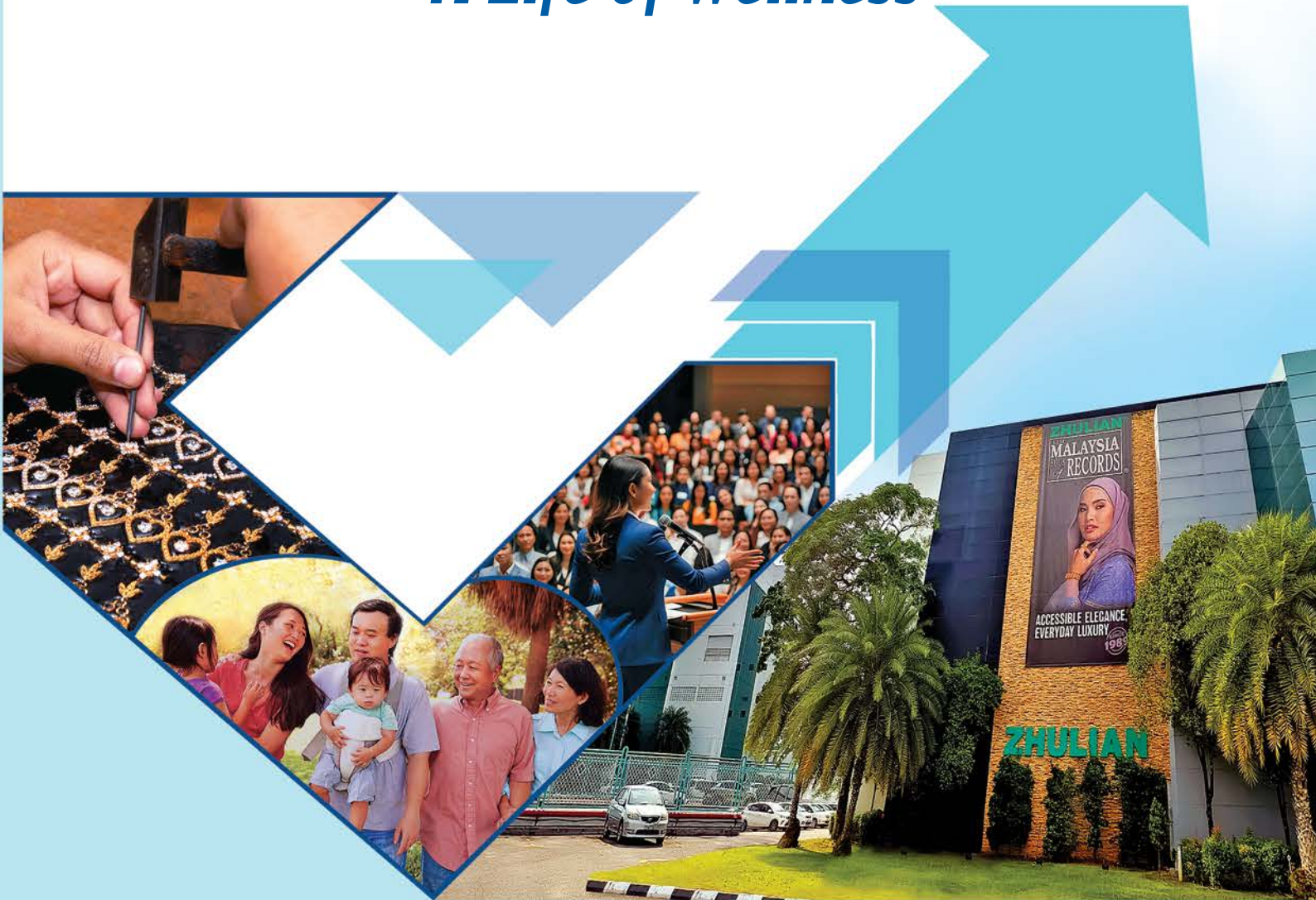


ZHULIAN®

*A Legacy of Craftsmanship,
A Life of Wellness*



ANNUAL REPORT 2024



A Legacy of Craftsmanship, A Life of Wellness

With over 35 years of rich history, **ZHULIAN** Group was recently recognised by the Malaysia Book of Records as the Oldest Costume Jewellery Manufacturer. Staying true to its motto, "*Accessible Elegance, Everyday Luxury*," reflects the Group's commitment to offer affordable luxury to everyone with its high-quality electroplated jewellery. This rich legacy of craftsmanship has seamlessly expanded into the wellness sector, where **ZHULIAN** has carved a niche with its range of nutritional beverages and health supplements, where both categories of products are produced at the Group's own state-of-the-art manufacturing plants. Through the exceptional Multi-level Marketing business model and the fascinating product mix, **ZHULIAN** empowers customers and Distributors to lead healthier and more fulfilling lives. With a focus on innovation and customer-centric business approach, **ZHULIAN** continues to build a legacy that combines artistry and wellness for generations to come.

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VISION

We are trusted partner that inspires accomplishments and empowers achievements by collaborating with aspiring people in helping others thrive towards better living while bringing out beauty and promoting wellness among communities.



MISSION

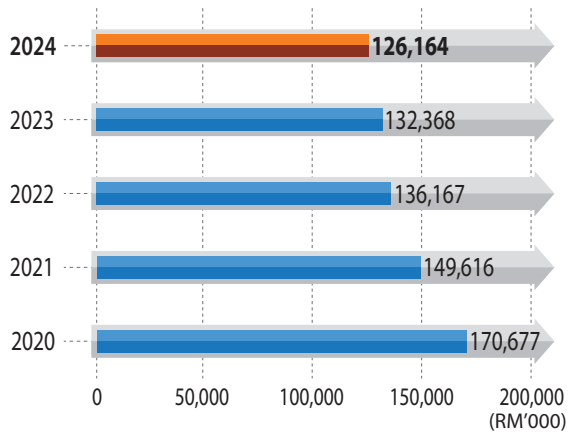
ZHULIAN Group exists to provide a business model and high quality, value for money products that empower entrepreneurial success as well as helping the communities we serve.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

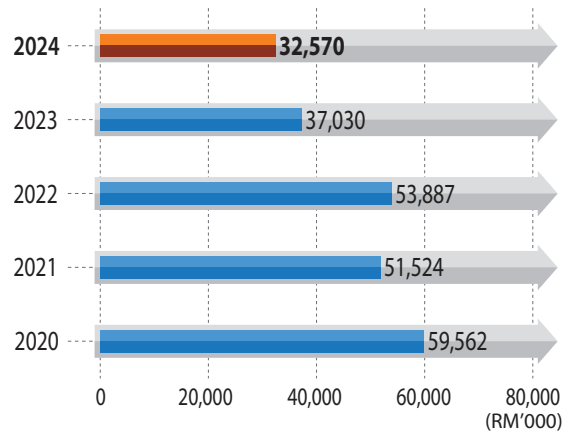
| YEAR ENDED 30 NOVEMBER | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|----------------|---------|---------|---------|---------|
| Income Statement (RM '000) | | | | | |
| Revenue (in Financial Statement) | 126,164 | 132,368 | 136,167 | 149,616 | 170,677 |
| Profit before taxation from continuing operations | 32,570 | 37,030 | 53,887 | 51,524 | 59,562 |
| Profit after taxation from continuing operations | 23,442 | 29,236 | 38,313 | 41,637 | 46,774 |
| Statement of Financial Position (RM '000) | | | | | |
| Total non-current assets | 247,188 | 289,229 | 287,156 | 284,163 | 364,519 |
| Total current assets | 215,366 | 214,046 | 262,513 | 297,962 | 268,015 |
| Shareholders' fund / Total equity | 425,583 | 461,993 | 504,547 | 541,757 | 585,968 |
| Total non-current liabilities | 4,336 | 3,853 | 4,961 | 2,205 | 2,062 |
| Total current liabilities | 32,635 | 37,429 | 40,161 | 38,163 | 44,504 |
| Share Information Per Ordinary Share | | | | | |
| Earnings, basic (sen) | 5.10 | 6.36 | 8.33 | 9.05 | 10.17 |
| Net assets (sen) | 92.52 | 100.43 | 109.68 | 117.77 | 127.38 |
| Net dividends per ordinary share (sen) | 9.00 | 13.00 | 17.00 | 17.00 | 17.00 |
| Share price as at 30 November (RM) | 1.01 | 1.83 | 1.84 | 1.85 | 1.53 |
| Financial Ratios | | | | | |
| Return on equity (%) | 5% | 6% | 8% | 8% | 8% |
| Gearing Ratio (%) | 0% | 0% | 0% | 0% | 0% |

FIVE-YEAR GROUP FINANCIAL CHARTS

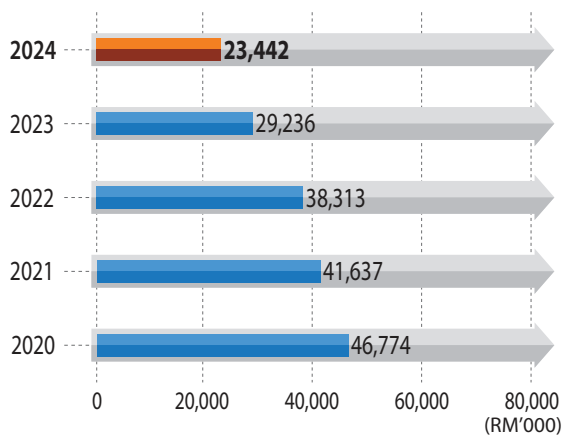
Revenue



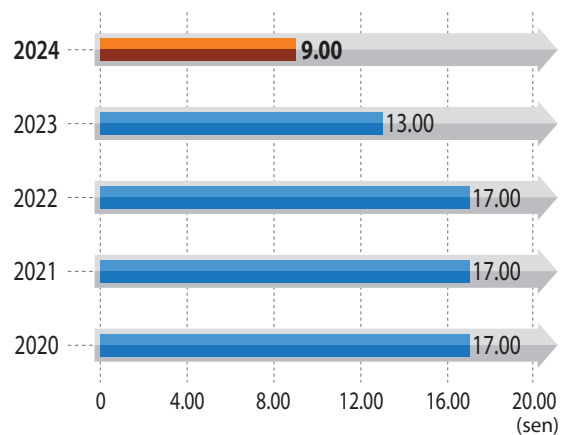
Profit Before Taxation



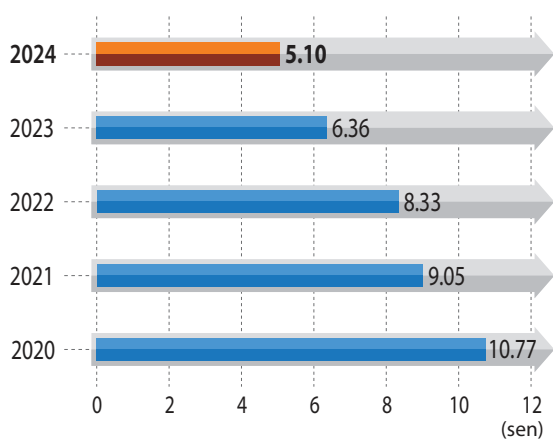
Profit After Taxation



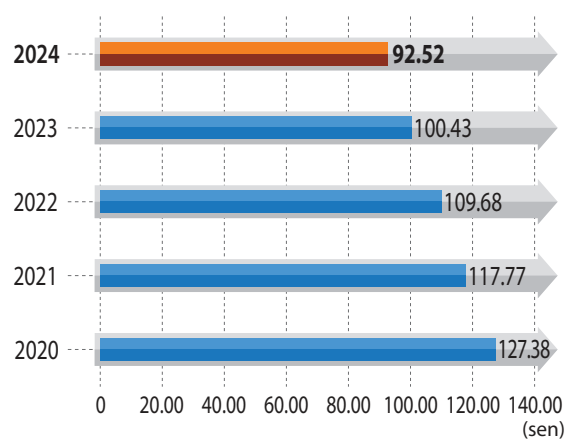
Net Dividends Per Ordinary Share



Earnings Per Share



Net Asset Value Per Share





CORPORATE REVIEW

CORPORATE PROFILE

ZHULIAN Group of Companies was founded in Penang by Mr. Teoh Beng Seng in the year of 1989 with initial core business in distributing gold-plated jewellery through the Multi-Level Marketing channel. Today, the Group has grown into a public listed entity consisting of a group of companies dealing with diversified businesses.

Started its business humbly in the small office which was located in a shophouse at Jalan Air Itam, Penang, the Group now owns three factory plants and a warehouse building at Bayan Lepas Industrial Zone. With state-of-the-art facilities and R&D labs, the Group is able to conduct continued research for product innovation. From single product portfolio, it has evolved into widely diversified products ranging from instant beverage products, nutritional supplements, home technology products such as water purifier and air purifier to bedding apparels such as mattress pads, pillows and bolsters and also a series of home care and personal care products. The Group takes pride in its manufacturing capability that conforms to international standard including ISO 9001, ISO 22000, GMP and HACCP certification. The expanding range of the products developed and manufactured by its plants provides added advantages in the form of product value and quality to its Independent Distributors and customers.

The integration of innovative ideas, advanced technology and manufacturing know how with its brilliant business model has driven the Group towards robust business growth through the years of its existence. Today, with an extensive network of Independent Distributors in Southeast Asian countries, including Malaysia, Thailand and Cambodia, **ZHULIAN** has successfully carved a niche in the regional market with established brands including **ZHULIAN** which is synonym to premium quality fashion jewellery and instant beverages, **BEYOND** that symbolises its advanced home technology products, **XTRA WASH** for its homecare detergent range, **GreenLex** for its traditional herbal supplements, **NUTRILEX** for its vitamin tablets and many more. **ZHULIAN** Group has also emerged as one of the most prominent name in Halal beverage market.

For more than 3 decades, **ZHULIAN** and its quality products have become an essential part of lives for multiple communities in the region and its business model has groomed countless successful entrepreneurs. Moving forward, **ZHULIAN** remains steadfast to its vision and mission by upholding its commitment to instill its core values among its people with the aspiration to help people embrace beauty and health as well as improve their lives through its business opportunity and unleash individuals' potential towards entrepreneurial success.



GROUP CORPORATE STRUCTURE

ZHULIAN CORPORATION BERHAD 199701000031 (415527-P)

MALAYSIAN COMPANIES

OVERSEAS COMPANIES

MANUFACTURING

| | |
|------|---|
| 100% | ZHULIAN INDUSTRIES SDN. BHD. 199401018769 (304448-X) |
| 100% | ZHULIAN JEWELLERY MANUFACTURING SDN. BHD. 198901006056 (183361-U) |
| 100% | BEYOND PRODUCTS TECHNOLOGY SDN. BHD. 199601014367 (386717-K) |
| 100% | ZHULIAN MANUFACTURING SDN. BHD. 199601020411 (392763-V) |
| 100% | AMAZING VESTRAX SDN. BHD. 200501011915 (688963-U) |
| 100% | ZHULIAN NUTRACEUTICAL SDN. BHD. 200401005899 (644402-D) |

MULTI-LEVEL MARKETING (“MLM”)

| | | | | | | | |
|------|---|---|------|---|---|------|---|
| 100% | * ZHULIAN MANAGEMENT SDN. BHD. 199601002069 (374415-M) | → | 100% | * ZHULIAN (SINGAPORE) PTE. LTD. (200105275R) | → | 100% | ZHULIAN INTERNATIONAL (PHILIPPINES) INC. (2024040145871-01) |
| 100% | ZHULIAN MARKETING (M) SDN. BHD. 198901008756 (186058-T) | → | 100% | # PT. ZHULIAN INDONESIA (09.03.1.46.37795) | → | 100% | ZHULIAN NETWORK (CAMBODIA) CO., LTD. (00040386) |
| | | → | 49% | * ZHULIAN HOLDINGS (THAILAND) CO., LTD. (0125562037920) | → | 100% | ZHULIAN (THAILAND) LTD. (0105539068471) |

PRINTING SERVICES / WHOLESALE & RETAIL

| | |
|------|---|
| 100% | ZHULIAN PRINTING INDUSTRIES SDN. BHD. 199101006478 (216788-X) |
| 100% | MASTER SQUARE SDN. BHD. 199601016660 (369011-A) |
| 100% | COFFEE MARK PRODUCTS SDN. BHD. 200401026660 (665168-A) |
| 100% | DIAMOND INSPIRATION SDN. BHD. 199601002840 (375186-D) |

OTHERS

| | | | | |
|------|---|---|------|--|
| 100% | * DEXASSETS SDN. BHD. 200501009923 (686970-K) | → | 100% | ZHULIAN DEVELOPMENT CO., LTD. (0125555010809) |
| 100% | # ZHULIAN DEVELOPMENT SDN. BHD. 199401035481 (321164-M) | → | 100% | ONE RESIDENCE PROPERTY CO., LTD. (0125557010415) |
| 100% | # BEYOND NATURAL CARE SDN. BHD. 200401026732 (665240-M) | → | 49% | ZU TRAVEL CO., LTD. (0125557010415) |
| 100% | # ZHULIAN INTERNATIONAL PRIVATE LIMITED (LL07218) | | | |

Dormant

* Investment holding

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board
of Directors ("Board") of
ZHULIAN CORPORATION BERHAD
("ZHULIAN" or "Company"),

I am greatly honoured to present
the Annual Report & Audited
Financial Statements of ZHULIAN
and its subsidiaries
("ZHULIAN Group" or "The Group")
for the financial year ended
30 November 2024 (FY2024).



BUSINESS OVERVIEW

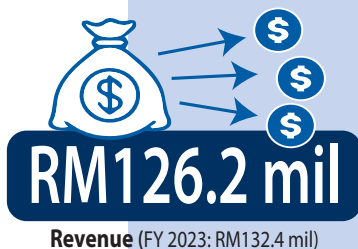
2024 has been a transformative year for ZHULIAN Group, marked by both significant challenges and opportunities. The surge in eCommerce has fundamentally reshaped the landscape of retail and direct selling business, with consumers increasingly gravitating towards the convenience of online shopping. This digital shift not only provides consumers with immediate access to a vast selection of products but also intensifies competition within the direct selling market.

At the same time, the prevailing economic climate has caused consumers more price-sensitive, adding another layer of complexity to traditional direct selling or more specifically the multi-level marketing (MLM) business models. These challenges necessitate a proactive approach to adapt and thrive in this evolving environment.



In response, the Group has embarked on a strategic journey to explore new markets and enhance our business offerings. Our focus is on expanding our digital platform to reach a broader customer base while equipping our Distributors with more effective tools to operate their businesses. By leveraging technology and embracing innovation, we aim to create a more resilient and responsive organisation,

ultimately strengthening our position in this competitive landscape, while equipping our Distributors with more effective tools to operate their businesses. By leveraging technology and embracing innovation, we aim to create a more resilient and responsive organisation, ultimately strengthening our position in this competitive landscape.



FINANCIAL PERFORMANCE

This year, we experienced a decline in revenue within our domestic market. Despite our best efforts to adapt and innovate, we faced persistent headwinds that have impacted our financial results. While our market remains resilient, it has not shown the growth we had anticipated. As we close the financial year, we experienced a downward trend in revenue and profits, reflecting a range of external and internal challenges.

For the full financial year, we achieved revenue of RM126.2 million, a decline of 5% compared with RM132.4 million for FY2023, and our adjusted EPS was RM5.10 per share. Profit Before Taxation was down 12% to RM32.6 million, compared to RM37.0 million for FY2023. Profit After Taxation was RM23.4 million, decreased 20% from previous year's RM29.2 million.

Despite this decline, our Group has demonstrated remarkable resilience. While our revenue and profit figures have not met our expectations, we have maintained a positive profit margin, a testament to our ability to manage costs and navigate through a complex environment. This stability in profitability underscores our commitment to operational efficiency and prudent financial management.

Our focus remains on strengthening our core operations and seizing new opportunities to drive growth. We are confident that the strategic initiatives we are undertaking will position us for recovery and future success.

In Myanmar market, we encountered significant regulatory challenges. Unfortunately, the government did not lift the ban on Multi-Level Marketing (MLM) activities, which has prevented us from revising our market strategy in that region. As a result, we were compelled to cease operation at our regional office in Myanmar. This decision was not made lightly, but it was necessary to align with the regulatory environment and safeguard our resources.

OVERVIEW OF BUSINESS ACTIVITIES AND STRATEGIC INITIATIVES

A comprehensive overview of the Group's business activities, including key developments, operational performance and strategic initiatives is provided in the Management Discussion and Analysis section. This section offers valuable insights into the Group's performance across various businesses, the challenges faced and the opportunities ahead, thereby ensuring a transparent and in-depth understanding of our operations. This detailed analysis will provide our stakeholders with the clarity and context necessary to assess our progress and the direction in which we are headed.

PROGRESSIVE SUSTAINABILITY INITIATIVES

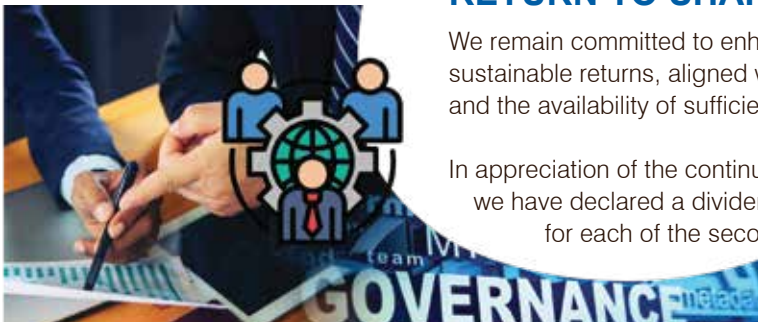
At the core of our mission to empower communities and foster better living, we are committed to integrating sustainability into every aspect of our operations. Our sustainability journey is progressive, building on a foundation of measurable actions and continuous improvement. We recognise that true socio-economic sustainability requires long-term, deliberate strategies that empower communities, protect the environment and promote ethical economic growth. Our sustainability strategy is a part of our transformation and is detailed in our Sustainability Report. This comprehensive report highlights how we are embedding sustainability into the fabric of the Group's day-to-day operation, not only comply with the Bursa's requirement, but to drive growth and create stakeholder value, from access to high-quality products to community health and wellness and a thriving planet.



