Fax
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
SERI KEMBANGAN (BSR)	IR. ANIS BIN MD. SALLEH	No. 3, Jalan Putra Permai 5/8, Putra Permai, 43300 Seri Kembangan, Selangor Darul Ehsan.	03-89582265 012-3352912	03-89592264

Negeri Sembilan

SENAWANG (NLB)	SITI NORBAYA BT ABD. KADIR	No. 222 Tingkat 1, Jalan Lavender Height 2, Senawang, 70450 Seremban Negeri Sembilan.	06-6751087 019-2246271	06-6751087
SEREMBAN (SMA)	DATO' IR. ZAMZURI BIN ABD. GHAFAR DATIN ANIMAH BT SABTU	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	06-6463677
BAHAU (BHA)	ZARINA BT ZAINUDIN	No. 15, Tingkat 1, Jalan Mahligai, 72100 Bahau, Negeri Sembilan.	06-4540562 012-2083660	06-4540562

Melaka

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
JASIN (JSN)	DATIN NIK JUNAINAH BT JAAFAR	JB 8794 & JB 8795, Jalan BH1, Taman Bemban Heights Fasa 1, Bemban, 77200 Jasin, Melaka.	06-5219272 019-7177272	06-5210272

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.21A, Tingkat Bawah Jalan Sultanah, 86000 Kluang, Johor Darul Takzim.	07-7738899 012-7878899	07-7712829
KOTA TINGGI (KIT)	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 (JAH)	YAP HING LENG	No. 39, Jalan Kenanga 29/3, Bandar Indahpura, 81000 Kulai, Johor Darul Takzim.	07-6625579 013-7098899	07-6626633

District Agents

Johor

Location	Authorised Agent(s)	Address	Tel	Fax
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
MASAI (MSD)	NORLIN BT AHMAD	No. 7G, Jalan Suria 7, Bandar Seri Alam, 81750 Masai, Johor Darul Takzim.	07-2529535 012-7035307	
BANDAR AYER HITAM (MGA)	NORMAHIDIAH BT ARSAD	No. 4, Jalan Medah Utama, Taman Medah, 86100 Ayer Hitam, Johor Darul Takzim.	07-7583819 013-7443493 012-7176234	07-7583819
LEDANG (LED)	WANOHYAH BT SAMSI	No. 8, Tingkat Bawah, Pusat Pemiagaan Naib Long, Jalan Naib Long, Tangkak, 84900 Ledang, Johor Darul Takzim.	06-9789039 019-6863408	06-9789039

Kelantan

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
TANAH MERAH (TMA)	CHE RUHANA BT CHE MOHD AMIN HANUN FATINI BT RASDI	PT 4953 Taman Kota Harmoni, Jalan Chempaka Merah, 17500 Tanah Merah, Kelantan Darul Naim.	09-9550461 019-9390173	09-9550461
KOTA BHARU (KBB)	HAMIAH BT WAN OMAR CHE SUHAIMI BIN CHE HAMID	4712-G, Tingkat Bawah, Jalan Sultan Yahya Petra, 15200 Kota Bharu, Kelantan Darul Naim.	09-7486866 017-9812102	09-7487866

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 Kuantan-Kemaman, Taman Geliga Intan, 24000 Kemaman, Terengganu Darul Iman.	09-8684227 012-9211599	09-8684226
SETIU (STA)	NOR IRDAWANI BT CHE RAZALI	Lot 7308, Bangunan PMNT, Kampung Guntong Luar, Bandar Permaisuri, Guntong, 22100 Setiu, Terengganu Darul Iman.	09-6097076 013-9997107	09-6097076

District Agents

Pahang

Location	Authorised Agent(s)	Address	Tel	Fax
KUANTAN (MSB)	VICTOR KEOW WUN LIONG	No. 94B, Jalan Wong Ah Jang, 25100 Kuantan, Pahang Darul Makmur.	09-5151388 019-9159967	09-5151488
PEKAN (PKB)	ZABEDAH BT ISMAIL	No. 3A, 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 019-9876122	09-5736716

Sarawak

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)	JALIA BT LAMAT MARIATI BT AHMAD 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
SIBU (SIB)	AMBING ANAK AMBON @ AMBUN JAMBA ANAK SUMPING KONG GIN HUA	No. 5, Lorong 8B, Jalan Tunku Abdul Rahman, 96000 Sibul, Sarawak.	084-310757 019-8133620 013-8119788 013-8387475	084-310757

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
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 019-3192107	089-669848
KENINGAU (KNG)	HALLJAH BT SEKIMIN @ KISIN KHALID BIN MOHD TAIB	Lot 12, Gaya Shopping Centre, 89008 Keningau, Sabah.	087-330081 019-8803006 012-8109021	087-330082
BEAUFORT (BFT)	FAUZIAH RINA VERADOR	No. 2A, Lot 137, Beaufort Jaya, Fasa II, Commercial Development, 89800 Beaufort, Sabah.	087-211181 012-8327798	087-211181

ANALYSIS OF SHAREHOLDINGS

As At 8 MARCH 2012

AUTHORISED SHARE CAPITAL	:	RM500,000,000
ISSUED AND FULLY PAID-UP CAPITAL	:	RM230,000,000
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 8 MARCH 2012

Size Of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Issued Share Capital
Less than 100	146	3.78	6,245	0.00
100 - 1,000	300	7.77	219,774	0.05
1,001 - 10,000	2346	60.78	10,219,110	2.22
10,001 - 100,000	928	24.04	26,650,118	5.79
100,001 - 22,999,999	136	3.53	107,318,418	23.33
23,000,000 - 460,000,000	4	0.10	315,586,335	68.61
TOTAL	3,860	100.00	460,000,000	100.00

DIRECTORS' SHAREHOLDINGS AS AT 8 MARCH 2012

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1	Haji Wan Mansoor Bin Wan Omar	13,333	0.00	—	—
2	Teoh Beng Seng	47,900,280	10.41	240,816,455*	52.35
3	Teoh Meng Keat	26,869,600	5.84	2,666,666•	0.58
4	Khoo Teng It	213,333	0.05	73,333•	0.02
5	Teoh Meng Lee	6,375,999	1.39	—	—
6	Teoh Meng Soon	6,306,666	1.37	—	—
7	Tan Lip Gay	20,000	0.00	—	—
8	Diong Chin Teck @ Tiong Chin Sang	33,333	0.01	—	—

* Deemed interested via Zhulian Holdings Sdn. Bhd. and The Best Source Holdings Pte. Ltd. pursuant to Section 6A of the Companies Act, 1965.

- 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.

SUBSTANTIAL SHAREHOLDERS AS AT 8 MARCH 2012

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1	Teoh Beng Seng	47,900,280	10.41	240,816,455*	52.35
2	Teoh Meng Keat	26,869,600	5.84	—	—
3	The Best Source Holdings Pte. Ltd.	79,769,789	17.34	—	—
4	Zhulian Holdings Sdn. Bhd.	161,046,666	35.01	—	—

* Deemed interested via Zhulian Holdings Sdn. Bhd. and The Best Source Holdings Pte. Ltd. pursuant to Section 6A of the Companies Act, 1965.

THIRTY LARGEST SHAREHOLDERS AS AT 8 MARCH 2012

No.	Name	No. of Shares	% of Issued Share Capital
1	Zhulian Holdings Sdn. Bhd.	161,046,666	35.01
2	The Best Source Holdings Pte. Ltd.	79,769,789	17.34
3	Teoh Beng Seng	47,900,280	10.41
4	Teoh Meng Keat	26,869,600	5.84
5	Lembaga Tabung Haji	17,412,566	3.79
6	Chong Siew Kam	16,500,000	3.59
7	Teoh Meng Soon	5,666,666	1.23
8	Teoh Meng Lee	5,666,666	1.23
9	Teoh Beng Chye	5,262,533	1.14
10	Yayasan Terengganu	3,466,178	0.75
11	A.A. Anthony Nominees (Tempatan) Sdn. Bhd. for Ahmad Razali Bin Mustaffa	3,333,333	0.73
12	Khoo Lay Boon	2,666,666	0.58
13	Malaysian Technology Development Corporation Sdn. Bhd.	2,492,165	0.54
14	P'ng Swee Guan	2,006,820	0.44
15	Teoh Siew Hong	1,666,669	0.36
16	Teoh Siew Choo	1,666,666	0.36
17	Mohd Munir Bin Abdul Majid	1,504,666	0.33
18	Ng Gaik Hua	1,400,000	0.30
19	Citigroup Nominees (Asing) Sdn. Bhd. exempt an for Citibank NA (Charles Schwab)	1,275,000	0.28
20	Khoor Ah Siew	1,224,000	0.27
21	Woon Chuan Keong	1,068,000	0.23
22	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tawaria Sdn. Bhd.	1,012,300	0.22
23	Perbadanan Kemajuan Negeri Kedah	1,007,593	0.22
24	A.A. Anthony Nominees (Tempatan) Sdn. Bhd. for Matlamat Handal Sdn. Bhd.	970,933	0.21
25	Chen Tam Chai	809,200	0.18
26	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (I-VCAP)	747,300	0.16
27	Teoh Meng Lee	709,333	0.15
28	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fong Siling (CEB)	700,000	0.15
29	Soon Bee Ai	680,000	0.15
30	Teoh Meng Soon	640,000	0.14
		397,141,588	86.33