RETURN TO SHAREHOLDERS

We remain committed to enhancing shareholder value while ensuring sustainable returns, aligned with the Company's business performance and the availability of sufficient distributable reserves.

In appreciation of the continued support from our valued shareholders, we have declared a dividend of 3 sen for the first quarter, and 2 sen for each of the second, third and fourth quarters, totalling 9 sen for FY2024. The total dividend declared for the year amounted to RM41.4 million.



CORPORATE GOVERNANCE

Our steadfast dedication to corporate governance supports our goal of fostering trust with shareholders, stakeholders and the business community, thereby promoting both sustainability and market viability.

Corporate governance and risk management are vital components of the Group's framework, anchored in the three pillars of good governance: integrity, transparency and accountability. Integrity ensures that ethical standards are upheld, fostering a culture of trust and ethical

decision-making. Transparency involves clear and open communication of policies, procedures and risk factors, allowing stakeholders to understand the Group's actions and decisions. Accountability ensures that individuals and teams are held responsible for their actions, reinforcing a commitment to both performance and ethical conduct. Together, these pillars create a robust governance structure that effectively manages risks and ensure sustainability of our businesses.

MOVING FORWARD

Though this year has presented its share of challenges, we remain focused on our strategic goals and optimistic about the future. Our plan to expand our footprint in ASEAN countries reflects our resilience and commitment to long-term success.

On a positive note, we have made significant progress in expanding our international presence. We are excited to announce that we have recently secured operating license for Singapore market. This development represents a valuable opportunity for us to revive our business in the region and drive future growth. Additionally, we are in the

process of establishing a new regional office in Philippines. This strategic move is part of our commitment to exploring new markets and leveraging emerging opportunities for market expansion. To this end, we have incorporated a new company – ZHULIAN INTERNATIONAL (PHILIPPINES) INC. We are in the process of setting up the regional office and have scheduled to commence operation in year 2025.

Moving forward, we continue to strengthen and drive innovation in our product portfolio to ensure that it meets the demands of today's consumers. Key priorities include offering quality, accessibility, affordability and choice.



ACKNOWLEDGEMENTS

This will be my last Chairman's Statement as I will step down from my role as Chairman after eighteen fulfilling years, effective from 1 December 2024. I would like to extend my deepest thanks to all who have supported and collaborated with me throughout this journey. It has been an immense honour to serve as the Chairman of this remarkable Group.

It is with great pleasure that I welcome Dr. Abdul Malik Bin Md Yusoff as the new Chairman of the Group. Dr. Abdul Malik is an exceptional leader with a wealth of experience, insight and vision, which makes him uniquely well-positioned to guide the Group into the next exciting chapter of our journey.

Lastly, to our esteemed shareholders, I, together with fellow members of the Board, extend our sincere gratitude for your unwavering trust and support. It has been a privilege for me to serve the Group, and I look forward to seeing the ZHULIAN Group continues to thrive under new leadership.

On behalf of the Board,

ZHULIAN CORPORATION BERHAD,

HAJI WAN MANSOOR BIN WAN OMAR

Non-Independent Non-Executive Chairman

PENYATA PENGERUSI

Para Pemegang Saham Yang Dihargai,

Bagi Pihak Lembaga Pengarah (“Lembaga”)

ZHULIAN CORPORATION BERHAD

(“ZHULIAN” Atau “Syarikat”), ia adalah satu penghormatan untuk saya membentangkan kepada anda laporan Tahunan dan Penyata Kewangan Yang Diaudit (*Audited Financial Statement*) bagi ZHULIAN dan subsidiarinya (“Kumpulan ZHULIAN” atau “Kumpulan”) untuk tahun kewangan yang berakhir pada 30 November 2024 (“FY2024”).



TINJAUAN PERNIAGAAN

Tahun 2024 merupakan tahun transformasi buat Kumpulan ZHULIAN, dengan perubahan jelas pada cabaran dan juga peluang. Lonjakan dalam sektor e-Dagang secara asasnya telah membentuk kembali landskap perniagaan runcit serta perniagaan jualan langsung, dengan para pengguna yang semakin terpicat kepada kesenangan membeli belah secara online. Peralihan digital ini tidak hanya menyediakan akses pantas buat para pengguna kepada pelbagai pilihan produk bahkan juga memperhebatkan lagi persaingan di kalangan pasaran jualan langsung.

Pada masa yang sama, iklim ekonomi semasa telah menyebabkan para pengguna lebih sensitif terhadap harga, menambahkan lagi selapis kerumitan kepada jualan langsung tradisional atau secara khususnya, terhadap model perniagaan pemasaran berbilang tingkat (MLM). Cabaran-cabaran ini memerlukan pendekatan proaktif bagi menyesuaikan diri serta bergerak maju dalam persekitaran yang sentiasa berkembang ini.



Sebagai respon, Kumpulan telah memulakan sebuah laluan strategik bagi menerokai pasaran-pasaran baru dan meningkatkan penawaran perniagaan kami. Fokus kami adalah terhadap mengembangkan platform digital agar menjangkau asas pelanggan yang lebih luas sambil mempersiapkan para Pengedar kami dengan alat bantuan yang lebih efektif bagi menjalankan perniagaan mereka. Dengan memanfaatkan teknologi dan menerima inovasi, kami menyasarkan untuk mencipta sebuah organisasi yang lebih berdaya tahan dan responsif, di mana pada dasarnya memperkukuhkan kedudukan kami dalam landskap yang berdaya saing ini.

PRESTASI KEWANGAN

Tahun ini, kami mengalami kemerosotan perolehan dalam pasaran tempatan kami. Meskipun usaha terbaik telah diberikan bagi menyesuaikan dan menginovasi, kami masih menghadapi rintangan yang menjejaskan hasil kewangan kami. Walaupun pasaran kami kekal bertahan, namun ia tidak menggambarkan pertumbuhan yang kami jangkakan. Dengan berakhirnya tahun kewangan berkenaan, kami mengalami tren menurun bagi perolehan dan keuntungan, yang mencerminkan pelbagai cabaran, luaran dan dalaman.

Bagi keseluruhan tahun kewangan, kami mencapai perolehan berjumlah RM126.2 juta, kemerosotan sebanyak 5% berbanding RM132.4 juta pada FY2023, dan EPS (*Earning per Share* ~ Pendapatan Sesaham) adalah RM5.10 sesaham. Keuntungan Sebelum Cukai menurun sebanyak 12% kepada RM32.6 juta berbanding RM37.0 juta pada FY2023. Keuntungan Selepas Cukai berjumlah RM23.4 juta, menurun sebanyak 20% berbanding RM29.2 juta bagi tahun sebelumnya.

Walaupun mengalami penurunan ini, Kumpulan kami telah mempamerkan ketahanan yang menakjubkan. Meskipun angka perolehan dan keuntungan kami tidak memenuhi jangkaan, namun kami telah mengekalkan margin keuntungan yang positif, membuktikan keupayaan kami menguruskan kos dan mengharungi situasi yang kompleks. Kestabilan dalam keuntungan menekankan komitmen kami terhadap kecekapan pengoperasian dan pengurusan kewangan yang berhati-hati.

Fokus kami masih kekal kepada memperkukuhkan operasi teras kami serta merebut peluang-peluang baru untuk memacu pertumbuhan. Kami yakin usaha strategik yang kami laksanakan akan menjurus kepada pemulihan dan kejayaan masa depan.

Dalam pasaran Myanmar, kami berdepan dengan cabaran pengawalseliaan penting. Malangnya, kerajaan tempatan tidak membatalkan pengharaman aktiviti perniagaan pemasaran berbilang tingkat (MLM), yang telah menghalang kami daripada menilai semula strategi pemasaran di rantau tersebut. Oleh yang demikian, kami akur untuk menghentikan operasi di pejabat regional kami di Myanmar. Keputusan ini bukanlah mudah tetapi ia perlu agar seiring dengan persekitaran pengawalseliaan dan melindungi sumber-sumber kami.



RM126.2 juta

Hasil (FY 2023: RM132.4 juta)



RM32.6 juta

Keuntungan Sebelum Cukai
(FY 2023: RM37.0 juta)



RM23.4 juta

Keuntungan Selepas Cukai
(FY 2023: RM29.2 juta)

TINJAUAN MELUAS AKTIVITI PERNIAGAAN DAN USAHA STRATEGIK

Gambaran meluas yang lengkap mengenai aktiviti perniagaan Kumpulan, termasuk pembangunan utama, prestasi pengoperasian dan usaha strategik dibentangkan dalam bahagian Perbincangan dan Analisis Pengurusan (*Management Discussion & Analysis*). Bahagian ini menawarkan pandangan bernilai ke dalam prestasi Kumpulan merentasi pelbagai perniagaan, cabaran yang telah dihadapi dan peluang yang bakal menanti, lantas memastikan pemahaman yang telus dan mendalam mengenai operasi kami. Analisis terperinci akan disediakan buat para pemenang kepentingan bersama penjelasan dan konteks yang diperlukan bagi menilai progres kami serta hala tuju kami.

USAHA KELESTARIAN PROGRESIF

Pada dasar misi kami untuk memperkasakan masyarakat dan memupuk kehidupan yang lebih baik, kami berkomitmen untuk mengintegrasikan kelestarian dalam setiap aspek pengoperasian kami. Perjalanan kelestarian kami adalah progresif, dibangunkan berdasarkan tindakan yang boleh diukur dan peningkatan berterusan. Kami tahu bahawa kelestarian sosio-ekonomi sejati memerlukan strategi terancang jangka panjang yang memperkasakan masyarakat, melindungi persekitaran serta menggalakkan pertumbuhan ekonomi beretika. Strategi kelestarian kami adalah sebahagian daripada transformasi kami dan diperincikan pada Laporan Kelestarian (*Sustainability Report*) kami. Laporan menyeluruh ini menjelaskan bagaimana kami memasukkan kelestarian ke dalam operasi harian Kumpulan, tidak hanya mematuhi keperluan Bursa, tetapi memacu pertumbuhan dan menghasilkan nilai pemegang kepentingan, dari capaian produk ke kualiti tinggi produk, ke kesihatan dan kesejahteraan masyarakat, dan planet yang berkembang maju.



PULANGAN KEPADA PEMEGANG SAHAM

Kami kekal komited untuk meningkatkan nilai pemegang kepentingan sambil memastikan pulangan yang mampan, selari dengan prestasi perniagaan Syarikat dan ketersediaan rizab boleh agih yang mencukupi.

Sebagai penghargaan terhadap sokongan berterusan daripada para pemegang saham yang dihargai, kami telah mengisytiharkan dividen sejumlah 3 sen bagi suku pertama, dan 2 sen bagi setiap suku kedua, ketiga dan keempat, yang berjumlah 9 sen bagi FY2024. Jumlah dividen yang diisytiharkan bagi tahun tersebut adalah RM41.4 juta.

TADBIR URUS KORPORAT

Dedikasi teguh kami terhadap tadbir urus menyokong matlamat kami untuk memupuk kepercayaan di kalangan para pemegang saham, pemegang kepentingan dan komuniti perniagaan, lantas menggalakkan kelestarian dan daya maju pasaran.

Tadbir urus korporat dan pengurusan risiko adalah komponen penting bagi rangka kerja Kumpulan, terletak kukuh pada tiga teras tadbir urus yang baik: integriti, ketelusan dan kebertanggungjawaban. Integriti memastikan piawaian beretika dijunjung, memupuk budaya membuat

keputusan yang boleh dipercayai lagi beretika. Ketelusan melibatkan polisi, prosedur dan faktor risiko yang dikomunikasikan secara jelas dan terbuka, membenarkan para pemegang kepentingan memahami tindakan dan keputusan Kumpulan. Kebertanggungjawaban memastikan individu dan pasukan bertanggungjawab terhadap tindakan mereka, menguatkan komitmen terhadap prestasi dan tingkah laku beretika. Bersama-sama, teras-teras ini mencipta struktur tadbir urus kukuh yang menguruskan risiko secara berkesan dan memastikan kelestarian perniagaan kami.

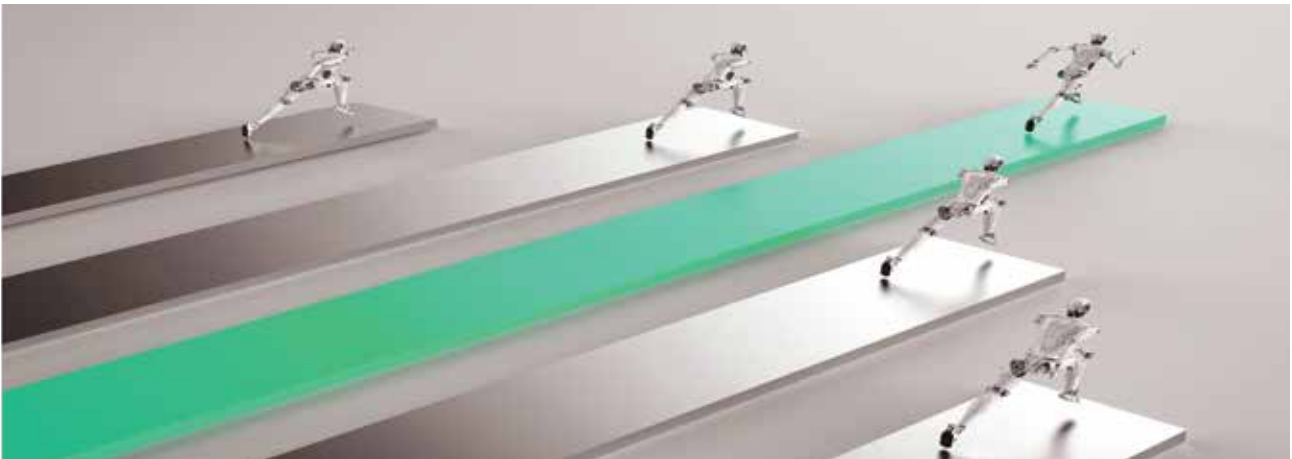
MAJU KE HADAPAN

Meskipun tahun ini telah membentangkan pelbagai cabaran, kami kekal fokus terhadap matlamat strategik dan kekal optimistik terhadap masa depan. Perancangan kami untuk memperluaskan lagi kehadiran kami di negara-negara ASEAN mencerminkan ketahanan dan komitmen kami terhadap kejayaan jangka panjang.

Secara positif, kami telah melakukan progres penting dalam mengembangkan kehadiran pasaran antarabangsa kami. Kami teruja mengumumkan bahawa baru-baru ini kami telah memperolehi lesen pengoperasian bagi pasaran Singapura. Perkembangan ini menggambarkan peluang tidak ternilai buat kami menghidupkan kembali perniagaan kami di rantau ini dan memacu pertumbuhan masa depan. Selain itu, kami sedang dalam proses

membangunkan pejabat regional yang baru di Filipina. Tindakan strategik ini adalah sebahagian daripada komitmen kami untuk menerokai pasaran baru dan memanfaatkan peluang yang hadir bagi meluaskan pasaran. Lantaran itu, kami telah memperbadankan syarikat baru - ZHULIAN INTERNATIONAL (PHILIPPINES) INC. Kami sedang dalam proses mempersiapkan pejabat regional ini dan telah merancang untuk memulakan operasi di tahun 2025.

Selanjutnya, kami terus mengukuhkan dan memacu inovasi terhadap portfolio produk kami bagi memastikan ia memenuhi permintaan para pengguna hari ini. Keutamaan kami termasuklah menawarkan kualiti, kebolehcapaian, kemampuan dan pilihan.



PENGHARGAAN

Penyata ini adalah Penyata Pengerusi saya yang terakhir memandangkan saya akan melepaskan peranan saya sebagai Pengerusi setelah lapan belas tahun yang sungguh memuaskan, berkuatkuasa mulai 1 Disember 2024. Saya ingin menyampaikan ucapan jutaan terima kasih kepada semua pihak yang telah menyokong dan bekerjasama dengan saya di sepanjang perjalanan saya ini. Sesungguhnya ia adalah satu penghormatan yang tidak terhingga berpeluang menjadi Pengerusi bagi Kumpulan yang menakjubkan ini.

Dengan ini, saya berbesar hati mengalu-alukan Dr. Abdul Malik Bin Md Yusoff sebagai Pengerusi baru bagi Kumpulan. Dr. Abdul Malik adalah seorang pemimpin luar biasa dengan pengalaman, pandangan dan wawasan yang meluas, yang menjadikan beliau unik dalam kedudukannya untuk membimbing kami ke dalam laluan perjalanan yang berikutnya.

Akhir kata, buat para pemegang saham kami, saya, bersama ahli-ahli Lembaga yang lain, mengucapkan penghargaan setinggi-tinggi terima kasih terhadap kepercayaan dan sokongan anda yang tidak bergoyah. Ia merupakan satu penghargaan buat saya lantaran berpeluang untuk berkhidmat bagi Kumpulan ini dan saya mengharapkan agar Kumpulan ZHULIAN akan terus berkembang maju lagi di bawah kepimpinan yang baru.

Bagi pihak Lembaga Pengarah,

ZHULIAN CORPORATION BERHAD,

HAJI WAN MANSOOR BIN WAN OMAR
Pengerusi Bukan Bebas Bukan Eksekutif

MANAGEMENT DISCUSSION AND ANALYSIS

It is a pleasure for the Board of Directors (“Board”) and Management of **ZHULIAN CORPORATION BERHAD** (“ZCB”, “ZHULIAN” or “the Company”) to present the Management Discussion and Analysis (“MD&A”) for the financial year ended 30 November 2024 (“FY2024”).



OVERVIEW OF BUSINESS AND OPERATIONS

ZCB is an investment holding company that oversees a diverse group of businesses engaged in manufacturing and trading a wide range of products, alongside other supportive operations.

The Group’s core business model is multi-level marketing (“MLM”). Since our founding in 1989, we have adopted the MLM business model, enabling individuals to build their own business with products that proudly bear our brands.

Our extensive network of Independent Distributors earns incentives based on sales to consumers as outlined in our business plan. To support our Distributors, we provide training programmes and business tools designed to help them thrive in their entrepreneurial journeys.

Apart from our core offerings - high quality electroplated jewellery, we also produce nutritious food and beverages, traditional herbal supplements, home care products and home technology products such as water purifier, air purifier and therapeutic bedding products, at our own manufacturing facilities. Additionally, we provide a wide range of

personal care products that are sourced from reputable contract OEM manufacturers.

With manufacturing strength, the Group has greater control over the supply chain. This enables better management of raw material procurement, production timelines and distribution processes, ensuring products are readily available for the direct sales force to meet customer demand.

Headquartered in Penang, Malaysia, our business network extends across Malaysia, Thailand and Cambodia. While our Malaysian operations are managed directly from our headquarters, our operations in Thailand and Cambodia are overseen by our associate company, Zhulian Holding (Thailand) Co., Ltd. (“ZHT”).

ZCB’s consolidated revenue is generated from the operations of our subsidiaries in Malaysia and from our share of profits derived from ZHT, our associate company in Thailand.



OVERVIEW OF MARKET PERFORMANCE

Despite the strengthening of the Ringgit Malaysia, rising inflation pressures have dampened consumer sentiment, leading to a cautious approach toward spending on premium or non-essential products. This spending behaviour is further exacerbated by intense competition from e-commerce businesses offering comparable products. As a result, the overall multi-level marketing (MLM) business landscape faces significant challenges.

In navigating this challenge, our priority has always been maintaining financial sustainability through careful cost management and resource optimisation. Aside from maintaining a strong focus on driving revenue growth by strengthening distributor engagement and boosting productivity, we worked diligently to find the right balance between product innovation, customer demand and cost efficiency. At the same time, we took proactive steps to enhance cost control, optimise operational efficiency and increase revenue streams through an expanded digital presence and strategic market expansion.

OUR BUSINESS STRATEGIES

Through these strategies, we remain committed to navigating a dynamic business environment and positioning the Group for long-term resilience.

Strengthening Our Core Distributor Network

A key pillar of our business strategy remains the ongoing strengthening of relationships with our core Leaders and Distributors. We have focused on improving distributor support systems and expanding our network by enhancing training programmes, providing business tools and offering ongoing guidance. Regular seminars and large-scale training events have empowered Distributors with the knowledge to perform in an evolving market. As of FY2024, our MLM network has grown to include 194 Authorised Agencies, stockists, retailers and branches, with over 176,002 Distributors across Southeast Asia.

Enhancing Digital Presence

To extend our market reach, we have taken necessary measures to provide our Distributors with the necessary knowledge and tools to leverage digital business platforms effectively. Our Marketing Team intensified efforts to organise trainings, enabling Distributors to utilise online platforms for customer engagement. Simultaneously, the Group continued to improve its social media content and upgrade its IT infrastructure, providing stronger support to Distributors with the aim to enhance their productivity.

Diversification of Revenue Streams

The Group continued to explore new opportunities to diversify our revenue streams and mitigate risk by integrating additional digital platforms. Our strategy is two-fold: to expand our reach across borders and to enhance our regional brand presence. By broadening our product offerings and market segments, we aim to create a robust portfolio of revenue streams that supports long-term financial stability.

Adopting a Cautious Product Development Approach

In response to the challenges of 2024, the Group has implemented a more cautious and strategic approach to product development. We rigorously evaluate each product development initiative to ensure alignment with authentic market demand before committing to any new launches. The objective of this careful, targeted approach is to mitigate the risk of overextending our resources, allowing us to focus on initiatives with the highest potential for long-term value.

GROUP FINANCIAL HIGHLIGHTS

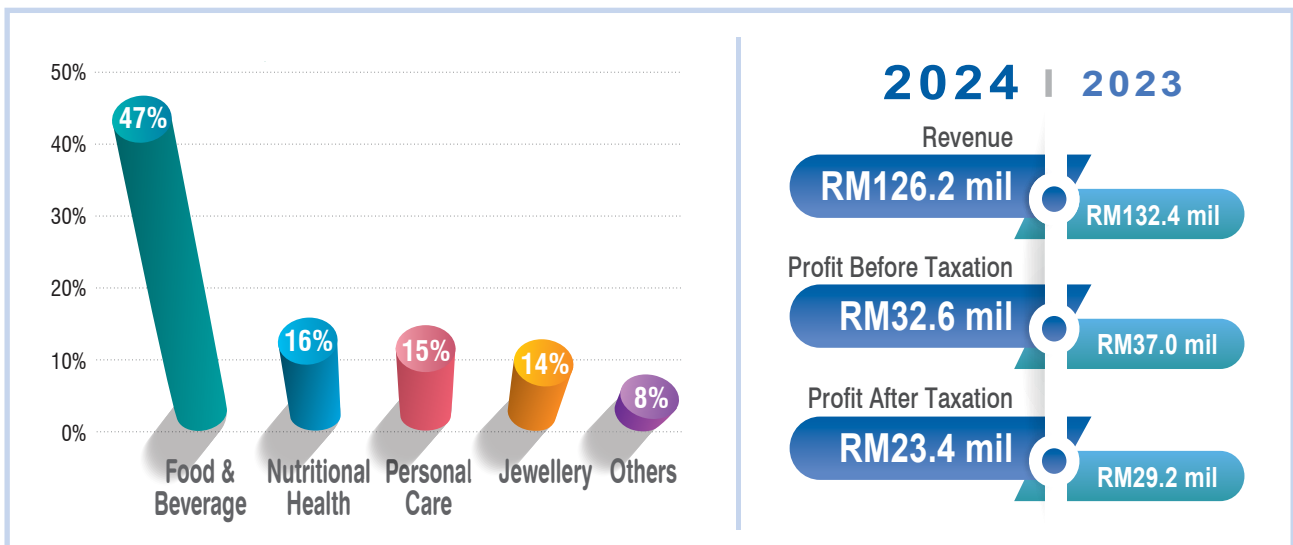
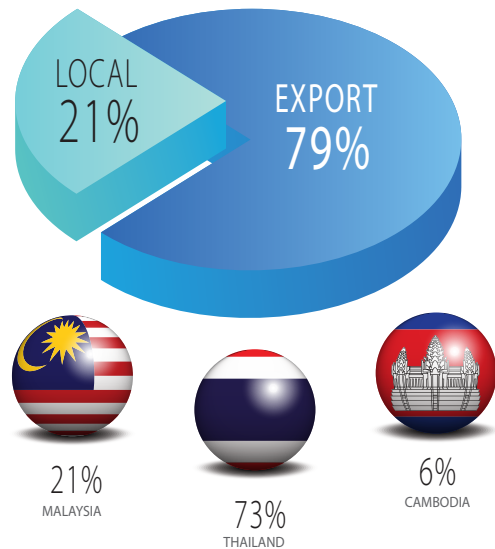
During the review period, key financial metrics showed a decline. However, the Group demonstrated resilience, maintaining profitability, although at a reduced level compared to the previous year.

Our total revenue for FY2024 was RM126.2 million, representing a decrease of approximately 5% compared to RM132.4 million in FY2023, driven by slower sales and inflationary pressure that impacted both our core distributor network and product demand. Profit Before Taxation (PBT) stood at RM32.6 million, down by 12% from RM37.0 million in the prior year. This decline reflects a combination of lower sales performance and higher operating costs, which were partially offset by our ongoing cost-control measures. Profit After Taxation (PAT) for the year was RM23.4 million, a decrease of 20% from the RM29.2 million for the previous year. However, despite the challenges, we maintained profitability, demonstrating the resilience of our business model and the support from our distributor network.

The subsidiary of the Group's Associate, Zhulian Holdings (Thailand) Co. Ltd. ("ZHT"), Zhulian (Thailand) Ltd. ("ZTH") remained the largest contributor to the Group's revenue, accounting for 73% of the total revenue in 2024, following by Malaysia 21% and Cambodia 6%.

FINANCIAL PERFORMANCE AT FY2024

Local vs Export Revenue



Our revenue is driven by a diversified portfolio of products. The largest share of our revenue is derived from Food & Beverage ("F&B") products, which accounted for 47% of total revenue, reflecting strong consumer demand and consistent sales performance of our F&B products. Following this, our Nutritional Health products contributed 16% and Personal Care products represented 15% of total revenue. Lastly, Jewellery products made up 14% of revenue, benefiting from both our established market presence and an evolving consumer interest in affordable luxury accessories. Together, these diverse product categories position the Group for sustainable growth, ensuring a balanced and resilient revenue structure.

As of the end of FY2024, the Group's total equity decreased 7.9% to RM425.6 million from RM462.0 million in FY2023, primarily due to a reduction in our cash reserves that was largely attributable to the payment of dividends. Despite decrease in cash reserves, we remain in a strong financial position, with zero gearing as of year-end. This means that the Group continues to operate without reliance on external debt, providing us with a solid foundation and financial flexibility to navigate market conditions in future. While our performance in FY2024 reflects significant pressure on both revenue and profitability, we remain confident in the long-term prospects of our business.

MAINTAINING GOOD GOVERNANCE

The Board is fully committed to upholding the highest standards of corporate governance, recognising its crucial role in delivering our strategy, enhancing shareholder value and ensuring the long-term sustainability of the business. We believe that effective governance is essential not only for maintaining stakeholder trust but also for driving the Group towards its strategic objectives.

To ensure robust governance, the Group has implemented a comprehensive framework that clearly defines the roles, responsibilities and accountabilities at every level, from the Board to Management and other key executives. This framework outlines the structures, processes and practices that guide the Group's operations, ensuring alignment with our goals, values and ethical standards. It serves as a transparent mechanism for accountability, compliance and ethical conduct, reinforcing the Group's commitment to responsible business practices and the achievement of its strategic objectives.

RETURN TO SHAREHOLDERS

The Group remains focused on delivering sustainable returns to shareholders by aligning earnings performance with capital returns. We carefully evaluate key factors such as business fundamentals, financial health and cash flow to ensure the best possible value creation for our investors. For FY2024, we declared a total dividend of RM41.4 million, comprising interim dividends of 3 sen per ordinary share for first quarter and 2 sen for each of the subsequent second, third and fourth quarter. This reflects our ongoing commitment to rewarding shareholders while maintaining financial stability and supporting future growth initiatives.



ORGANISATIONAL AND CORPORATE HIGHLIGHTS

ENTERING THE MALAYSIA BOOK OF RECORDS

In January 2024, the Group's jewellery manufacturing arm, ZHULIAN JEWELLERY MANUFACTURING SDN BHD proudly earned a place in the Malaysia Book of Records as the "Oldest Costume Jewellery Manufacturer" in the country. This prestigious recognition underscores the Company's longstanding legacy as an industry pioneer, celebrated for preserving the art and expertise of jewellery making. It also reinforces the Company's commitment to its motto of "Accessible Elegance, Everyday Luxury"- creating high-quality, affordable fashion jewellery items that are within reach for everyone.



STREAMLINING OPERATION WITH QUALITY MANAGEMENT SYSTEM

In 2024, ZHULIAN MARKETING (M) SDN BHD ("ZMMSB") attained ISO 9001:2015 certification, a true testament to our unwavering pursuit to quality and excellence. This achievement not only represents a significant milestone but also positions us to confidently expand our presence on the global stage, reinforcing our commitment to quality and operational excellence.

INCORPORATION OF ZHULIAN INTERNATIONAL (PHILIPPINES) INC.

In March 2024, the Group took a significant step towards global expansion by establishing a new subsidiary, ZHULIAN INTERNATIONAL (PHILIPPINES) INC. This strategic move reflects the Group's commitment to exploring new markets abroad and diversifying its revenue streams.



BROADENING AGENCY NETWORK

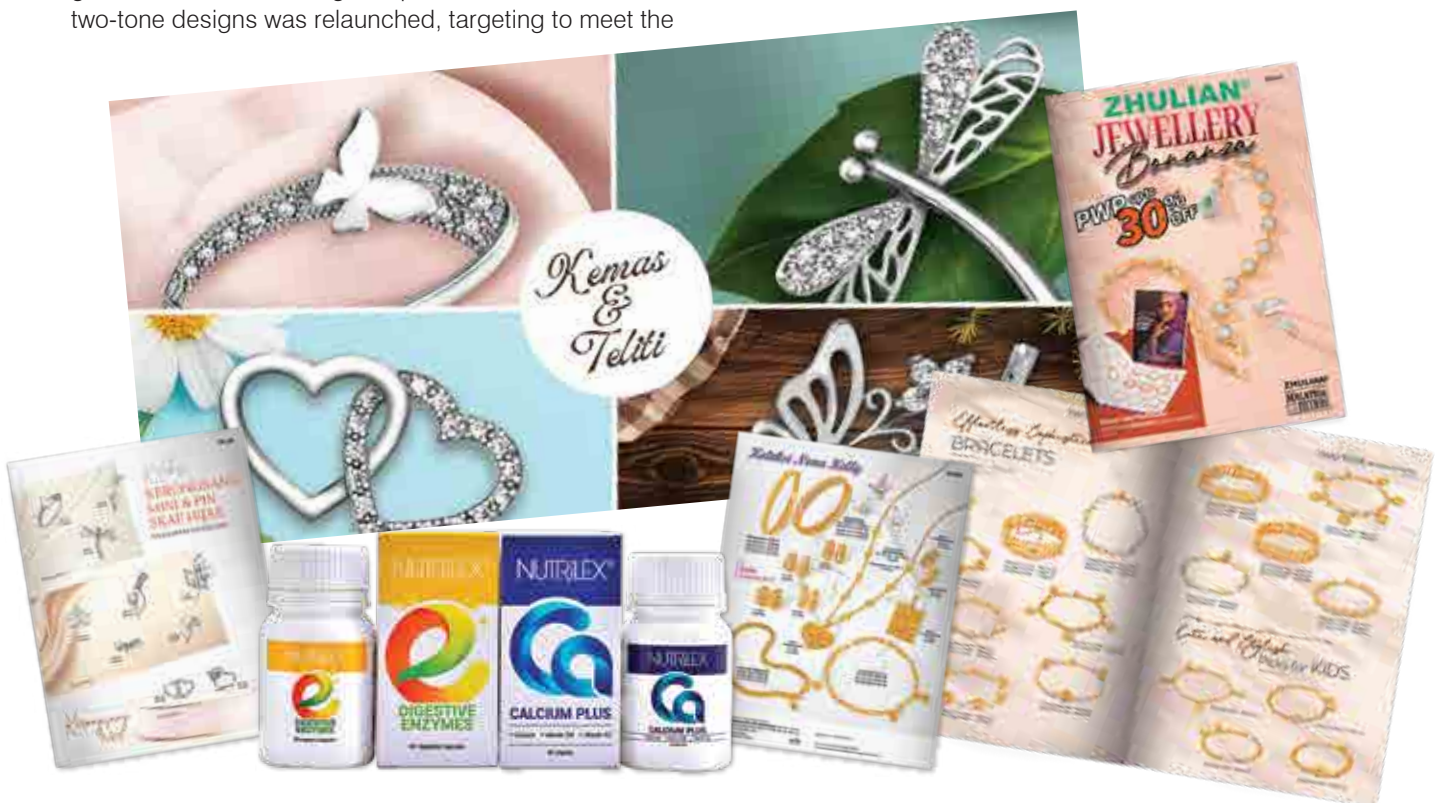
In FY 2024, the Group appointed 5 new agencies in Malaysia respectively located at Bandar Baru Bangi, Puchong and Klang in Selangor, and Bachok and Gua Musang in Kelantan. Each new Agency location has been carefully selected based on demographic analysis and growth potential.

NEW PRODUCT LAUNCHES

During the review period, the Group introduced two new jewellery collections, featuring a total of 35 new designs, with each launch marked a significant milestone for the Group. The first jewellery collection, launched in commemoration of the Group's prestigious recognition in the Malaysia Book of Records for its pioneering status as the oldest jewellery manufacturer in Malaysia, while the second collection was introduced during an event celebrating the Group's 35th Anniversary. Additionally, to offer more variety in plating finishes beyond the existing gold, rhodium and rose gold options, a collection of two-tone designs was relaunched, targeting to meet the

high demand for jewellery during the Raya festive season.

In addition to the launch of these jewellery collections, the Group further expanded its product offerings by introducing two new health supplements into the NUTRiLEX vitamin range. These new additions include digestive enzyme capsules and calcium caplets, reflecting the Group's commitment to diversifying its portfolio and tapping into the growing health and wellness market.



EVENT HIGHLIGHTS IN MALAYSIA

Recognition for Achievement

This year, the Group hosted several big-scale events that not only brought together thousands of enthusiastic participants but also deepened our sense of community. A standout moment was the Grand Convention held at the ZHULIAN International Headquarters, where nearly 1,500 attendees gathered in celebration of our shared vision and achievements over the past year. Another monumental occasion was the ZHULIAN 35th Anniversary celebration, which attracted an impressive crowd of approximately 2,000, marking a significant milestone in our journey since the Group's inception in 1989.



Nurturing Visionary Leadership

Our commitment to personal development and leadership growth was reflected in the organisation of Bina Impian Gemilang ("B.I.G.") Seminars at KSL Esplanade Hotel, Klang and ZHULIAN Action Alliance Rally ("ZAAR") across Malaysia, including Sabah and Sarawak involving more than a thousand participants in total. These impactful seminars and rallies provided invaluable insights into the MLM business, empowering our Distributors to bring their performance to the next level. We also hosted two exclusive Brilliant Diamond Conferences as a platform for discussions on overcoming challenges for success.



Reinforcing Bonds of Camaraderie

A special highlight of the year was our Hari Raya Celebration, a heartwarming event where selected Leaders and their spouses joined together to mark the festive occasion. This event was more than just a celebration; it reinforced the bonds of camaraderie and collaboration among our top Leaders and the Management Team, fostering a spirit of unity and mutual support.



Strengthening Know-how and Nurturing Young Entrepreneurs

In our ongoing efforts to enhance the skill sets of our entrepreneurs, we organised two impactful Regional Bengkel Pemantapan ("RBP") workshops. These sessions were designed to strengthen our Distributors' understanding of the marketing plan, boost selling skills and expand product knowledge, equipping them with

practical tools and insights to drive better performance. Alongside this, the Power Star Summit, held at ZHULIAN Headquarters in Bayan Lepas, Penang, also stood out as an event dedicated to attracting and grooming young talent. This event provided a learning platform for young entrepreneurs.



Raising Health Awareness

Our commitment to promoting wellness and healthy living was highlighted through a series of 8 Health Seminars, led by the Group's Scientific Advisor. These seminars provided Distributors with in-depth knowledge about healthy living and how ZHULIAN products can play a vital role in enhancing wellness.



Enhancing Engagement with Agencies

To demonstrate our unwavering support for our Authorised Agencies, the Group's CEO, accompanied by the Marketing Team, conducted numerous field visits throughout the year. These visits helped foster closer relationships, gather direct feedback, and provide strategic guidance to ensure the ongoing success of our business partners in the field.



Celebrating Outstanding Achievement

In recognition of the exceptional achievements of our top performers, the Group organised an exclusive Travel Incentive to Hanoi, Vietnam. This incentive trip not only celebrated the outstanding efforts of our Leaders but also served as a powerful motivator that inspires continued success.





Online Trainings and Meetings

Our commitment to maintaining strong engagement with our Authorised Agencies and Leaders across Malaysia was reinforced through regular online meetings. These discussions provided a valuable platform to address business challenges, share insights and develop effective strategies for continued growth and success. This year, we embraced the power of digital engagement to support our community, hosting 19 product training webinars, 3 online experience-sharing sessions with selected Leaders, and 1 health awareness webinar. Additionally, there were 7 online training sessions focused on nurturing the next wave of young entrepreneurs.

KEY INITIATIVES TO BOOST SALES PERFORMANCE

Over the course of the year, we launched 5 major marketing campaigns designed to drive productivity and enhance the sales performance of our Distributors. Among these, the B.I.G. Series, RBP Series, and ZAAR Series stood out as key initiatives aimed at boosting Distributors' productivity and encouraging their growth.

In addition to these campaigns, we strategically focused on boosting sales across specific product categories. There was a total of four targeted promotions throughout the year to drive demand for a range of products, including cereal and coffee beverages, perfume, body shapers, the Iso Series, protein mix and supplements specially formulated for men and women.

These targeted campaigns and promotions played a role in maintaining momentum, enhancing Distributor performance and helped in sustaining revenue across diverse product categories.



OVERSEAS OPERATION OVERVIEW



Key Regional Events and Highlights

The Thailand Regional Head Office continued to be a hub of activities, hosting large crowds each month during its regular monthly rallies. Among the various events, the most significant was the Grand Convention held at the Grand Auditorium on the company's premises, which welcomed an impressive turnout of over 7,500 Distributors.



Other key events throughout the year included:

- **GALA NIGHT**, an exclusive event recognising top-performing Leaders, saw the participation of 1,400 top Leaders in Thailand.



- **ZHULIAN 42ND LEADERSHIP SEMINAR** in Da Nang, Vietnam, which attracted more than 1,000 Leaders.



- **SPECIAL OPPORTUNITY PREVIEW CONFERENCES**

in various key regions, including Northeastern Nakhon Phanom and Udon Thani, Southern Surat Thani and Nakhon Si Thammarat, Northern Lampang and Chiang Mai, and Central Kanchanaburi Province. These events successfully drew large, enthusiastic audiences.

- **GO GOLD GOAL MASS TRAINING** engaging over 1,000 Leaders and providing insights on leveraging our business plan to achieve personal and team goals.



- INCENTIVE TOURS AND FORUM** - Incentive tours remained a highlight in 2024, rewarding qualified Top Leaders with enriching experiences. Tours took participants to destinations such as Hong Kong, Pattaya and Bali. Additionally, ZTH also held Diamond International Forum in Norway and Sweden participated by over 140 couples of Top Leaders strengthening engagement and networking among Leaders.



- DIGITAL MARKETING TRAINING** - Adopting the latest trends in digital marketing, the Associate collaborated with Pathumthani University to host a digital marketing training session. This initiative successfully attracted participation from a wide range of students, emphasising opportunities for future collaboration and learning.



Product Innovations and Promotions

In 2024, Thailand launched 4 designs of plated rings for commemorating ZTH's 27th Anniversary. Additionally, ZTH also launched an antibacterial body wash, further expanding the personal product range. The year also saw ongoing efforts to maintain customer engagement through a variety of promotions and sales campaigns to boost existing product sales.



The Emerging Cambodia Market

The Cambodia market, overseen by our Thai Associate, made a notable contribution of 6% to the Group's overall revenue in 2024. A major milestone was the successful "The Way to Success" convention, held at the Premier Centre Sen Sok, Phnom Penh, which brought together approximately 1,800 participants. This event demonstrated the growing strength and potential of the market, reflecting increased engagement and opportunities for growth.



RISK IDENTIFICATION & MITIGATION

The Group is committed to identifying potential risks early and implementing comprehensive strategies to address and mitigate them. The Risk Management Committee, reporting directly to the Board, plays a significant role in overseeing the risk management framework, ensuring that risk identification processes are robust and aligned with strategic objectives. Additionally, our Internal Audit Team collaborates closely with the Risk Management Committee to assess and validate risk controls, providing independent assurance and identifying areas for continuous improvement. Our risk management approach aimed to safeguard our operations and also enable us to adapt swiftly to emerging challenges. In the year of review, the Group's Internal Control Team conducted an assessment on the materiality of the following subject matters that may pose risks to the Group's business:

1. Dependency on Distributors, Major Agencies and Single Market
2. Non-Performing Leaders
3. Gig Economy Competition
4. Global Market Penetration
5. Distributor Training and Support
6. IT System
7. Limited Digital Presence
8. Inventory Control
9. Operation Systems and Procedures
10. Product Launches

Among others, the followings were the key risk factors we identified, posing threats to the Group's business performance:

1 Foreign Exchange ("FX") Risk

The Group is exposed to FX risk due to its imports and exports were denominated in United States Dollars (USD). To offset the risks associated with fluctuating exchange rates, we employ a natural hedging mechanism. Additionally, we utilise financial forecasting and budgeting as proactive measures to further mitigate the impact of currency fluctuations. We also closely monitor the exchange rate movement, when necessary, adjust our pricing strategy to maintain stable profit margins despite currency fluctuations.

2 Information Technology (IT) Risk

Key risks include system downtime, data accuracy, privacy and security which could disrupt operations and cause inaccuracy or delay in commission payouts, cybersecurity, breach of trust and reputation damage. To mitigate these risks, regular system audits are conducted to ensure compliance with data protection regulations to maintain the integrity and reliability of its network system.

3 Credit Risk

Credit control issues, cash flow challenges and over-ordering by Authorised Agencies can contribute to the accumulation of bad debts. To mitigate these risks, we are continuously exploring strategies to ensure that our Authorised Agencies adhere strictly to our credit policies. Additionally, we regularly monitor their payment behaviour through ongoing credit assessments and conduct stock counts at the agency level to maintain effective oversight and prevent potential financial issues.

4 Market Risks

As competition intensifies from the e-commerce sector and Gig economy, the direct selling business faces significant market risks. To address this challenge, we take steps to adapt to changes in consumer behaviour and technological advancements. Our approach involves continuous product innovation and strengthening our digital marketing efforts to maintain relevance. Furthermore, by broadening our product range and exploring untapped markets, we aim to reduce dependence on any single segment, ensuring a more resilient business model in the face of evolving market conditions.

5

Regulatory and Compliance Challenges

As the regulatory environment becomes more complex and stringent, ensuring compliance across the Group's varied operations remains a key challenge. Navigating this landscape requires continuous vigilance and adaptability. The Group actively monitors regulatory developments across different countries, regions and sectors, ensuring that all business activities align with evolving legal requirements. With robust internal processes in place, we focus on maintaining necessary licenses and certifications, while proactively addressing any compliance issues that may arise, safeguarding the Group's operations across all subsidiaries.

Pandemic Risk

6

Recognising the potential severity of a pandemic on business operations, the relevant Standard Operating Procedures (SOPs) to mitigate this risk has already been put in place. These SOPs can be swiftly reactivated to minimise disruptions in case of similar outbreak. They cover key areas such as communication plans, supply chain management and contingency operations, ensuring that critical functions remain operational while safeguarding the well-being of employees and customers.