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 9 May 2012 at 2.30 p.m. for the following purposes:-

AGENDA

As Ordinary Business :

1.	To receive the Audited Financial Statements for the year ended 30 November 2011 and Reports of the Directors and Auditors thereon.	Please refer to Note 1
2a.	To re-elect the following Directors who retire pursuant to Article 94 of the Company's Articles of Association:-	
	i. Mr Teoh Meng Keat	Ordinary Resolution 1
	ii. Mr Tan Lip Gay	Ordinary Resolution 2
2b.	To re-appoint Mr Diong Chin Teck, who retires pursuant to Section 129 of the Companies Act, 1965.	Ordinary Resolution 3
3.	To approve the payment of Directors' fees amounting to RM120,000 for the year ended 30 November 2011.	Ordinary Resolution 4
4.	To re-appoint Messrs KPMG as Auditors of the Company for the year ending 30 November 2012 and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5

As Special Business :

5.	To consider, and if thought fit, to pass the following Ordinary Resolution:- AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 ("Act") "THAT pursuant to Section 132D of the Act, the Articles of Association of the Company and subject to the approval of all the relevant government and / or regulatory authorities, the Board of Directors of the Company be and are hereby authorised 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 issued pursuant to this resolution does not exceed 10% of the total 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 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 6
6.	To transact any other business of which due notice shall have been given.	

By Order of the Board

Tai Yit Chan (MAICSA 7009143)
Ong Tze-En (MAICSA 7026537)
Joint Company Secretaries
Penang, 17 April 2012

Notes :

Appointment of Proxy

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. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. 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.
5. For the proxy 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 or any adjournment thereof.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 61(3) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), a Record of Depositors ("ROD") as at 2 May 2012 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and / or vote in his / her behalf.

Explanatory Notes on Ordinary Business:

1. Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company and hence, Agenda 1 is not put forward for voting.
2. The proposed Ordinary Resolution 3 under Agenda 2b is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Mr Diong Chin Teck who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next AGM of the Company. This resolution shall be effect if be passed by a majority of not less than three-fourth of such shareholders of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the AGM of the Company.

Explanatory Note on Special Business:

1. The proposed Ordinary Resolution 6, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board of Directors to issue 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 11 May 2011 and which will lapse at the conclusion of the Fifteenth AGM.

This 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 Main Market Listing Requirements of Bursa Securities)

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

PROXY FORM

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

I/We,
(Full name in block letters)
of
(Address)
being a member / members of the above - named Company, hereby appoint
.....
(Full name in block letters)
of
(Address)
or failing him,
(Full name in block letters)
of
(Address)

as *my/our proxy, to vote for *me/us on *my/our behalf at the Fifteenth Annual General Meeting of the Company, to be held at Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 9 May 2012 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		

(Please indicate with an "X" in the appropriate space 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)

* Strike out whichever is not desired.

Signed this day of 2012.

.....
Signature of Shareholder(s) / Common Seal

For appointment of two (2) proxies, no. of shares and percentage of shareholdings to be represented by each proxy:-		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

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. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. 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.
5. For the proxy 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 or any adjournment thereof.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 61(3) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 2 May 2012 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and / or vote in his / her behalf.

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(STAMP)

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

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Fold this flap for sealing

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