FORWARD-LOOKING STATEMENT

The Ministry of Finance Malaysia projected that Malaysia's economic outlook for 2025 remains optimistic, though it brings a mix of opportunities and challenges, and affirmed that the government's 2025 GDP growth projection of 4.5 to 5.5 percent is a realistic and achievable target. Nonetheless, challenges remain as the country is vulnerable to the global economic uncertainties. Meanwhile, according to World Bank Economic Update, Thailand's economy is forecasted to expand by 3.0% and Cambodia's economy will be further strengthened with a 6.1% growth in 2025.

Looking ahead, the Group is mindful of the evolving economic conditions across the Southeast Asia region and the broader global marketplace. As we enter 2025, we recognise both the opportunities and challenges presented by shifting market dynamics. We are mindful of potential risks that may arise, including changes in government policy. One such concern is the possible withdrawal of subsidies for RON 95 petrol, which could lead to higher fuel costs across the region. Such a move may have an impact on operational expenses, particularly in distribution and logistics, potentially affecting our cost structure. However, we are committed to adapting our strategies and finding efficiencies to mitigate any negative effects, ensuring that we continue to operate effectively and sustainably in the face of such challenges. While inflationary pressures, rising operational costs and global economic uncertainties continue to shape the business environment, we remain confident in our ability to navigate these complexities with strategic agility.

The Group's focus will remain on maintaining strong financial discipline and leveraging our solid cash reserves, which serve as a foundation for resilience in uncertain times. Our commitment to operational excellence and adaptability positions us to capitalise on emerging growth opportunities, even in a more volatile landscape.



We are also prioritising sustainable growth through the integration of Environmental, Social and Governance (ESG) principles into our operations. These efforts go beyond compliance with regulatory frameworks and are central to our long-term strategy for value creation. By embedding sustainability into our corporate culture, we aim to drive positive impact, strengthen stakeholder relationships and ensure that we remain a responsible, forward-thinking organisation.

In 2025, our strategic focus will be on further enhancing our digital capabilities and expanding market presence across existing and new regions. We will continue to innovate and refine our product offerings to meet the evolving demands of customers, while exploring additional revenue streams to diversify and future-proof our business. Our commitment to strengthening our distributor network and delivering comprehensive training and support will be pivotal in unlocking growth potential and fostering deeper, more productive relationships.

As we navigate the future, the Group remains optimistic, driven by our resilience, strategic focus and unwavering commitment to operational and financial excellence. We are confident that our ability to adapt, innovate and execute with precision will ensure that we remain competitive and continue to thrive, even in an increasingly complex and competitive business environment.

SUSTAINABILITY STATEMENT

ZHULIAN Group is proud to present its Sustainability Statement for the year ending 30 November 2024, highlighting our sustainability efforts and achievements. This report is based on data and insights from FY2022 up to FY2024, reflecting our ongoing commitment to responsible and sustainable business practices.

This statement offers a transparent view of our journey toward creating long-term value for our stakeholders, underpinned by our dedication to environmental stewardship and social responsibility. When reviewed alongside our financial statements and other sections of the Annual Report, it provides a holistic overview of how we integrate Environmental, Social and Governance (ESG) principles with our financial goals.

As the management of Zhulian Corporation Berhad, we assure our stakeholders that the information presented here has been carefully compiled and verified, in line with our internal sustainability reporting standards. We have applied due diligence to ensure the accuracy and integrity of the data, adhering to recognised best practices in sustainability reporting.



ZHULIAN Group remains fully committed to enhancing our sustainability disclosures in accordance with Bursa Malaysia's ESG requirements, with particular emphasis on risk management. We are confident that through the continued integration of sustainable practices across our operations, we can make a meaningful and positive impact on both our community and the environment.



SCOPE OF OUR SUSTAINABILITY STATEMENT

In 2024, the Group adopted a structured approach to formalise a comprehensive sustainability framework, reinforcing our commitment to enhancing sustainability across our operations. This Sustainability Statement outlines our journey toward long-term value creation, highlighting the Group's economic contributions, continuous efforts to improve societal well-being, and the steps taken to mitigate the environmental impacts associated with our business activities.

The scope of this Statement encompasses the sustainability practices across the Group's key business operations, with a particular focus on environmental matters. The table below outlines the specific entities covered in this report, including those subsidiaries directly involved in our core operations. Notably, our multi-level marketing division and food and beverage production processes play a central role in shaping the Group's overall sustainability performance.

Scope and boundaries based on business segment

| Business Segment | Business Activity | Entities |
|--------------------------------|---|--|
| Manufacturing | <ul style="list-style-type: none"> F&B Manufacturing Facilities Traditional Health Supplements Manufacturing Facilities Jewellery Manufacturing Facility Home Technology Products Manufacturing Facilities Home Care Products Manufacturing Facilities | Zhulian Industries Sdn. Bhd. Zhulian Nutraceutical Sdn. Bhd. Zhulian Jewellery Manufacturing Sdn. Bhd. Beyond Products Technology Sdn. Bhd. Zhulian Manufacturing Sdn. Bhd. Amazing Vestrax Sdn. Bhd. |
| Multi-level Marketing | <ul style="list-style-type: none"> Direct Selling Business Operation | Zhulian Marketing (M) Sdn. Bhd. |
| Printing | <ul style="list-style-type: none"> Printing of packaging and marketing support materials | Zhulian Printing Industries Sdn. Bhd. |
| Overseas Multi-level Marketing | <ul style="list-style-type: none"> Direct Selling Business Operation in Thailand and Cambodia | Zhulian (Thailand) Ltd. Zhulian Network (Cambodia) Co., Ltd. |

COMMITMENT IN SUSTAINABILITY

Our vision is to be a trusted partner in the success journey, collaborating with individuals and organisations to help one another thrive towards better living. At the core of our mission is a deep commitment to socio-economic sustainability - empowering people and communities to grow and prosper in a way that benefits both present and future generations. We aim to cultivate a culture that embraces beauty, health and well-being while prioritising inclusive opportunities, fair practices and responsible economic growth. By integrating sustainable solutions and fostering equity, we aspire to create lasting impact through responsible sourcing, ethical decision-making and support for local economies. Together, we aim to build a world where personal and collective success thrives hand in hand with social responsibility, ensuring that every step we take contributes to a more just, sustainable and flourishing future for all.

At ZHULIAN Group, we adopt a comprehensive and integrated approach to sustainability that goes far beyond environmental awareness. We believe sustainability is deeply embedded in every aspect of our operations, encompassing social responsibility, ethical values and economic growth. Our commitment extends to creating a safe, supportive and ethical workplace, while also considering the wider social and environmental impacts of our activities. This philosophy drives our decision-making processes, striving to achieve a harmonious balance between people, the planet and profit. In every facet of our business, we aim to deliver a positive and lasting impact on our stakeholders, the communities we serve and the environment, contributing to a sustainable future.



Advancing Socio-economic Development

We are dedicated to advancing socio-economic progress by offering equal opportunities for entrepreneurship through our Multi-level Marketing (MLM) business model. Our goal is to empower individuals from diverse backgrounds, whether in terms of income, ethnicity, or education, helping them become independent entrepreneurs and driving economic growth within their communities.

Optimise Operational Efficiency while Minimising Environmental Impact

We prioritise operational efficiency to reduce costs and environmental impact, maintaining cleanliness, safety, and sustainability throughout our operations. By optimising resource usage, we not only focus on cost-effectiveness but also reduce our environment footprint, aligning our business practices with a greener, more sustainable future.

Continuous Commitment to Product Quality

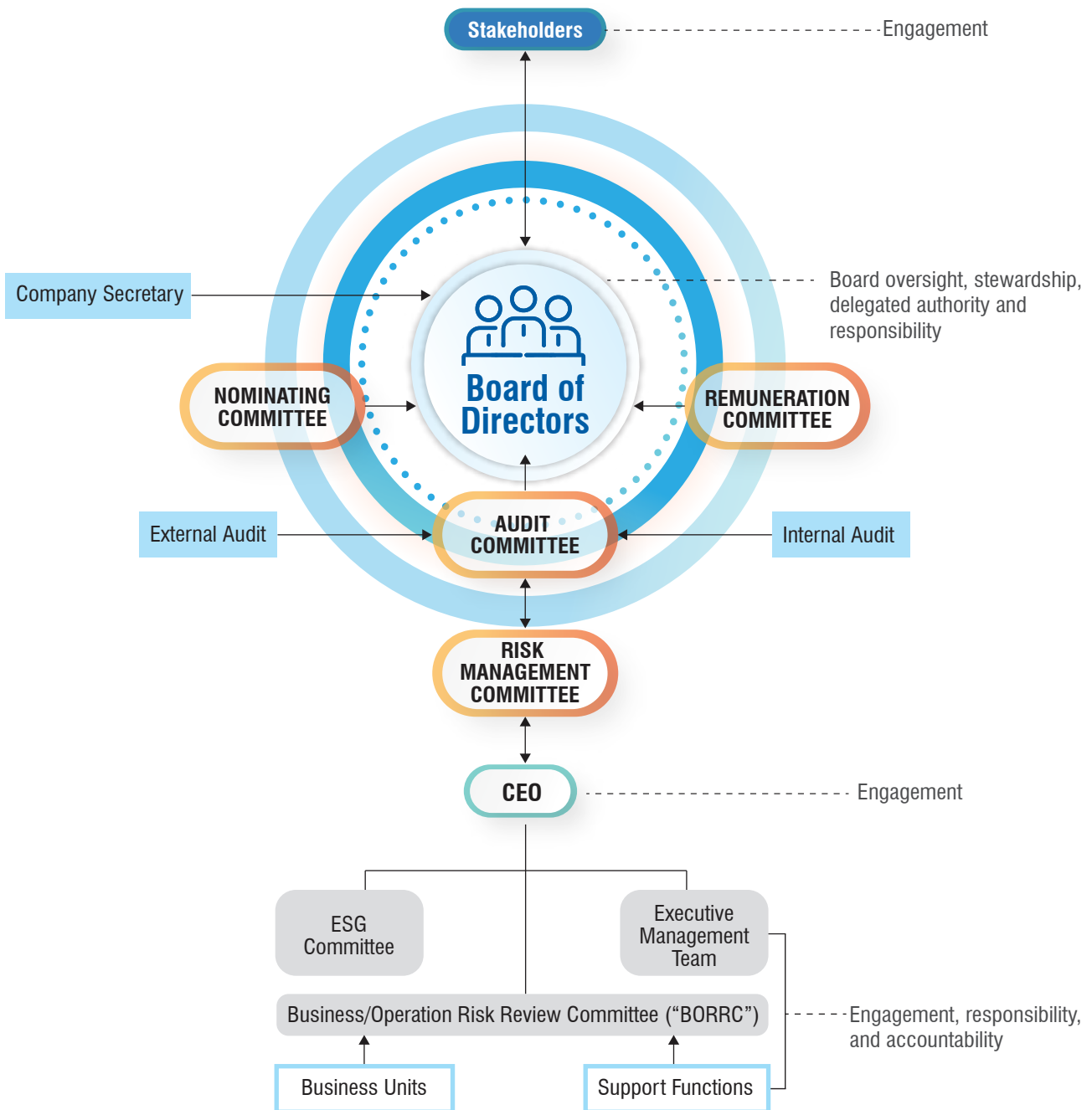
Our dedication to product quality is demonstrated through adherence to internationally recognised standards, such as GMP, HACCP, ISO 22000, and ISO 9001. These certifications ensure the highest quality and safety for our customers, while also reinforcing our commitment to minimising our environmental footprint. By maintaining strict quality controls, we build trust with our customers, ensuring that we meet their expectations and contribute to a sustainable, high-quality product offering.

SUSTAINABILITY LEADERSHIP AND GOVERNANCE

The Group acknowledges that strong corporate governance is essential for ensuring long-term success. To achieve this, we have developed a robust governance framework that clearly defines roles, responsibilities, and decision-making processes. This framework facilitates effective collaboration between the Board, Management, and stakeholders, continuously strengthening our systems, processes and controls. Our governance structure upholds the principles of transparency,

accountability, and ethical conduct, ensuring the Group is well-positioned to navigate challenges and crises. By integrating comprehensive risk management practices into our Environmental, Social and Governance (ESG) sustainability framework, we enhance the Group's resilience and capacity to adapt to economic uncertainties. This approach not only strengthens our governance practices but also reinforces our commitment to long-term sustainability and stability.








THE GROUP'S GOVERNANCE FRAMEWORK



STAKEHOLDER ENGAGEMENT

As a Group of companies operating direct selling business as core business, we place great emphasis on building and nurturing good relationships with our stakeholders, all united by a shared commitment to sustainability. We are dedicated to fostering meaningful, sustainable partnerships through initiatives such as ethical sourcing, fair labour practices, minimising our environmental impact and actively engaging in community-focused corporate social responsibility.

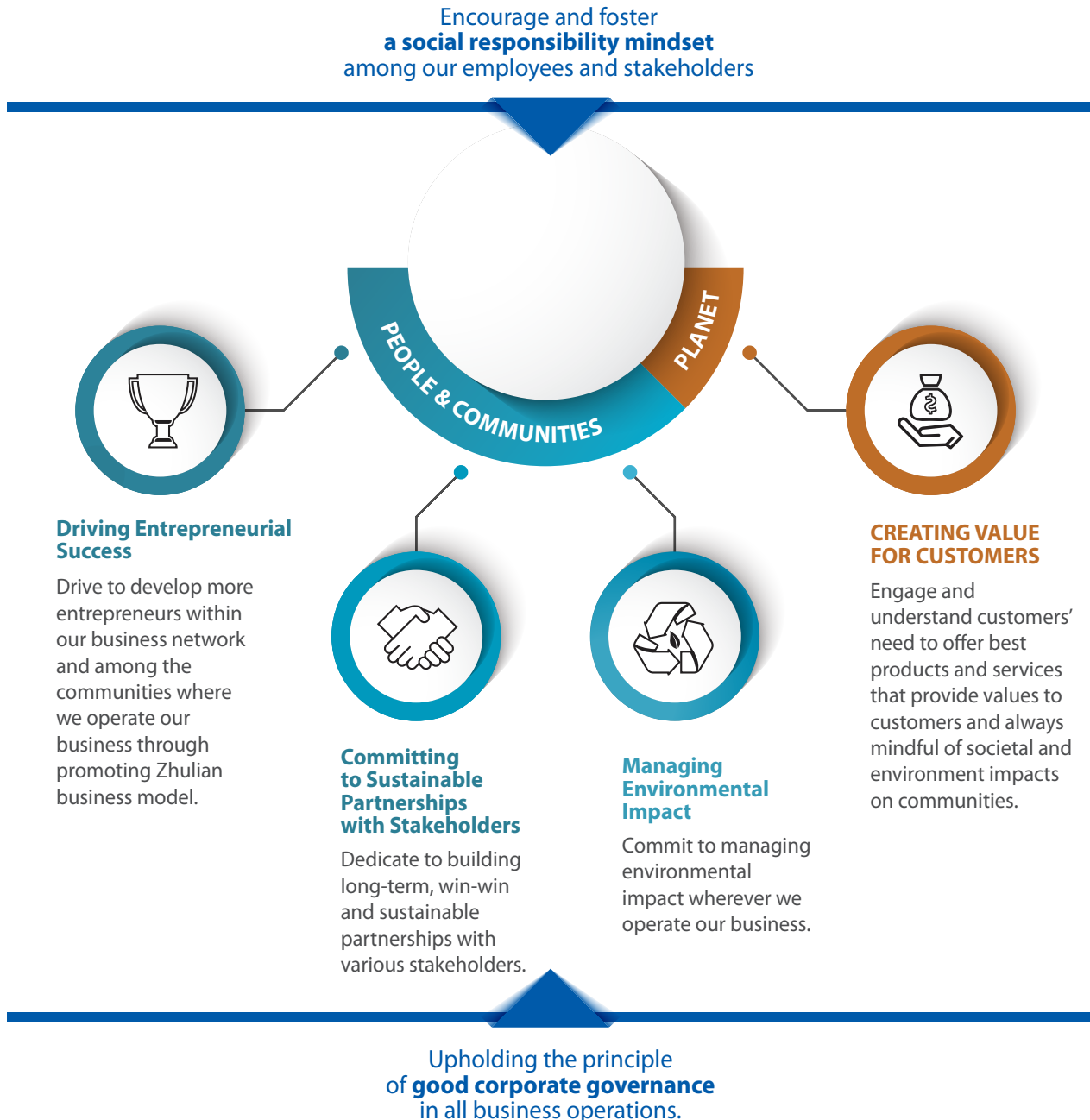
Regular engagement with our stakeholders is crucial to understanding their needs and expectations while also ensuring they are aligned with our strategies and objectives. By maintaining open communication, we create mutual understanding and trust. We have identified seven key stakeholder groups and outlined tailored engagement methods to ensure we effectively connect with each group and address their unique concerns and interests.

| STAKEHOLDER GROUP | ENGAGEMENT METHOD |
|--|---|
|  <p>Distributors and Customers We strive to provide quality products and services to meet the customers' expectation and at the same time support Distributors in growing their business</p> | <ul style="list-style-type: none"> • Customer Service Hotline • Social media and website • Online and offline training and development programmes • Promotion Campaigns • Marketing Activities - conventions, seminars, meetings. • Plant Tours |
|  <p>Authorised Agents We work closely with Authorised Agents to engage Customers and Distributors.</p> | <ul style="list-style-type: none"> • Training and supporting services (Online) • Online meetings and dialogues • Information updates via circulars and Agency Distribution System (ADS) • Field visits |
|  <p>Employees We value teamwork and strive to create a conducive workplace.</p> | <ul style="list-style-type: none"> • On-going internal and external trainings • Internal communication system via memos and circulars • Ad-Hoc meetings • Performance appraisal system |
|  <p>Shareholders and Investors We are committed to safeguard the shareholders' interest.</p> | <ul style="list-style-type: none"> • Annual General Meeting • Corporate Website • Annual Report • Quarterly Reports |
|  <p>Government and Regulators We are committed to ensure all our business operations comply with the statutory and regulatory requirement.</p> | <ul style="list-style-type: none"> • Digital communication channel – emails, WhatsApp etc. • Participation in events organised by Government, regulatory bodies and technical association |
|  <p>Vendors and Contractors We build business relationship for long-term mutual benefits.</p> | <ul style="list-style-type: none"> • Meetings • Periodic inspections and assessments |
|  <p>Community and General Public We are committed to create positive impacts among communities where we operate our business.</p> | <ul style="list-style-type: none"> • Direct Selling engagement • Donations to local communities • Sales and marketing activities • Social media and website |

OUR SUSTAINABILITY FRAMEWORK

The Group continues to uphold a structured sustainability framework that provides clear guidance in addressing environmental, social and economic challenges while ensuring long-term viability and responsible resource management. Our sustainability framework is built around the foundational core values of our Group, which prioritise social responsibility and uphold the highest standards of corporate governance. At the heart of our approach is a deep commitment to integrity, transparency and accountability. By aligning our business strategies with our core values, we ensure that sustainability is not just a goal but a guiding principle that shapes our decisions and actions.

Through this framework, we strive to build a resilient and responsible business that empowers future generations while achieving long-term sustainability. By integrating sustainable practices into our daily operations, we aim to meet current needs while safeguarding resources for the future. These sustainability drivers serve as the key priorities that inspire and motivate everyone within the ZHULIAN Group to embrace and pursue sustainable practices. Together, they shape our approach to creating a balanced and responsible business model, where good governance, environmental stewardship, social responsibility and economic prosperity are in harmony.

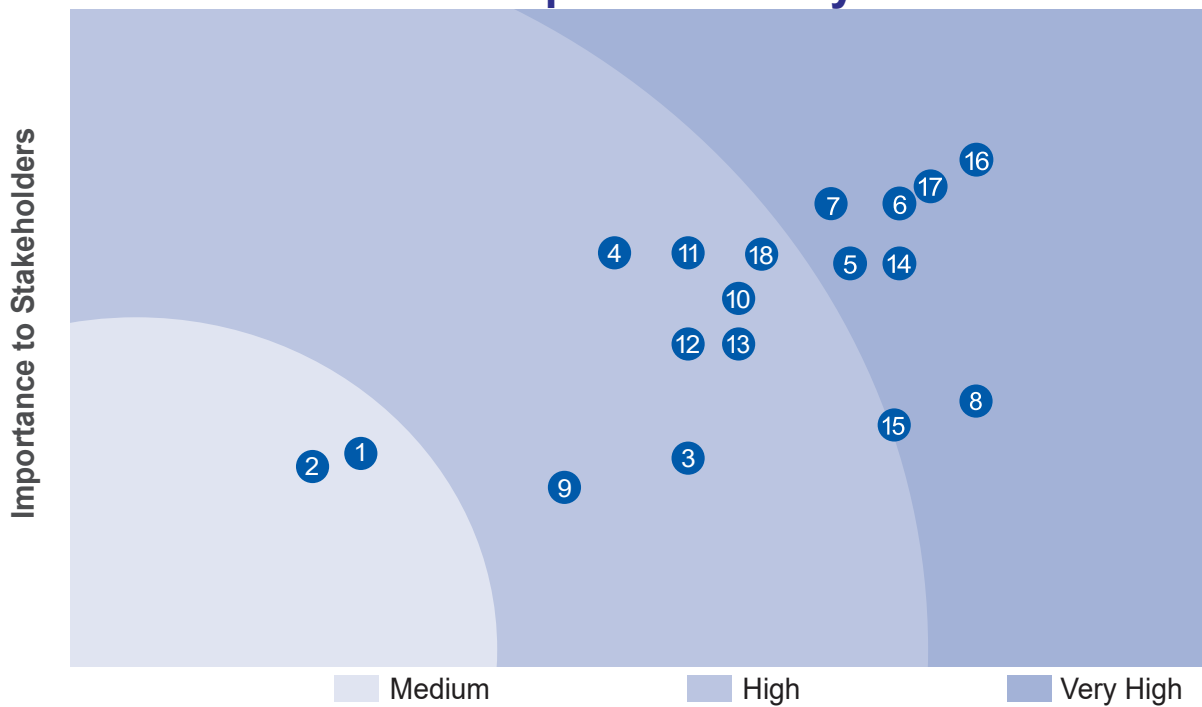


Strengthening ESG Initiatives for Risk Mitigation

Our Sustainability Materiality Matrix forms the foundation of our sustainability initiatives, including identifying key environmental, social, and governance (ESG) factors, as well as economic considerations, which are critical to our operations and aligning them with stakeholder interests. It serves as a strategic guide, reflecting our dedication to transparency and responsible decision-making and helps us focus on the most significant sustainability issues.

Moving forward, the Group is committed to intensifying our ESG efforts by gradually integrating sustainability into our core business strategies and quality management systems. This approach will not only enhance our resilience but also strengthen our overall risk management capabilities, ensuring the long-term economic sustainability of our business.

Zhulian Group's Materiality Matrix



Importance to Business

Environmental

- 1 Water Usage and Energy Consumption
- 2 Waste Management and Pollution Control
- 8 Research and Development

Governance

- 13 Corporate Governance
- 15 Regulatory Compliance

Economic






- 16 Financial Performance
- 17 Empowering Entrepreneurial Success
- 18 Responsible Procurement Practices

Social

- 3 Workplace Health and Safety
- 4 Respecting Diversity and Equality
- 5 Ensuring Employees' Overall Welfare
- 6 Product Quality and Safety
- 7 Customer Responsibility
- 9 Community Engagement
- 10 Employee Training
- 11 Talent Management & Succession Planning
- 12 Intellectual Properties, Safeguarding Data Confidentiality & Privacy
- 14 Ethical Business Practices

Note: Due to resources limitation, the Group has yet to implement any system to manage the Group's business impact on climate change in the aspect of carbon footprint.

Alignment with United Nations Sustainable Development Goals (“SDG”)

| | The Group’s Perspectives | The Group’s Efforts and Initiatives | Reference | |
|--|---|--|--|--------------------------|
| Goal 1  | No Poverty End poverty in all its forms everywhere. | The Group is committed to ending poverty everywhere. We focus on strategies and initiatives that help and provide opportunities to those in need. | Eradicate Poverty: The Group is dedicated to eliminating poverty in all forms worldwide. We support initiatives that offer vital resources, education, and economic chances to improve communities. Our goal is to build lasting solutions for a secure and thriving life for all. | Page 44, 47, 49 |
| Goal 3  | Good health and well-being Ensure healthy lives and promote well-being for all at all ages. | The Group is deeply committed to ensuring a safe and healthy workplace as well as promoting healthy living through the products we offer. | Health and Safety at the Workplace: The Group ensures a secure work environment for its employees, maintaining a focus on their well-being. We prioritise the well-being of our employees by actively promoting health and safety measures. Any potential risks to workplace safety are taken very seriously and addressed promptly. Healthy Living: We have a host of health-promoting products that help enhance overall wellness among consumers. | Page 39, 43, 46 |
| Goal 4  | Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. | The Group is committed to fostering the growth, advancement, and integration of its employees, Distributors and the broader community by endorsing educational and skill-building initiatives. | Employee Training and Development: The Group is dedicated to investing in the continuous learning and development of our employees, aligning with the Group's strategic vision for the future. Additionally, through our direct selling business model, we are committed to supporting educational initiatives via a host of training programmes conducted and within the community through health seminars. | Page 45 |
| Goal 5  | Gender Equality Achieve gender equality and empower all women and girls. | The Group is focused on achieving gender equality and empowering women and girls. We are committed to creating opportunities and promoting equal rights for all. | Empowering Equality: The Group supports initiatives and programs aimed at promoting gender equality and empowering women and girls organised by NGOs as well as through our direct selling business model. Our efforts are directed towards ensuring equal opportunities and fostering an inclusive environment. | Page 41-42 |
| Goal 8  | Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. | The Group is dedicated to creating a dynamic and energetic work environment for its employees. | Equal Opportunities to earn a living: The Group is steadfast in providing equal employment opportunities, ensuring that career advancement is free from discrimination. We uphold a strict zero-tolerance policy against sexual harassment. We also provide opportunities for individuals from diverse socio-economic backgrounds to engage in entrepreneurial activities and earn income through direct selling business, thus help in promoting economic growth. | Page 41, 43-44, 48-49 |

| | The Group's Perspectives | The Group's Efforts and Initiatives | Reference |
|--|--------------------------|-------------------------------------|-----------|
|--|--------------------------|-------------------------------------|-----------|

| | | | | |
|--|--|---|--|---------|
| Goal 9  | Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. | The Group places a high priority on innovation, considering it essential for developing future solutions across various business sectors. | Research and Development: The Group continues to foster innovation and improve our current products' efficiency, with the goal of more effectively fulfilling customer requirements. | Page 39 |
|--|--|---|--|---------|



| | | | | |
|---|--|--|---|-------------|
| Goal 10  | Reduced Inequalities Reduce inequality within and among countries. | The Group is dedicated to ensuring equal opportunities for all to join the Group's workforce as well as the direct selling business network. | Equal Opportunities: The Group provides equal chances for employment and advancement to all employees across every level. We are committed to a non-discriminatory approach, recognising and valuing contributions based on merit, skills, experience and commitment. In addition, we also provide individuals, regardless of their background or socioeconomic status, with an equal opportunity to participate in entrepreneurial ventures to generate income through the direct selling model. | Page 41, 49 |
|---|--|--|---|-------------|



| | | | | |
|---|--|--|---|--------------------|
| Goal 12  | Responsible Consumption and Production Ensure sustainable consumption and production patterns. | The Group closely oversees resource optimisation and waste management processes as an integral component of its business operations. | Sustainable Waste Management and Responsible Procurement: We adopt sustainable practices throughout its supply chain. This includes implementing efficient and environmental conscious manufacturing processes, reducing waste, and ensuring the responsible sourcing of raw materials to minimise environmental footprint and encourages sustainable consumption patterns. We also educate our consumers via social media and printed media, fostering a culture of mindful consumption. | Page 38-40, 46, 49 |
|---|--|--|---|--------------------|



| | | | | |
|---|---|---|---|------------|
| Goal 13  | Climate Action Take urgent actions to combat climate change and its impact. | The Group is dedicated to reducing our environmental impact in all our business activities. | Green Practices: The Group is dedicated to reducing the environmental footprint. We have plans in place to lower emissions, promote green practices, utilise renewable energy to protect our environment. Our goal is to make a positive impact, ensuring a sustainable future. | Page 37-39 |
|---|---|---|---|------------|



ENVIRONMENTAL SUSTAINABILITY



The Group is deeply committed to environmental sustainability and actively integrates sustainable practices into its business operations. We continuously explore sustainable alternatives to minimise and reduce waste and other environmental footprints. Additionally, the Group promotes the use of energy-efficient green technologies and supports recycling initiatives across its supply chain. Our approach also emphasises responsible sourcing practices, ensuring that raw materials are procured sustainably, vendors are carefully selected based on environmental criteria, and our supply chain is managed with a strong focus on sustainability.

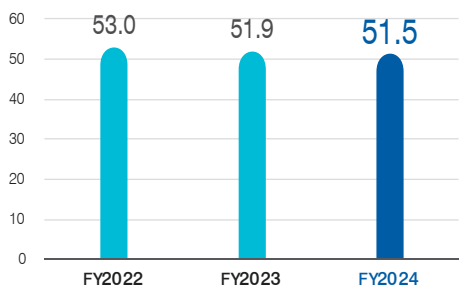
We are dedicated to adhering to all relevant environmental regulations set forth by the Department of Environment, and we continuously strive to enhance our environmental performance. Our commitment to transparency is reflected in our ongoing efforts to improve reporting practices. During the review period, the Group has maintained full compliance with environmental laws and regulations, with no significant fines incurred for noncompliance.

Water Usage & Energy Consumption

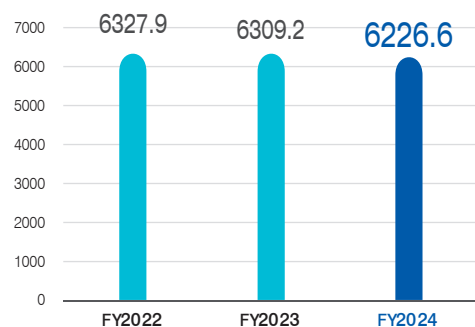
In year 2024, total volume of water used by the Group was 51.5 ML and total energy consumed was 6,226.6 MWh. Comparing the data from the previous year, we have successfully decreased our water consumption by 0.8% and electricity usage by 1.3%.



Water Consumption (ML)



Electricity Consumption

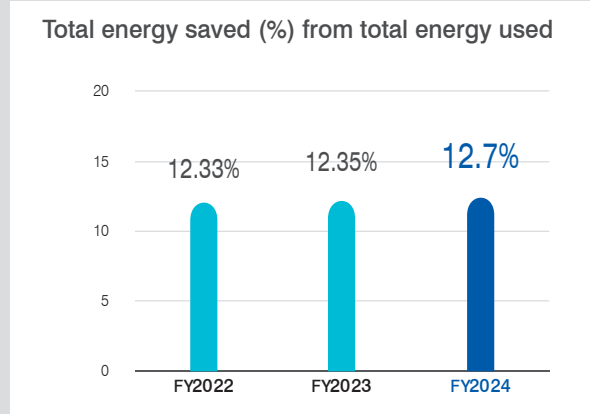
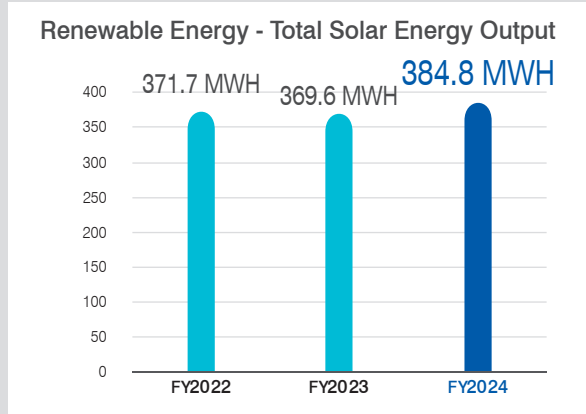


With the primary objectives of reducing carbon footprint, contributing to a cleaner and more sustainable environment, the Group has undertaken a transformative step towards a greener future through the integration of renewable energy sources, particularly solar energy. In year 2020, the Group installed solar panel at one of our premises that houses the manufacturing facilities of our food and beverage products and traditional health supplements.



In 2024, the Group invested RM514,000 in installing solar panels at our Jewellery and Homecare Products Manufacturing Plant. By harnessing solar power starting from July 2024, we managed to cut energy costs at the plant.

Food & Beverage Products & Health Supplements Manufacturing Plant



Jewellery & Homecare Products Manufacturing Plant

| | FY2024 |
|---|-----------|
| Renewable Energy - Total Solar Energy Output | 126.9 MWH |
| Total energy saved (%) from total energy used | 5.5% |

NOTE: The solar panels started generating energy in July 2024.

Waste Management and Pollution Control

In efforts to enhance waste management and pollution control, significant initiatives have been undertaken to optimise resource use in our day-to-day operation while minimising landfill waste. A key focus is on reusing, recycling, and renewing materials to reduce environmental impact. Waste segregation plays a critical role in this, with the implementation of systems that separate recyclable materials such as paper, plastics and metals from general waste. Inventory management

has also been prioritised to prevent overproduction and reduce product disposal, which is considered a form of waste. Scheduled recycling programmes ensure that these materials are processed efficiently, with clear guidelines for employees on how to sort their waste properly. Additionally, specialised handling of other waste types according to regulatory requirement, such as organic waste or hazardous materials, is enforced to ensure safe disposal and further reduce contamination.

| | FY2024 | FY2023 | FY2022 |
|---|--------|--------|--------|
| Total Waste Generated (tonnes) | | | |
| Liquid | 2.14 | 2.21 | 2.26 |
| Solid | 42.93 | 52.04 | 53.66 |
| Total weight or volume of waste sent to landfill for disposal | 45.07 | 54.25 | 55.92 |

In 2024, total landfill waste was reduced by 16.9%, highlighting the increased efficiency of the waste management system.

| | FY2024 | FY2023 | FY2022 |
|-------------------|--------------|-------------|-------------|
| Total Scrap Sales | RM101,994.84 | RM89,438.83 | RM55,504.77 |



The data above indicates a higher revenue from scrap sales compared to the previous year, helping to offset waste management costs and contribute to a more sustainable and cost-efficient waste management system.

To address water pollution, we have installed eco-friendly wastewater treatment systems at our jewellery, food and beverage and traditional health supplement manufacturing plants. These systems treat wastewater from the production process to remove toxic and chemical waste, ensuring that only clean water is discharged into drains. Additionally, the treated water is reused for cleaning and washing purposes, helping to reduce overall water consumption.

| | FY2024 | FY2023 | FY2022 |
|----------------------------------|--------|--------|--------|
| Total Wastewater Discharged (ML) | 5.61 | 6.07 | 8.08 |

| | FY2024 | FY2023 | FY2022 |
|---|--------|--------|--------|
| Total fine/penalties for non-compliance with waste management laws or regulations | 0 | 0 | 0 |

Regular checks and inspections are conducted to ensure that the air scrubbers, dust collectors and ventilation systems in the production area are functioning optimally. These measures help maintain air quality and ensure compliance with the Environmental Quality (Clean Air) Regulation 2014.

Research and Development

At the core of our product research, development and production processes is a commitment to making strategic, data-driven decisions that strike a delicate balance between meeting market demand and avoiding the overextension of our resources. Our focus is on minimising excess inventory and curbing waste, which can lead to unnecessary disposal costs and environmental impact.

In the pursuit of sustainability, we carefully evaluate each step of the development cycle to ensure that our products not only meet the needs of our customers but do so in a way that is both resource-efficient and environmentally responsible. As part of our ongoing innovation efforts, we have developed energy-efficient air purifiers, water purifiers and food detoxifiers that leverage ozone technology. These products are designed with the dual goals of enhancing environmental quality and safeguarding human health.

Through these innovations, we aim to make a meaningful contribution to environmental protection by improving air and water quality, promoting sustainable water management and encouraging eco-friendly cleaning practices. In doing so, we hope to support long-term well-being while avoiding the pitfall of overproduction, ensuring that each product is developed with purpose, efficiency and environmental consideration.



Others Go Green Initiatives

| Year | Go Green Activities |
|--------------|--|
| Since 2022 | Conversion of printed material like the Annual Report, catalogues and Distributors' commission statements into easily accessible electronic versions. |
| Since 2022 | Replacement of Plastic Authority Card to E-Authority Cards, allowing Distributors to conveniently print them through their member accounts on our official website. |
| At all times | Encourage all employees to print or photocopy only when necessary, use recycle paper to print and minimise the use of new A4 paper. Constant reminder to all employees to recycle, reuse and conserve water and electricity with posters on notice board. |
| Since 2023 | Adopt Microsoft 365 Team to share documents electronically among key department heads and management team members. |

SOCIAL SUSTAINABILITY

At the heart of our business model is the commitment to social sustainability, with direct selling serving as a powerful tool to create lasting positive change. By building a business that is centred on people, we empower our Distributors, employees, customers and the broader community to achieve financial independence and improved well-being. Through our fashion jewellery, health and wellness

products, we not only enhance the physical health and beauty of individuals but also foster a sense of community, support and shared success. Our approach is about creating opportunities for growth, upliftment and social impact, ultimately contributing to the long-term prosperity and quality of life for all those we touch.



Respecting Diversity & Equality

In our business, we strive to create an inclusive environment where everyone - regardless of background, gender, ethnicity or personal circumstances enjoy the equitable opportunity to thrive. Our direct selling business model provides a platform where individuals from all walks of life can build their own businesses, pursue financial independence and achieve personal growth. By embracing diverse perspectives and fostering an equal opportunity for success, we ensure that our Distributors, employees and customers feel valued and empowered. Through this approach, we not only respect but celebrate the uniqueness of individual, recognising that our collective strength is rooted in the diversity that makes us stronger and more resilient as a community.

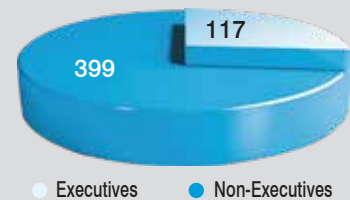
Upholding the values of equity, diversity, inclusion and belonging is at the core of our ethos. We are committed to providing equal opportunities for career growth and advancement to every individual within our Group, ensuring that all are treated with respect and given the chance to thrive. Additionally, we strictly adhere to local legal requirements and unequivocally reject the employment of individuals below the legal working age. Our business model is built on the principle of positively impacting people's lives, safeguarding fundamental human rights and ensuring compliance with all relevant laws to prevent any form of exploitation or abuse. In 2024, we are proud to report that there were no incidents of discrimination, child labour, forced labour or any other violations of human rights across our subsidiaries.



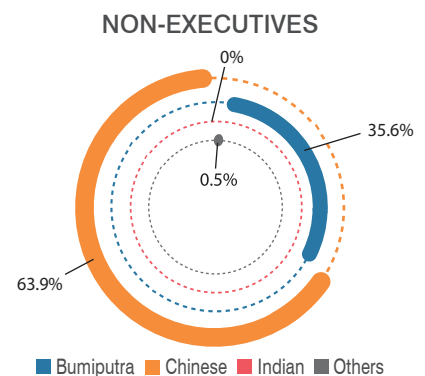
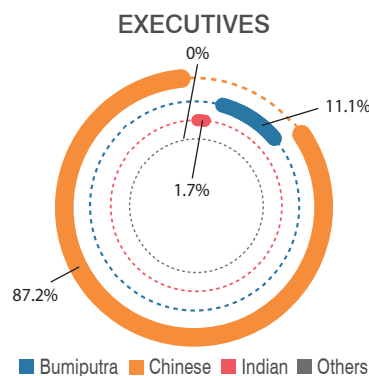
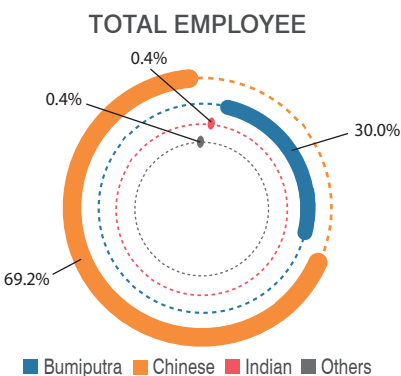
At the end of FY2024, there was a total of 516 individuals employed by the Group, comprising 399 non-executive employees and 117 executives. Of these, only 8 were employed on a contractual basis beyond the typical retirement age. Below is a breakdown of the Group's workforce in terms of diversity, age composition and gender distribution.

EMPLOYEE HEADCOUNT

| | FY2024 | FY2023 | FY2022 |
|----------------|--------|--------|--------|
| Executives | 117 | 120 | 119 |
| Non-Executives | 399 | 421 | 432 |
| Total | 516 | 541 | 551 |



ETHNICITY DISTRIBUTION(excluding sub-contract employees)



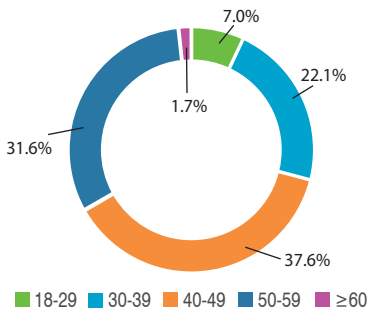
| ETHNICITY | FY2024 | FY2023 | FY2022 |
|-----------|--------|--------|--------|
| Bumiputra | 30.0% | 29.0% | 29.3% |
| Chinese | 69.2% | 70.2% | 69.8% |
| Indian | 0.4% | 0.4% | 0.4% |
| Others | 0.4% | 0.4% | 0.5% |

| ETHNICITY | FY2024 | FY2023 | FY2022 |
|-----------|--------|--------|--------|
| Bumiputra | 11.1% | 10.0% | 8.2% |
| Chinese | 87.2% | 88.3% | 90.9% |
| Indian | 1.7% | 1.7% | 0.2% |
| Others | 0% | 0% | 0% |

| ETHNICITY | FY2024 | FY2023 | FY2022 |
|-----------|--------|--------|--------|
| Bumiputra | 35.6% | 34.4% | 34.5% |
| Chinese | 63.9% | 65.1% | 64.6% |
| Indian | 0% | 0% | 0.2% |
| Others | 0.5% | 0.5% | 0.7% |

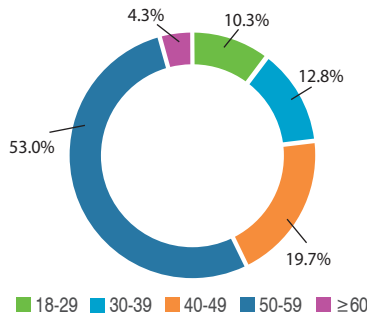
AGE DISTRIBUTION

TOTAL EMPLOYEES (excluding sub-contract employees)



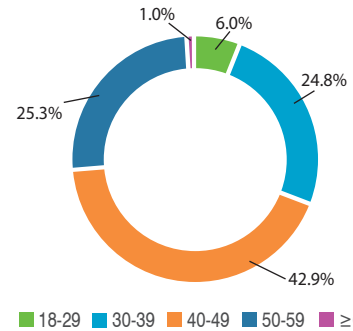
| AGE | FY2024 | FY2023 | FY2022 |
|-------|--------|--------|--------|
| 18-29 | 7.0% | 11.1% | 12.5% |
| 30-39 | 22.1% | 20.7% | 24.8% |
| 40-49 | 37.6% | 38.6% | 38.8% |
| 50-59 | 31.6% | 28.5% | 23.0% |
| ≥60 | 1.7% | 1.1% | 0.9% |

EXECUTIVES



| AGE | FY2024 | FY2023 | FY2022 |
|-------|--------|--------|--------|
| 18-29 | 10.3% | 11.7% | 6.5% |
| 30-39 | 12.8% | 12.5% | 15.7% |
| 40-49 | 19.7% | 23.3% | 28.7% |
| 50-59 | 53.0% | 49.2% | 47.2% |
| ≥60 | 4.3% | 3.3% | 1.9% |

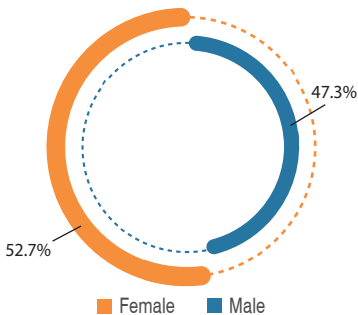
NON-EXECUTIVES



| AGE | FY2024 | FY2023 | FY2022 |
|-------|--------|--------|--------|
| 18-29 | 6.0% | 10.9% | 14.0% |
| 30-39 | 24.8% | 23.0% | 27.0% |
| 40-49 | 42.9% | 43.0% | 41.3% |
| 50-59 | 25.3% | 22.6% | 17.0% |
| ≥60 | 1.0% | 0.5% | 0.7% |

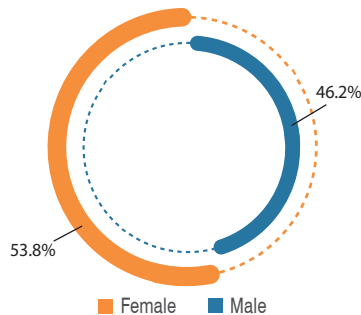
GENDER DISTRIBUTION

GENDER COMPOSITION OF TOTAL EMPLOYEE (FY2024)



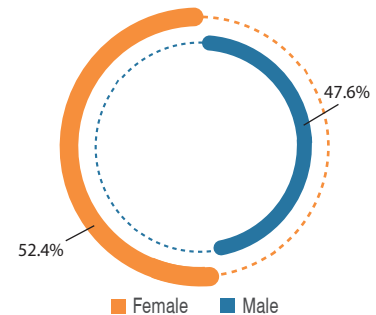
| GENDER | FY2024 | FY2023 | FY2022 |
|--------|--------|--------|--------|
| Male | 47.3% | 47.3% | 44.6% |
| Female | 52.7% | 52.7% | 53.4% |

EXECUTIVES' GENDER COMPOSITION (FY2024)



| GENDER | FY2024 | FY2023 | FY2022 |
|--------|--------|--------|--------|
| Male | 46.2% | 44.2% | 44.4% |
| Female | 53.8% | 55.8% | 56.6% |

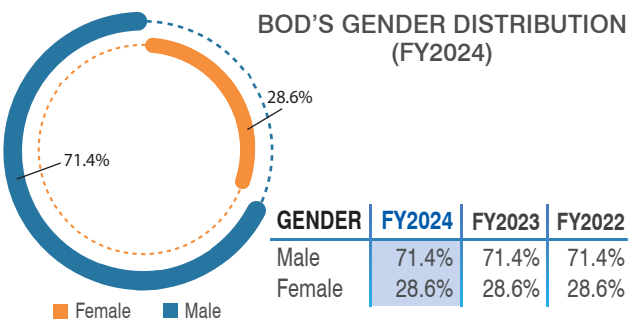
NON-EXECUTIVES' GENDER COMPOSITION (FY2024)



| GENDER | FY2024 | FY2023 | FY2022 |
|--------|--------|--------|--------|
| Male | 47.6% | 48.2% | 47.2% |
| Female | 52.4% | 51.8% | 52.8% |

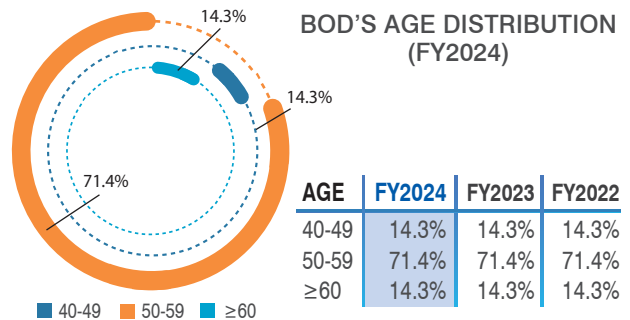
BOARD OF DIRECTORS' GENDER AND AGE DISTRIBUTION

BOD'S GENDER DISTRIBUTION (FY2024)



| GENDER | FY2024 | FY2023 | FY2022 |
|--------|--------|--------|--------|
| Male | 71.4% | 71.4% | 71.4% |
| Female | 28.6% | 28.6% | 28.6% |

BOD'S AGE DISTRIBUTION (FY2024)



| AGE | FY2024 | FY2023 | FY2022 |
|-------|--------|--------|--------|
| 40-49 | 14.3% | 14.3% | 14.3% |
| 50-59 | 71.4% | 71.4% | 71.4% |
| ≥60 | 14.3% | 14.3% | 14.3% |

Workplace Health and Safety

Adherence to International Standard and OSHA

We are committed to maintaining the highest standards of workplace health and safety by strictly adhering to industry-leading frameworks such as ISO 9001, ISO 22000, GMP, and HACCP. These certifications guide our practices in cleanliness, safety and overall employee well-being across all operations. To further reinforce our commitment, we have established an Occupational Safety and Health (“OSH”) Committee, which meets quarterly to proactively identify potential risks and concerns. The committee plays a key role in formulating and implementing effective solutions to safeguard the health and safety of all employees within the Group. Internal audit of our health and safety management systems is conducted annually to ensure full compliance with the Occupational Safety and Health Regulation 1996 and the Occupational Safety and Health Act 514 (1994).

Safety and Emergency Preparedness Measures

For the safety and well-being of all employees, the Group continues to encourage those showing flu or fever symptoms to wear masks as a precaution to protect others. We have established comprehensive standard operating procedures (SOPs) to prevent the spread of pandemics previously, ensuring we are fully prepared to manage any future health emergencies or outbreaks.

Fire prevention and firefighting equipment are strategically installed throughout the Group’s premises to ensure prompt response in case of an emergency. Additionally, clear signage indicating escape routes and exits is prominently displayed, enabling employees to evacuate the premises safely and efficiently in the event of an emergency.



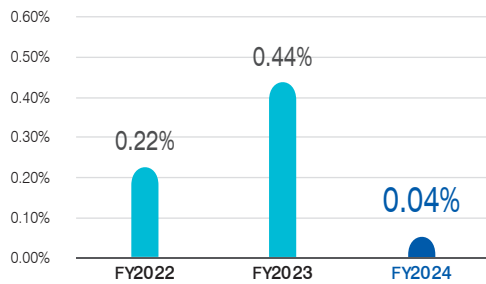
The following is the statistics of the Group’s health & safety related trainings:

| | FY2024 | FY2023 | FY2022 |
|---|---------------------|---------------------|---------------------|
| Number of external health & safety trainings attended | 10 | 11 | 6 |
| Number of employees trained externally on health & safety standards | 35 | 87 | 36 |
| Number of health & safety awareness trainings conducted internally | 55 | 44 | 33 |
| Number of employees involved | 342 | 253 | 287 |
| Total number of employees trained on health & safety standards | 377 | 340 | 323 |
| Total hours of external & internal training | 1918.5 hours | 3116.5 hours | 2096.5 hours |

Here are the indicators of the health and safety standards of the Group:

| | FY2024 | FY2023 | FY2022 |
|------------------------------------|--------------|--------------|--------------|
| Total Reported Industrial Accident | 1 | 4 | 4 |
| Total Reported Road Accident | 3 | 6 | 6 |
| Number of work-related fatalities | 0 | 0 | 0 |
| Lost Time Incident Rate | 0.04% | 0.44% | 0.22% |

Loss Time Incident Rate



In FY2024, we reported one work-related injury and three road accidents, resulting in a Lost Time Incident Rate (LTIR) of 0.04%. This marks a significant improvement compared to FY2023. While we deeply regret any injury or incident involving our workforce, we are proud to report a zero-fatality rate for the year, underscoring our commitment to a safe working environment. This incident serves as a reminder of the ongoing need to uphold and enhance our safety protocols. We remain unwavering in our dedication to continuously improving our practices to prevent future incidents and create a safer working environment for everyone.

Cultivating a Supportive Workplace Culture

The Group's work culture prioritises and supports the overall welfare of our employees. We believe that when employees feel valued and cared for, it not only enhances their well-being but also drives productivity and improves retention. To this end, we provide comprehensive benefits, including staff uniforms, company transport, meal

allowances, access to in-house and panel clinic medical facilities and Group Hospitalisation insurance. Despite facing challenges with more employees resigning than joining, we remain committed to continuously exploring new ways to attract, nurture and sustain top talent within the organisation, ensuring long-term growth and success.



Employees' Recruitment / Turnover Rate

| | FY2024 | | | | FY2023 | | | | FY2022 | | | |
|--|--------|----------|------|----------|--------|----------|------|----------|--------|----------|-------|----------|
| | | | | | IN | | OUT | | IN | | OUT | |
| | Exec | Non-Exec | Exec | Non-Exec | Exec | Non-Exec | Exec | Non-Exec | Exec | Non-Exec | Exec | Non-Exec |
| Total number of employee turnover by employee category | 2 | 9 | 8 | 28 | 6 | 16 | 5 | 27 | 2 | 25 | 11 | 64 |
| Recruitment Rate / Turnover Rate (%) | 1.7% | 2.3% | 6.8% | 7% | 5% | 3.8% | 4.2% | 6.4% | 1.9% | 5.7% | 10.2% | 14.5% |

Employee Training

The Group is committed to offer equal personal growth opportunity to our employees through learning and development programmes, including internal and external trainings to upgrade their respective skillset.

Staff Training & Development

| EXTERNAL TRAINING | FY2024 | | FY2023 | | FY2022 | |
|----------------------------|-----------|----------|-----------|----------|-----------|----------|
| | Exec | Non-Exec | Exec | Non-Exec | Exec | Non-Exec |
| Total employees involved | 82 | 42 | 99 | 27 | 30 | 42 |
| Total Hours of training | 4478 | 332 | 3015 | 917.5 | 628 | 799 |
| % trained | 70% | 12.4% | 82.5% | 6.4% | 27.8% | 9.5% |
| Average hours per Employee | 9.3 hours | | 7.3 hours | | 2.6 hours | |

| INTERNAL TRAINING | FY2024 | | FY2023 | | FY2022 | |
|----------------------------|-----------|----------|-----------|----------|-----------|----------|
| | Exec | Non-Exec | Exec | Non-Exec | Exec | Non-Exec |
| Total employees involved | 91 | 325 | 67 | 382 | 59 | 383 |
| Total Hours of training | 757.5 | 3513 | 372.9 | 2894.3 | 469.2 | 3137.1 |
| % trained | 77.8% | 81.5% | 55.8% | 86.6% | 54.6% | 86.8% |
| Average hours per Employee | 8.3 hours | | 6.0 hours | | 6.6 hours | |



Talent Management & Succession Planning

We are mindful that maintaining a stable, skilled workforce is a challenge in today's business landscape and we acknowledge the importance of talent development and succession planning in preventing skill gaps and leadership continuity.

Our commitment to talent management and succession planning is rooted in the belief that every employee has the potential to grow and thrive, regardless of their educational background. We actively foster a culture

of continuous learning by providing opportunities for employees to acquire new skills and gain valuable experiences that enhance their career development. At the same time, we identify and groom high-potential individuals within the Group to fill key leadership roles, ensuring a robust pipeline of talent for the future. We believe in nurturing strong relationships through open communication and collaboration will create a workplace environment that feels like a family.

Product Quality & Safety

Our Food and Beverage Manufacturing Division and Traditional Health Supplement Manufacturing Division have integrated streamlined systems into their daily operations, fully aligned with ISO 9001 Quality Management System and ISO 22000 Food Safety Quality Standards. Similarly, our Homecare Products Manufacturing Division and the MLM business division adhere to the ISO 9001 International Quality Management System, ensuring consistent excellence in product and service quality.

As a Malaysian group of companies, we are committed to obtaining Halal certification for all our products, meeting the highest hygiene and sanitary standards as outlined by the Department of Islamic Development Malaysia (JAKIM). This certification process covers critical areas such as ingredient selection, facility segregation, staff training and proper labelling and packaging. We believe that Halal certification is essential for maintaining consumer trust and enhancing market access, particularly in regions with significant Muslim populations.

To date, there have been no product recalls, a testament to our Group’s effective quality assurance processes and strict adherence to safety regulations throughout the entire product lifecycle. This track record serves as a testament to our unwavering commitment to delivering safe, reliable and high-quality products to our Distributors and customers.



Customer Responsibility

The Group is steadfast in its commitment to ethical, transparent and customer-centric practices. We prioritise creating long-term value for our customers by constantly innovating to improve product quality, offering fair pricing, and delivering exceptional customer service. Our approach extends beyond product offerings to include fostering positive relationships and open communication with Distributors and customers at all levels. Employees are encouraged to cultivate these connections while continuously striving to enhance service quality and responsiveness. The marketing team plays a vital role in ensuring that our Distributors engage with customers in an ethical, responsible and professional manner.

In line with this, we adhere to strict labelling regulations, ensuring all product labels meet the approval of relevant authorities. Our advertising practices are equally

responsible, as we avoid overclaims or misrepresentation of product benefits and ensure that our marketing materials are free from any offensive content or discriminatory messaging based on religion, politics, ethnicity, gender or culture.

A key aspect of our customer responsibility is addressing queries and concerns promptly. We are committed to resolving issues effectively and taking corrective measures when necessary. In the past three years, customer complaints were predominantly related to packaging materials or delivery timelines, with no concerns raised regarding product quality or safety. This reflects our ongoing dedication to customer satisfaction and our commitment to upholding the highest standards in both product and service.



Community Engagement

Our direct selling business provides a great platform for socio-economic development by offering individuals the opportunity to earn a secondary income through the marketing of products that enhance both beauty and health. With the support of our own manufacturing plants, we have the ability and capacity to develop, produce and distribute high-quality products that are thoughtfully crafted to create a positive and lasting impact on humanity, improving lives through sustainable and effective solutions. By offering these exceptional products, we not only help entrepreneurs elevate their standard of living but also contribute to poverty reduction. Our business model empowers like-minded individuals to achieve financial independence while making a meaningful impact on their communities, creating a ripple effect of opportunity, empowerment, and enhanced well-being.

The Group also continued to demonstrate its commitment as a responsible corporate citizen through various financial donations. In 2024, the Group



demonstrated its dedication to public health and welfare by generously contributing RM50,000 to the Malaysian Red Crescent Society (Penang Branch) for the purchase of essential medical equipment and RM10,000 as a platinum sponsor of the Annual Fund-Raising Dinner. In addition, the Group also showed its support for the Penang Women Chamber of Commerce by sponsoring RM5,000 for their anniversary dinner.

| | FY2024 | FY2023 | FY2022 |
|--|-------------|--------------|-------------|
| Total amount contributed to the community in the forms of donations and contribution in kind | RM65,000.00 | RM158,090.86 | RM96,000.00 |

Intellectual Properties, Safeguarding Data Confidentiality and Privacy

In recent years, the Group has significantly strengthened its efforts to protect its intellectual property by formally registering trademarks for our products and brands. To further safeguard our valuable intellectual assets, we have implemented secure data storage systems and launched comprehensive training programmes designed to protect trade secrets and proprietary information. These proactive measures highlight our commitment



to maintaining the highest standards of security and confidentiality, reinforcing our competitive position in the marketplace.

In addition, we remain diligent in ensuring the security of personal data collected from our stakeholders, including Distributors, Authorised Agents, customers and employees. The Group is committed to upholding the highest standards of data privacy, as outlined in our Code of Conduct for the Board and the Employees Handbook. We prohibit the disclosure of any personal data to third parties, ensuring compliance with relevant data protection regulations. Since the establishment of the Group, we are proud to report that there have been no incidents of privacy breaches or data losses related to our Distributors or customers, further affirming our dedication to safeguarding sensitive information.

| | FY2024 | FY2023 | FY2022 |
|---|--------|--------|--------|
| Number of substantiated complaints concerning breaches of customer privacy or data loss | 0 | 0 | 0 |

Promoting Ethical Business Practices

Business ethics is fundamental to our direct selling model, as it fosters trust between Distributors and customers, ensuring transparency, accuracy, and customer satisfaction. To maintain these high ethical standards, the Group has established clear Rules of Conduct within our MLM Business Manual, which are designed to guide compliance across our direct selling network. These rules not only promote ethical behaviour but also ensure adherence to local regulations governing the direct selling industry. Additionally, memos and circulars are regularly issued to remind our Authorised Agencies and ZBOs of the importance of ethical selling practices, reinforcing the Group’s ongoing commitment to responsible and transparent business operations.



ECONOMIC SUSTAINABILITY

To our Group, economic sustainability is about striking a balance between financial profitability, operational efficiency, ethical practices and long-term growth. It involves ensuring the Group’s long-term financial health while balancing profitability with social and environmental

responsibilities. In our business model, economic sustainability focuses on creating stable revenue streams, efficient operations and strategic growth, while maintaining ethical and transparent practices.



Upholding Integrity and Transparency

We are firmly committed to maintaining the highest standards of integrity and ethical business practices. Our zero-tolerance policy towards all forms of bribery and corruption applies across the Board and to all levels of employees. This commitment ensures that we operate in full compliance with anti-corruption laws, fostering trust and accountability with our stakeholders.

As part of our efforts to uphold these standards, all new employees are briefed on the Group’s anti-corruption

and anti-bribery policies during their orientation. Additionally, a memo was issued to all employees to reinforce the Management’s strong stance on integrity and ensure full awareness of our Anti-bribery, Anti-corruption, and Whistle-blower policies. By embedding these ethical practices throughout the organisation, we safeguard our reputation, mitigate risks and contribute to a sustainable business environment that supports long-term growth and stability.

| | FY2024 | FY2023 | FY2022 |
|---|--------|--------|--------|
| Number of corruption or bribery incidents | 0 | 0 | 0 |

We are fully committed to maintain a strong and financially sound balance sheet for ensuring the long-term economic sustainability of our business. Effective financial management, including prudent investment in infrastructure, controlling operational costs and mitigating risks such as market fluctuations, regulatory changes and supply chain disruptions,

enables us to navigate both short-and long-term challenges. Our strong financial foundation and solid cash position ensures that we can weather economic uncertainties and stay resilient in a changing marketplace. For more details of the Group’s financial performance, please refer to the Management Discussion & Analysis section of this Annual Report.



Empowering Entrepreneurship Success

Our core direct selling business model that empowers entrepreneurship plays a significant role in contributing to socioeconomic sustainability by fostering economic inclusion and creating opportunities for individuals to build financial independence. By allowing individuals to become independent distributors, the model enables

entrepreneurs, regardless of their background or formal education, to start their own businesses with low start-up capital. This promotes job creation, stimulates local economy and encourages wealth distribution, particularly in underserved communities.

| | FY2024 | FY2023 | FY2022 |
|----------------------------|---------|---------|---------|
| No. of Distributors | 176,002 | 210,453 | 223,347 |
| No. of Authorised Agencies | 194 | 204 | 226 |

Responsible Procurement Practices

While adopting a strategic procurement approach that prioritises responsible sourcing, with a focus on quality, cost-efficiency and scalability, we place priority on local sourcing by selecting suppliers and partners within the regions where we operate, thereby contributing to the development of local businesses and creating jobs within the community. By fostering strong relationships with local suppliers, we not only ensure a more resilient and agile supply chain but also reduce transportation costs and environmental impact, aligning with our sustainability goals. This approach empowers local entrepreneurs, stimulates regional economies and helps build a more diverse and competitive marketplace. Through responsible procurement, we aim to create lasting value

for both our business and the communities we serve, promoting economic growth while strengthening our commitment to sustainability and social responsibility.



| | FY2024 | FY2023 | FY2022 |
|---|--------|--------|--------|
| Percentage of spending on local suppliers | 74.5% | 77.8% | *80.0% |

*The basis applied in the above statistic varied from FY2023 onwards – no longer taking inter-company’s purchases into account.

SUSTAINABILITY PERFORMANCE REPORT (BURSA MALAYSIA ESG REPORTING PLATFORM)

INDICATOR

MEASUREMENT
UNIT

2024

Bursa (Anti-corruption)

| | | |
|--|------------|------|
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Executive | Percentage | 100 |
| Non-Executive | Percentage | 100 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 13.3 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 |

Bursa (Community/Society)

| | | |
|---|--------|--------|
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 65,000 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 2 |

Bursa (Diversity)

| | | |
|---|------------|------|
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | |
| Age Group by Employee Category | | |
| Executive Under 30 | Percentage | 10.3 |
| Executive Between 30-50 | Percentage | 32.5 |
| Executive Above 50 | Percentage | 57.2 |
| Non-Executive Under 30 | Percentage | 6 |
| Non-Executive 30-50 | Percentage | 67.7 |
| Non-Executive Above 50 | Percentage | 26.3 |
| Gender Group by Employee Category | | |
| Executive Male | Percentage | 46.2 |
| Executive Female | Percentage | 53.8 |
| Non-Executive Male | Percentage | 47.6 |
| Non-Executive Female | Percentage | 52.4 |
| Bursa C3(b) Percentage of directors by gender and age group | | |
| Male | Percentage | 71.4 |
| Female | Percentage | 28.6 |
| Under 30 | Percentage | 0 |
| Between 30-50 | Percentage | 14.3 |
| Above 50 | Percentage | 85.7 |

SUSTAINABILITY PERFORMANCE REPORT (BURSA MALAYSIA ESG REPORTING PLATFORM)

(continued)

| INDICATOR | MEASUREMENT UNIT | 2024 |
|--|------------------|-------|
| Bursa (Energy Management) | | |
| Bursa C4(a) Total energy consumption | Megawatt | 6227 |
| Bursa (Health and Safety) | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.04 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 342 |
| Bursa (Labour Practice and Standards) | | |
| Bursa C6(a) Total hours of training by employee category: | | |
| Executive | Hours | 4.885 |
| Non-Executive/Technical Staff | Hours | 3.726 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 1.6 |
| Bursa C6(c) Total number of employee turnover by employee category | | |
| Executive | Number | 8 |
| Non-Executive | Number | 28 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 |
| Bursa (Supply Chain Management) | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 74.5 |
| Bursa (Data Privacy and Security) | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| Bursa (Water) | | |
| Bursa C9(a) Total volume of water used | Megalitres | 51.5 |
| Bursa (Waste Management) | | |
| Bursa C10(a) Total waste generated | Metric tonnes | 45.1 |
| Bursa C10(a)(i) Total waste diverted from disposal | Metric tonnes | 0 |
| Bursa C10(a)(ii) Total waste directed to disposal | Metric tonnes | 45.1 |

CORPORATE INFORMATION

BOARD OF DIRECTORS

Haji Wan Mansoor Bin Wan Omar

(Non-Independent Non-Executive Chairman)
(Resigned on 1 December 2024)

Dr. Abdul Malik Bin Md Yusoff

(Non-Independent Non-Executive Chairman)
(Appointed on 1 December 2024)

Teoh Meng Keat

(Chief Executive Officer)

Teoh Meng Soon

(Group Executive Director)

Teoh Meng Lee

(Group Executive Director)

Oon Hock Chye

(Independent Non-Executive Director)

Rosaline Heah Gaik See

(Independent Non-Executive Director)

Tan Gim May

(Independent Non-Executive Director)

AUDIT COMMITTEE

Oon Hock Chye (Chairman)
Rosaline Heah Gaik See
Tan Gim May

NOMINATING COMMITTEE

Rosaline Heah Gaik See (Chairman)
Oon Hock Chye
Tan Gim May

REMUNERATION COMMITTEE

Rosaline Heah Gaik See (Chairman)
Oon Hock Chye
Tan Gim May

RISK COMMITTEE

Teoh Meng Keat (Chairman)
Oon Hock Chye
Rosaline Heah Gaik See
Tan Gim May

PRINCIPAL PLACE OF BUSINESS

Plot 42, Bayan Lepas Industrial Estate, Phase IV, 11900 Bayan Lepas, Penang.
Telephone No.: 04-6162020 Fax No.: 04-6425989
Corporate Website : <http://www.zhulian.com>
Ecommerce Website : <https://www.zhulian.com.my>
Email: info@zhulian.com.my

» COMPANY SECRETARY

Ch'ng Lay Hoon

SSM PC No. 201908000494
MAICSA 0818580

» AUDITORS

Messrs KPMG PLT
Chartered Accountants

Level 18, Hunza Tower
163E Jalan Kelawei
10250 Penang
Telephone No.: 04-3751800
Fax No.: 04-2382222

» REGISTERED OFFICE

Suite 12-A, Level 12, Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 George Town, Penang
Telephone No.: 04-2280511
Fax No.: 04-2280518
Email: general@enetcorpsb.com.my

» SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd

Suite 18.05, MWE Plaza, No. 8,
Lebuhr Farquhar, 10200 Penang
Telephone No.: 04-2631966 (General)
Fax No.: 04-2628544
Email: info@sshbs.com.my

» PRINCIPAL BANKERS

CIMB Bank Berhad
United Overseas Bank (Malaysia) Bhd

» STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed since 27 April 2007)

Stock Code : 5131
Stock Name : ZHULIAN
Syariah Status : Approved by
Syariah Advisory Council
and Securities Commission

BOARD OF DIRECTORS' PROFILE

HAJI WAN MANSOOR BIN WAN OMAR Non-Independent Non-Executive Chairman

HAJI WAN MANSOOR BIN WAN OMAR, a Malaysian male aged 76, was appointed to our Board as Independent Non-Executive Chairman on 30 October 2006. He later transitioned to the role of Non-Independent Non-Executive Chairman on 1 December 2022 and retired from this position on 1 December 2024.

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.

He is an active contributor to the local small enterprises. At present, he is the chairman of Kuala Lumpur Chapter of Malaysian Chamber of Rural Entrepreneurs and also a committee member in Malaysian Islamic Chamber of Commerce. Being active in the community social work, he is on Taman Permata Religious School's PIBG board and a committee member in Taman Permata Residents Association.

DR. ABDUL MALIK BIN MD YUSOFF Non-Independent Non-Executive Chairman

DR. ABDUL MALIK BIN MD YUSOFF, a Malaysian male aged 70, was appointed to our Board as Non-Independent Non-Executive Chairman on 1 December 2024.

A Doctor of Medicine graduated from Universiti Kebangsaan Malaysia with specialised certifications in Chemical Health Risk Assessment, Dr. Abdul Malik was previously a General Practitioner owning a group of clinics. Over the years, has dedicated himself to providing medical consultation services and improving public health. His passion for community service began early when he became an active member of St. John Ambulance during his school years. He went on to serve as Deputy Area Commander for the Southwest District of Penang from 2010 to 2016, and later as Area Commander from 2017 to 2021, demonstrating exceptional leadership and a steadfast commitment to community service. With specialised expertise in ergonomics and chemical health risk assessment, Dr. Abdul Malik has made significant contributions across various industries, offering valuable insights into risk management and health optimisation. Throughout his career of over 40 years, he has consistently shared his knowledge by delivering lectures, seminars and workshops, fostering education and awareness in both professional and community settings.

Dr. Abdul Malik's knowledge and hands-on experience in health and safety will be invaluable as our Group continues innovate and promote health and wellness solutions. His experiences offer a fresh perspective on integrating medical insights with our mission to promote healthier living.

TEOH MENG KEAT Chief Executive Officer

TEOH MENG KEAT, a Malaysian male aged 58, is the Chief Executive Officer of the Group. He was appointed to our Board as the Group Managing Director on 29 April 2006. Subsequently, he has been promoted to the current position and taken over the stewardship of the Group since 14 December 2018.

Mr. Teoh Meng Keat joined the Group in 1990 as the Administrative and Finance Manager of Zhulian Jewellery Manufacturing Sdn. Bhd. In 1992, he was promoted to the position as Executive Director and subsequently promoted to the position as Group Managing Director in 1998. Drawing upon his wide experience in IT, finance and corporate management, eCommerce and strategic planning, he is instrumental in coordinating and carrying out the Group's business development plans and in seeking excellence in every area of operations. Over the years, he has contributed significantly to the development and implementation of the Group's systems, procedures, policies as well as the growth of the Group.

He is responsible for developing business strategies, making corporate decisions and setting business directions of the Group. While spearheading the management team in achieving the strategic goals of the Group's diverse business operations in Malaysia, he also collaborates closely with the Group's Associate in major business decisions relating to overseas establishments.

TEOH MENG SOON Group Executive Director

TEOH MENG SOON, a Malaysian male aged 55, was appointed to our Board on 15 July 2009 as an Executive Director and he was elevated to his current position as Group Executive Director on 21 June 2012. He heads the operations of Zhulian Industries Sdn. Bhd. and Zhulian Nutraceutical Sdn. Bhd. He is a certified environmental professional by Department Of Environment Malaysia in the operation of Industrial Effluent Treatment System - Biological Process since 2010 and also in Scheduled Waste Management since 2011. With his in-depth experience in research and development as well as the manufacturing processes of food products and traditional supplements, he leads the food division's R&D team and oversees the implementation and continuous improvement of our wide-ranging quality control procedures that ensure high product quality is consistently maintained and uncompromised to meet the stringent quality standards of ISO and GMP.

He joined Zhulian Jewellery Manufacturing Sdn. Bhd. 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 when he was given the responsibility to run the food manufacturing division and he was also instrumental in setting up the nutraceutical products division in 2010.

TEOH MENG LEE Group Executive Director

TEOH MENG LEE, a Malaysian male aged 55, was appointed to our Board on 15 July 2009 as an Executive Director and subsequently promoted to Group Executive Director on 21 June 2012. He is responsible for managing the operations of Beyond Products Technology Sdn. Bhd., Zhulian Manufacturing Sdn. Bhd. and Amazing Vestrax Sdn. Bhd.

Mr. Teoh Meng Lee 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, Executive Director in 2009 and later assumed his current position as Group Executive Director in the Board.

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.

OOON HOCK CHYE Independent Non-Executive Director

OOON HOCK CHYE, a Malaysian male aged 57, was appointed to our Board as an Independent Non-Executive Director on 17 October 2018. He is a member of Malaysian Institute of Accountants (MIA), a fellow member of the Association of Chartered Certified Accountants (ACCA), a fellow member of the Chartered Tax Institute of Malaysia (CTIM) and also a Certified Financial Planner (CFP). He also holds a tax agent license, issued by the Ministry of Finance.

Mr. Oon Hock Chye started his taxation career with Deloitte Touche Tohmatsu, a 'Big-4' Accounting Firm before starting his own practice under the name of Consulnet Tax Services Sdn. Bhd. in the year 1996. With more than 30 years' experience in the field of taxation, he is the National Tax Director of ShineWing TY Teoh Malaysia, one of the leading and fastest-growing consulting service providers in Malaysia with branches in Johor, Kuala Lumpur, Penang, Perak and Labuan and a member firm of ShineWing International ("SWI"), a global network of independent accounting and consulting firms which is consistently ranked as Top 20 largest accounting network by the World Survey of International Accounting Bulletin (IAB).

ROSALINE HEAH GAIK SEE Independent Non-Executive Director

ROSALINE HEAH GAIK SEE, a Malaysian female aged 55, was appointed to our Board as an Independent Non-Executive Director on 1 December 2022. She graduated from the University of Essex, United Kingdom with a Bachelor of Laws degree. She is a member of the Honourable Society of Lincoln's Inn since 1989. She completed the Bar Vocational Course at the University of Westminster, United Kingdom and was called to the Bar of England and Wales in 1992. She then pursued further study and was awarded a Master of Laws degree with merit by King's College, University of London.

Ms Heah was admitted as an Advocate and Solicitor of the High Court of Malaya in 1994. Having commenced practice at Murad & Foo as a legal assistant, she is now a Senior Partner of the firm.

As an active participant of community services, she renders pro-bono legal services to charitable organisations, and presently serves as an EXCO member of the Malaysian Red Crescent Society, Penang Chapter.

TAN GIM MAY Independent Non-Executive Director

TAN GIM MAY, a Malaysian female aged 43, was appointed to our Board as an Independent Non-Executive Director on 1 December 2022. Ms. Tan who holds a Bachelor of Arts in Accounting & Finance from Sheffield Hallam University, has become a fellow member of the Association of Chartered Certified Accountants (ACCA) since 2008 and has been accredited as a Chartered Accountant by the Malaysian Institute of Accountant (MIA) since 2012.

She started her career in auditing as an audit associate with PricewaterhouseCoopers, Penang office once she graduated in 2004 and progressed to Audit Manager position in 2010. She then joined Kiat & Associates Penang in 2013 and obtained her Practising Certificate as a Chartered Accountant in 2017. She also oversees the taxation entity, KAMC (Penang) Sdn Bhd as the Director of the company. In 2019, she was appointed as Partner of Kiat & Associates.

With over 15 years working in the industry, she has acquired vast experience in accounting, auditing and taxation matters, working closely with other partners of the firm in Kuala Lumpur and Alor Setar. She has also assisted clients in adopting and converting to new accounting policies. Her clients come from various industries, ranging from small trading and investment holding companies to large manufacturing entities. Currently, she is also an Independent Non-Executive Director in Salutica Berhad.

Notes:

Teoh Meng Keat, Teoh Meng Soon and Teoh Meng Lee are siblings. Save as disclosed, Haji Wan Mansoor Bin Wan Omar, Dr. Abdul Malik Bin Md Yusoff, Oon Hock Chye, Rosaline Heah Gaik See and Tan Gim May have no family relationship with any Director and/or major shareholder of the Company.

None of the Directors has:

- any other directorship in public companies. (except for Tan Gim May)
- any conflict of interest with the Company.
- any conviction for offences within the past five (5) years other than traffic offences, public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT TEAM

TEOH MENG KEAT, Chief Executive Officer

TEOH MENG SOON, Group Executive Director

TEOH MENG LEE, Group Executive Director

For the profile of the above Directors, please refer to page 54 of this Annual Report. The above Directors are referred to as the Executive Team.

LAI BOON HIN

Senior Production Manager

Lai Boon Hin, a Malaysian male aged 58, is the Senior Production Manager of Zhulian Industries Sdn. Bhd. ("ZISB"). He has over 10 years of experience in the manufacturing industry before joining Zhulian Jewellery Manufacturing Sdn. Bhd. ("ZJMSB") as a Section Leader on 1 June 1989. He was transferred to ZISB and promoted to the Manager position in 2000 and subsequently assumed his current position in 2013. He is responsible for the planning and production operations of the Group's food and beverage division and also traditional health supplement division.

TAN GUAN LEONG

Senior Technical Manager

Tan Guan Leong, a Malaysian male aged 57, is the Senior Technical Manager of ZISB. He joined ZJMSB on 1 June 1989 and held several positions before he was promoted as an Assistant Manager in ZISB in 2003. Later in 2005, he was promoted to the position of Manager and subsequently to the current position in 2013. He is responsible for all aspects of the technical operations of manufacturing facilities under ZISB.

YEW GUAT HOON

Senior IT Manager

Yew Guat Hoon, a Malaysian female aged 59, is the Senior IT Manager of Zhulian Management Sdn. Bhd. ("ZMSB") responsible for overseeing the Group's overall activities and operations of the Management Information System. She started her career in the line of Information Technology under ZMMSB on 2 March 1992. She was redesignated System Analyst under ZMSB in 1997 to oversee the regional information networking and MIS systems. She was promoted as the IT Assistant Manager in 2000, subsequently became the IT Manager in 2010 and assumed the current position in 2013.

WONG KENG MENG

Senior Operation Manager

Wong Keng Meng, a Malaysian male aged 61, is the Senior Operation Manager of ZJMSB responsible for the overall product design and development of our entire fashion jewellery product range as well as the overall operations of manufacturing plants under the Group. He has more than 30 years of experience as a highly skilled craftsman that is acquired through many years of involvement in the jewellery crafting trade. He joined ZJMSB on 2 August 1993 and was promoted to Technical Manager in the same year. He was promoted to his current position in 2010.

CHEAH CHING HEE

Senior Marketing Manager

Cheah Ching Hee, a Malaysian male aged 54, is the Senior Marketing Manager of Zhulian Marketing (M) Sdn. Bhd. (ZMMSB). Mr. Cheah's career with ZHULIAN Group began in 1993 as he joined Zhulian Jewellery Manufacturing Sdn. Bhd. Recognising his leadership qualities, he was promoted to General Supervisor position in the year 1997 and become an Assistant Manager in 2002. Building on his operational experience, Mr. Cheah took on the role of Production Manager in the Zhulian Printing Industries Sdn. Bhd. in 2006. A strategic move saw Mr. Cheah transition to the Zhulian Marketing (M) Sdn. Bhd. in 2007 and he was then promoted to the position of Assistant Marketing Manager in 2013, subsequently promoted to the Manager position in 2016. In 2023, Mr. Cheah assumed his current position as the Senior Marketing Manager.

LIM KIEN HOCK

Senior Multimedia & Visual Design Manager

Lim Kien Hock, a Malaysian male aged 62, is the Senior Multimedia & Visual Design Manager of Zhulian Marketing (M) Sdn. Bhd. ("ZMMSB"). He has over 30 years of experience in graphic design, digital imaging and photography. He joined ZMMSB as Graphic Designer on 1 April 1991 and was promoted to Managerial level in 2000 and subsequently to the current position in 2012. He is responsible for the photography, video shooting and design of product packaging, in-house publication and promotion materials for the Group.

LIM TEH POH

Senior Multimedia & Visual Design Manager

Lim Teh Poh, a Malaysian male aged 58, is responsible for aligning creative efforts with the Group's business goals. He began his career with the Group in 1996 when he joined as an Advertising & Promotion Manager in Zhulian Marketing (M) Sdn. Bhd. Over the years, he demonstrated his ability to contribute meaningfully with his creative ideas. Seeking new challenges, he left the Company to gain hands-on experience in the field. He returned to the Group in 2013 as a Senior Manager, bringing a broader perspective and practical approach to produce creative works that add value to the Group. He was later transferred to Zhulian Management Sdn. Bhd., continuing his role as Senior Manager.

LOH YEE SING

Senior Finance Manager

Loh Yee Sing, a Malaysian female aged 50, is responsible of the financial and accounting functions in relation to the Group's marketing activities and jewellery production. She has over 5 years of experience in corporate planning before joining the Group as an accountant in 2006, and subsequently promoted to the current position in 2011. She is a member of both the Malaysian Institute of Accountants (MIA) and the Chartered Accountants Australia & New Zealand (CA ANZ).

PHUAH LAY THENG

Senior Finance Manager

Phuah Lay Theng, a Malaysian female aged 56, is responsible of the financial and accounting functions in relation to the Group's manufacturing activities, in particular food & beverages and nutritional products. She accumulated 9 years of external audit experience before joining the Group as an accountant in 2006, and subsequently promoted to the current position in 2011.

Notes:

Save and except for the Executive Team, the other Key Senior Management members have no family relationship with any Director and/or major shareholder of the Company.

None of the other Key Senior Management has:

- any directorship in the Company and other public companies.
- any conflict of interest with the Company.
- any conviction for offences within the past five (5) years other than traffic offences, public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE



STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

This statement is prepared pursuant to the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG") and Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). In producing this statement, guidance was drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (4th Edition) issued by Securities Commission Malaysia.

The Board of Directors ("the Board") of ZHULIAN ("the Company") recognises the importance of maintaining high standards of corporate governance in order to safeguard shareholders' interest and to enhance shareholders' value. As such, the Board of ZHULIAN strives to promote a strong culture of transparency, accountability, integrity as well as corporate performance within the Group and to ensure that the relevant principles and recommendations of the MCCG are applied throughout the Company and its subsidiaries.

The Board is pleased to present below, an overview statement on the application of the principles except where it is stated otherwise and the extent to which the Company has complied with the recommendations of the Code throughout the financial year ended 30 November 2024.

The comprehensive Corporate Governance Report ("CG Report") 2024 is published on the Company's corporate website at www.zhulian.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

a. Function of the Board and Management

The Board's role is to provide strategic guidance to the Company and effective oversight of its management for the benefit of shareholders and other stakeholders while the Management team manages and runs the operations.

The Board has established a formal schedule of matters which sets out the clear functions reserved for the Board. The list of Board reserved matters will be reviewed periodically by the Board to ensure its relevance. The respective roles and responsibilities of the Board and Management are also clearly set out in the Board Charter and understood to ensure accountability of both parties.

The Board consists of members who provide an effective blend of entrepreneurship, business and professional expertise in multi-level marketing, manufacturing, accounting, financial and technical areas the Group is involved in. With their combined experience and diverse background of knowledge, they provide sound advice and judgement for the benefit of the Company and its shareholders.

b. Principal Responsibilities of the Board

The Board recognises the key role it plays in charting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:-

- reviewing and adopting a strategic plan for the Group to ensure sustainability of its business and operations;
- overseeing the conduct of the Group's business to evaluate whether the business is being properly managed notwithstanding that some of the subsidiaries have separate Board of Directors;
- identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board members and Senior Management;
- developing and implementing an investor relations programme or shareholder communications policy for the Group;
- reviewing the adequacy and the integrity of the Group's risk management, internal control systems and management information systems, including systems/reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- reviewing report submitted by Audit Committee on assessment of conflict of interest or potential conflict of interest, mitigation steps and appropriate disclosure.
- determining the remuneration of non-executive Directors, with the individuals concerned abstaining from discussions of their own remuneration;
- ensuring that the Company's financial statements are true and fair and conform with the laws; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour.

The Board is mindful of the importance of business sustainability and in developing the corporate strategy of the Group, its impact on the environment, social and governance aspects is taken into consideration. The Company's activities on corporate social responsibilities for the year under review are disclosed in this Annual Report.

In the normal course of events, the management of the Group's business and resources will be in the hands of the Executive Directors while a capable and experienced Management team is put in charge to oversee the day-to-day operations of the Company.

The role of the Chief Executive Officer however, ensures the smooth running of the Company's operations, monitors and evaluates the implementation of policies, strategies and business plans, to guide and set the pace for its current operations and future development including constant and continuous review of Company's goal.

All the Directors of the Company have objectively discharged their fiduciary duties and responsibilities at all times in the best interests of the Company to oversee the conduct, business activities and development of the Company.

c. Board Charter

The Board has in place the Board Charter established to promote high standards of corporate governance, provide guidance and clarity for Directors and Management regarding the roles and responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices.

The Board Charter also sets out the Board's strategic intent, processes and procedures for boardroom activities. It also provides guidance to the Board in the assessment of its own performance and that of its individual Directors.

The Board will periodically and as and when necessary review the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the Board's roles and responsibilities.

Salient features of the Board Charter are available on the Company's corporate website at www.zhulian.com.

d. Code of Conduct and Code of Ethics

The Board is mindful of its role to establish a corporate culture which inculcates ethical conduct that permeates throughout the Group. The Board recognises the importance on adherence to the Code of Conduct and Code of Ethics by all personnel in the Group and takes measures to put in place a process to ensure its compliance. The Board has formalised the Code of Conduct and Code of Ethics for Directors, Management and Officers of the Company and its subsidiaries.

The Board will periodically review and reassess the adequacy of the Code of Conduct and Code of Ethics, and make such amendments as it deems appropriate.

The Code of Conduct and Code of Ethics are available on the Company's corporate website at www.zhulian.com.

e. Anti-Bribery and Corruption Policy

The Group has in place the Anti-Bribery and Corruption Policy which outlines the Group's commitment to conducting business ethically in compliance with the Malaysian Anti-Corruption Commission Act 2009 (including any amendment thereof) to prevent its employees, directors, partners or persons who perform services for or on behalf of the Group from undertaking corrupt practices in relation to its business activities.

Reports of any concern or suspicion may be made through the mechanism set out under the Group's Whistleblower Policy.

The Anti-Bribery and Corruption Policy is available on the Company's corporate website at www.zhulian.com.

f. Whistleblower Policy

The Board has a separate Whistleblower Policy stating the appropriate communication and feedback channels to facilitate whistleblowing.

The Company's Whistleblower Policy which has been adopted by the Board, outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of ethics involving employee, Management or Director in the Group. This policy covers improprieties or irregularities, suspected fraud or criminal offences, breach of confidentiality and failure to comply with legal or regulatory requirements.

All concerns reported by the whistleblower are made to the Audit Committee Chairman or Chief Executive Officer and shall be set forth in writing, orally or via electronic mail.

The Whistleblower Policy is available on the Company's corporate website at www.zhulian.com.

g. Sustainability Policy

The Board recognises the importance of sustainability and its increasing impact to the business and is committed to understanding and implementing sustainable practices. The Group has yet to formalise a Sustainability Policy. Nevertheless it is always mindful to strike the right balance between the needs of the wider community vis-à-vis commercial objectives. The Group acknowledges its corporate social responsibility in the community and continues to support worthy causes.

h. Access to Information and Advice

The Board is supplied with full and unrestricted access to information and reports on financial, operational, corporate, regulatory, business development, audit matters and information technology updates by way of Board reports or upon specific requests, for informed decision making and effective discharge of the Board's responsibilities.

To enable the Directors to have immediate access to the meeting materials, procedures have been established to disseminate a formal Notice of Board Meeting and agenda together with a comprehensive set of meeting papers to all Directors at least seven (7) days prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings.

During the meetings, the Management provides further detailed information and clarification on issues raised by members of the Board.

The Audit Committee Chairman meets with the Board, Senior Management Team and Internal Auditors on a quarterly basis to review the reports regarding the internal control system and financial reporting.

The Directors have access to members of the Senior Management Team, the advice and services of the Company Secretary, the External Auditors as well as independent professional advisers, to enable them to discharge their responsibilities.

i. Qualified and Competent Company Secretary

The Board is supported by a qualified Company Secretary whose key role is to provide unhindered advice and services to the Directors as and when the need arises, to enhance the effective functioning of the Board to ensure regulatory compliance. The Company Secretary advises the Board on its obligations and matters relating to corporate governance, compliance with the MMLR of Bursa Securities and related regulations, maintenance of statutory records, preparation and conduct of the Board, Board Committees and General Meetings as well as review of the contents of the Annual Report.

The Board of Directors, whether as a full board or in their individual capacity, may upon approval of the Board of Directors, seek independent professional advice if required, in furtherance of their duties, at the Company's expense.

The Company Secretary or her representatives attend all Board and Board Committee meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

The Company Secretary also facilitate timely communication of decisions made by the Board at Board meetings, to the Senior Management Team for action. The Company Secretary work closely with the Senior Management Team to ensure that timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

STRENGTHENING BOARD COMPOSITION

Board Composition and Balance

The Board consists of seven (7) members, three (3) of whom are Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

This composition complies with Paragraph 15.02 of the MMLR of Bursa Securities that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher are Independent Directors. All the Independent Directors are independent of management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgements.

Current Chairman of the Board, Dr. Abdul Malik bin Md Yusoff took over the baton from Tuan Haji Wan Mansoor bin Wan Omar with effect from 1st December 2024 as a Non-Independent Non-Executive Chairman of the Board. He continues to provide strong leadership and ensure the adequacy and effectiveness of the Board's governance process.

The functions of Executive and Independent Non-Executive Directors are separate. The Executive Directors are responsible for implementing operational and corporate decisions and managing the Group's daily operations.

The Independent Non-Executive Directors provide the Company with unbiased, independent views and decisions. They do not participate in the day-to-day management and daily business of the Group. This serves to ensure that they handle any conflict of interests as well as proceedings of the Board effectively through a system of independent checks and balances.

The expertise of the Independent Non-Executive Directors complements the knowledge and experience of the Executive Directors in the formulation of the Group's strategies and policies for business operations, scrutinising the performance of Management in meeting approved goals and objectives, monitoring the risk profile of the Group's business and the reporting of quarterly business performances to ensure sustainability and profitability.

The Board comprises members from various professions with unique individual quality, expertise, skills and relevant market and industry knowledge and ensures that the necessary financial and human resources are in place at all times for the Company to meet its strategic objectives.

The profile of each Director is presented in this Annual Report.

Board Committees

The Board has delegated appropriate responsibilities to Board Committees, namely Audit Committee, Risk Management Committee, Nominating Committee and Remuneration Committee, in order to enhance business and operational efficiency and efficacy. The Board appoints the members and the Chairman of each Committee.

Terms of references have been established for all Board Committees and the Board receives reports of their proceedings and deliberations. Chairman of the respective Board Committees reports to the Board the outcome of the Board Committee meetings and such reports are incorporated in the minutes of the full Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

The following Board Committees have been established to assist the Board in the selection and retention of Board members.

a. Nominating Committee

- (i) The Nominating Committee comprises three (3) Independent Non-Executive Directors. The members of Nominating Committee are as follows:-

| Name of Members | Position |
|---------------------------|----------|
| Ms Rosaline Heah Gaik See | Chairman |
| Ms Tan Gim May | Member |
| Mr Oon Hock Chye | Member |

- (ii) The Nominating Committee which comprises exclusively Non-Executive Directors has been empowered by the Board and through its terms of reference, to bring to the Board as well as Board Committees for the Board's consideration, recommendations on the selection and appointment of new Directors.

- (iii) During the financial year, the Nominating Committee met once and the meeting was attended by all its members.

The Nominating Committee deliberated on the following matters:

- recommendation to the Board of Directors based on the assessment conducted for the re-election of the Directors who were retiring by rotation and seeking for re-election at the forthcoming Annual General Meeting ("AGM") of the Company to be held on 21 May 2025;
- assessment of the independence of the Independent Directors based on criteria set out in the MMLR of Bursa Securities;
- evaluation of the current Board structure, size and composition and effectiveness of the Board as a whole and the Board Committees as well as the contribution and performance of each individual Director;
- evaluation of the character, experience, integrity and competence of the Chief Executive Officer, Directors and Senior Finance Manager and to ensure they have the time to discharge their respective roles; and
- reviewed and assessed the effectiveness of the Audit Committee in carrying out its duties as set out in the terms of reference.

All recommendations of the Nominating Committee are subject to the approval of the Board.

The detailed terms of reference of the Nominating Committee is available at the Company's corporate website at www.zhulian.com.

The Nominating Committee is satisfied with the size of the Company's Board and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board during the financial year.

The Company Secretary ensures that all appointments are properly made upon obtaining all necessary information from the Directors.

b. Appointment, Re-election and Assessment of Directors

The Board has entrusted the Nominating Committee to assess the suitability of candidates for new appointment and re-election to the Board.

Potential candidates for new directorship are considered on the basis of their character, experience, competency, integrity, time commitment, diversity of knowledge and ability to act and discharge their roles and responsibilities, skills and experience in the context of the range of skills and experience of the existing Board as a whole. As part of gender diversity effort, the Board comprises two independent women Directors.

Nomination of new members to the Board is based on the profile, curriculum vitae and the matching of skills and expertise against the needs of the Company. The Nominating Committee ensures the induction programme, appropriate orientation and training are in place for new Directors with respect to the business structure and management of the Group. Expectation of the Board with regard to their contributions is communicated duly too.

The key task of the Nominating Committee is to assist the Board in its annual assessment of the Directors, in line with the Fit & Proper Policy. The evaluation process is led by the Chairman of the Nominating Committee and supported by the Company Secretary annually with the aim of improving the effectiveness of the Board and Board Committees.

The Directors complete a questionnaire regarding the effectiveness of the Board and its Board Committees. This process includes a self review where Directors assess their own performance. The assessments and comments from Directors are summarised and discussed at the Nominating Committee meeting and reported at a Board meeting by the Nominating Committee Chairman. All assessments and evaluations carried out by the Nominating Committee in the discharge of its functions are properly documented.

The Nominating Committee also analyses the structure, size and composition of the Board as well as considers succession planning for senior Board members, gender, ethnicity and age diversity and training courses.

In addition, the Nominating Committee performs an annual review of the Board's required mix of skills, experience and other qualities, including core competencies, the effectiveness of the Board as a whole, the Board Committees, the performance and contribution of each individual Director. The assessments are based on criteria developed, maintained and periodically reviewed by the Nominating Committee.

The Nominating Committee is delegated with the responsibility to review Board succession. With this, the Nominating Committee assesses and recommends to the Board candidates for directorships and nominees to fill the seats on Board Committees in line with the Terms of Reference of the Nominating Committee.

With a view to achieve a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives.

In accordance with the Company's Constitution, one-third (1/3) of Directors are required by rotation to submit themselves for re-election by shareholders at each AGM at least once in every three (3) years. The Company's Constitution further provides that all Directors appointed by the Board during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

The experience, competence, integrity, capability and performance of those Directors who are subject to re-election at the AGM of the Company will be assessed by the Nominating Committee whereupon recommendations are submitted to the Board for decision on the tabling of the proposed re-election of the Director concerned for shareholders' approval at the next AGM.

Directors standing for re-election at the AGM of the Company to be held on 21 May 2025 are detailed in the Notice of the Twenty-Eighth AGM in this Annual Report.

c. Remuneration Committee - Directors' Remuneration

The Remuneration Committee was set up with clearly defined Terms of Reference. The Remuneration Committee comprises three (3) Non-Executive Directors. The members of the Remuneration Committee are as follows:-

| Name of Members | Position |
|---------------------------|----------|
| Ms Rosaline Heah Gaik See | Chairman |
| Ms Tan Gim May | Member |
| Mr Oon Hock Chye | Member |

During the financial year, the Remuneration Committee met once to review the basis and quantum of the Executive Directors' remuneration package and to recommend to the Board for approval. The meeting was attended by all its members.

The Remuneration Committee provides a remuneration package which is sufficient and necessary to attract, motivate and retain the Executive Directors for their individual performance in successfully managing the business of the Company and to align the interest of the Directors with those of the shareholders.

The remuneration package is aligned to individual and corporate performance and consists of two components (base salary and annual performance bonus) which have taken into consideration the market competitive rates, industry standards, complexity and size of the organisation.

The Directors' remuneration has both fixed and variable components which are necessary to drive performance. They are entitled to a fixed monthly salary, EPF, benefits in kind, provision of a company car and medical coverage. The variable component of the remuneration package refers to an annual discretionary performance bonus which is determined by the Board.

None of the Executive Directors participated in any way in determining their own remuneration. Similarly, whilst the Board, as a whole, determines the remuneration of Executive Directors, the individual Director concerned abstains from the decision in respect of his own remuneration.

Directors' fees are set within a framework comprising responsibility fees and meeting allowance. The Company pays each of its Independent Non-Executive Directors an annual fee, which is approved by the shareholders at the AGM of the Company.

The aggregate Directors' remuneration paid or payable to all Directors of the Company by the Group for the financial year ended 30 November 2024, as categorised into appropriate components are as follows:-

| Category | Fees (RM'000) | Salaries (RM'000) | Bonuses (RM'000) | Allowances (RM'000) | EPF- Employer Contributions (RM'000) | Benefits in Kind & Others (RM'000) | Total (RM'000) |
|---------------------------------------|------------------|----------------------|---------------------|------------------------|---|---|-------------------|
| Executive Directors | | | | | | | |
| Mr Teoh Meng Keat | — | 1,416 | 118 | — | 184 | 4 | 1,722 |
| Mr Teoh Meng Soon | — | 480 | 40 | — | 62 | 1 | 583 |
| Mr Teoh Meng Lee | — | 480 | 40 | — | 62 | 1 | 583 |
| Non-Executive Directors | | | | | | | |
| Tuan Haji Wan Mansoor Bin Wan Omar | 50 | — | — | 4 | — | — | 54 |
| Mr Oon Hock Chye | 50 | — | — | 4 | — | — | 54 |
| Ms Rosaline Heah Gaik See | 50 | — | — | 3 | — | — | 53 |
| Ms Tan Gim May | 50 | — | — | 4 | — | — | 54 |

Bonuses payable to Executive Directors are performance based and relate to individual and Company's achievement of specific goals. The Non-Executive Directors do not receive any performance related remuneration.

The detailed Terms of Reference of the Remuneration Committee is available at the Company's corporate website at www.zhulian.com.

FOSTERING COMMITMENT

a. Board Meetings

The Directors should devote adequate time to carry out their board responsibilities. This includes regular attendance at Board meetings, time devoted to review board papers before their meetings and time devoted to attend relevant trainings, to update their knowledge and enhance their skills.

The Board meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened and scheduled as and when necessary.

The agenda, the relevant reports, information and documents are furnished to Directors and Board Committee members in advance to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial matters.

All pertinent matters discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings. Confirmed minutes of each meeting of the Committee are also furnished to the Board for information.

Senior Management staff have been invited to attend the Board meetings to provide the Board with operational, management and financial details.

During the financial year ended 30 November 2024, four (4) Board meetings were held and details of the Directors' attendance are as follows:-

| Directors | Attendance |
|---|------------|
| Executive Directors | |
| Mr Teoh Meng Keat (Chief Executive Officer) | 4/4 |
| Mr Teoh Meng Soon | 4/4 |
| Mr Teoh Meng Lee | 4/4 |
| Non-Executive Directors | |
| Tuan Haji Wan Mansoor Bin Wan Omar | 4/4 |
| Mr Oon Hock Chye | 4/4 |
| Ms Rosaline Heah Gaik See | 3/4 |
| Ms Tan Gim May | 4/4 |

b. Directors' Training

The Board acknowledges that continuous education is essential for its members to gain insight into the state of economy, technological advances, regulatory updates and management strategies.

All Directors are mindful of the Mandatory Accreditation Programmes and will ensure completion (for those who are yet to attend) in accordance with the MMLR of Bursa Securities. The Directors are encouraged to attend various external professional programmes and seminars to keep abreast of changes in legislations and regulations affecting the Group to further enhance their knowledge and skills in discharging their responsibilities more effectively.

The Company Secretary circulated the latest relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference. The External Auditors also briefed the Audit Committee on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

During the financial year, conferences, webinars, seminars and training programmes attended by the Directors are as follows:-

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- Understanding Tax Deductibility of Expenses
- ChatGPT Prompt Engineering for Financial Professionals (Beginner Level)
- Audit Procedures (Part 1) – Audit Sampling and Test of Details
- Assertions and Obtaining Audit Evidence (Part 2): Audit of Liabilities and Provisions
- The Use and Evaluation of Systems of Internal Controls in Efficient Audits
- E-Invoice Implementation: A Forum for Finance Leaders
- The Practical Approach of Implementation of E-Invoice
- Budget 2025 – Key Updates and Changes for Corporate Accountants
- Budget 2025 with Industrial 4.0
- Kelestarian dalam Aktiviti Industri dan Pembangunan
- Seminar dan Dialog serta Majlis Serahan Lesen PYDT Buangan Terjadual Sempena Hari Bumi 2024
- ISO9001:2015 QMS Requirements Training
- ISO9001:2015 QMS Strategic Planning
- ISO9001:2015 Internal Auditors Training

Whilst the Group is always supportive of Directors' trainings and knowledge enhancing programmes, every Director is encouraged to evaluate their own training needs and undergo continuous trainings to equip them with enhanced knowledge to effectively contribute their duties to the Board.

STRENGTHENING BOARD COMPOSITION

a. Annual Assessment of Independent Directors

The Board, through the Nominating Committee, assesses the independence of the Independent Non-Executive Directors annually.

Based on the assessment carried out for financial year ended 30 November 2024, the Board is generally satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their abilities to act in the best interests of the Group in decision making.

b. Tenure of Independent Directors

All three (3) Independent Directors comply with the tenure as stipulated in Practice 5.3 of the MCGG and Practice Note 13 of MMLR of Bursa Securities.

c. Separation of Positions of Chairman and Chief Executive Officer

The positions of the Chairman and Chief Executive Officer are held by two different individuals which are in accordance with the recommendation of the MCGG. There is a distinct and separate role between the Chairman and Chief Executive Officer to promote accountability and facilitate division of responsibilities between them.

The Chairman is primarily responsible to lead the Board in the oversight of management, representing the Board to shareholders and presiding at Board and general meetings of shareholders, ensuring the adequacy and integrity of the governance process and issues, ensuring that proceedings of meetings comply with good conduct and practices and performing other responsibilities assigned by the Board from time to time.

The Chief Executive Officer is to ensure the effective implementation of the Group's Business Plan (including strategic plan) and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

The Chief Executive Officer, in association with the Chairman, are accountable to the Board for the achievement of the Group's mission, goals and objectives and the Chief Executive Officer is accountable to the Board for the observance of management's limitations.

The roles and responsibilities of the Board Chairman, Chief Executive Officer, other Executive and Non-Executive Directors are prescribed in the Board Charter which is available on the Company's corporate website at www.zhulian.com.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT UPHOLD INTEGRITY IN FINANCIAL REPORTING

a. Financial Reporting

The Board is committed to providing and presenting a true and fair assessment of the Group's financial position, performance and prospects through the quarterly announcements and annual audited financial statements of the Company to Bursa Securities and / or the shareholders. The Board is assisted by the Audit Committee in reviewing and scrutinising the information to ensure accuracy, adequacy and completeness in disclosure as well as compliance with applicable financial reporting standards.

The Directors have ensured that financial statements have been drawn up in accordance with applicable financial reporting standards and the Companies Act 2016.

b. Audit Committee

The Board has established an Audit Committee comprising exclusively of Independent Non-Executive Directors.

The composition of the Audit Committee, including its roles and responsibilities are set out under the Audit Committee Report of this Annual Report.

The Board is assisted by the Audit Committee to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

c. Risk Management Committee

Recognising the importance of risk management, the Risk Management Committee ("RMC"), led by the Chief Executive Officer was formed on 17 October 2018. The Board has established a structured risk management framework to determine the Company's risk tolerance level and to identify, assess, manage and report the principal business risks faced by the Group on an ongoing basis.

The RMC comprises one (1) Executive Director and three (3) Non-Executive Directors. The members of the RMC are as follows:

| Name of Members | Position |
|---------------------------|----------|
| Mr Teoh Meng Keat | Chairman |
| Ms Rosaline Heah Gaik See | Member |
| Ms Tan Gim May | Member |
| Mr Oon Hock Chye | Member |

During the financial year, the Risk Management Committee met once and the meeting was attended by all its members.

The Group makes informed decisions about the level of risk it is willing to undertake and implement the necessary controls to pursue the objectives. The Board is provided with reasonable assurance that all the foreseeable business risks have been mitigated and managed in line with the risk management framework.

d. Assessing Suitability and Independence of External Auditors

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 accorded due power to communicate directly with the Group's External Auditors.

The Audit Committee meets with the External Auditors without the presence of executive Board members and Management at least once during each financial year to exchange impartial and honest views on issues which the External Auditors may wish to discuss in relation to their audit and findings.

The Audit Committee assesses the level of service provided by the External Auditors, taking into account the following, amongst others:-

- The quality and scope of the planning of the audit in assessing risks and how the External Auditors maintain or update the audit plan to respond to changing risks and circumstances;
- The quality and timeliness of reports provided to the Audit Committee;
- The level of understanding demonstrated of the Group's business; and
- Communication to the Audit Committee about new and applicable accounting practices and auditing standards and its impact on the Company's financial statements.

The Audit Committee also reviews the independence and qualification of the External Auditors. The External Auditors have reported to the Audit Committee confirming that, in their professional judgement, they are, and have been independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The suitability and independence of External Auditors are assessed annually in order for the Audit Committee to recommend the re-appointment of the External Auditors for the ensuing year to the shareholders at the AGM.

Key features underlying the relationship of the Audit Committee with the Internal and External Auditors are included in the Audit Committee's Terms of Reference as specified in 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, is set out in the Audit Committee Report of this Annual Report.

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

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue with shareholders and investors that allows the stakeholders to review the Group's business and performance. Notice of AGM and related documents are sent to shareholders not less than twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report.

Quarterly announcements of financial results, annual financial statements and the Chairman's Statement in the Annual Report are the three primary means of communication to the shareholders on the financial results and business performance of the Group. These are available on the websites of Bursa Securities and the Company.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful that any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Recognising the importance and value of continuous communication with its shareholders and other stakeholders including the general public of the Group's business performance and corporate development, the Company utilises various channels such as timely releases of the quarterly financial results, circulars, corporate announcements, and various disclosures to Bursa Securities, press releases and Annual Reports to shareholders, if applicable.

The Company conducts its voting on all resolutions by poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities.

Additionally, the AGM and Extraordinary General Meeting, if applicable, of the Company provide shareholders with the opportunity to engage in candid dialogue and to seek and clarify any issues with the Directors and to have a better understanding of the Group's business and performance.

TIMELY AND HIGH QUALITY DISCLOSURE

The Board will provide timely and accurate information to the shareholders in compliance with the disclosure requirements as set out in the MMLR of Bursa Securities.

The Company has also established websites at www.zhulian.com.my and www.zhulian.com to which the shareholders can obtain information on the Company. Shareholders are also able to access the latest corporate, financial and market information of the Company via Bursa Securities's website at www.bursamalaysia.com.

RECOGNISING AND MANAGING RISKS

Risk Management and Internal Control

The Board recognises the importance of managing risks and maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls as well as reviewing its adequacy, integrity and effectiveness to safeguard shareholders' investment and the Company's assets.

The Board has delegated the implementation and monitoring of the internal control system to the Audit Committee and the Internal Auditors, who will report on the effectiveness and efficiency of the internal control processes and procedures during the quarterly Audit Committee meetings.

In line with the MCCG and MMLR of Bursa Securities, the Board has established an independent internal audit function that reports directly to the Audit Committee. This internal audit function tasked with identifying, evaluating and monitoring the adequacy and integrity of the internal control systems is performed in-house by the Group's Internal Auditors. The Audit Committee assists the Board in overseeing this function.

An overview of the state of risk management and internal control system within the Company and the Group, is set out under the Statement on Risk Management and Internal Control of this Annual Report.

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 provide a true and fair view of the state of affairs of the Group and 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 for the year ended 30 November 2024, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured applicable Malaysian Financial Reporting Standards have been complied with; and
- prepared the financial statements on a going concern basis.

The Directors also have in place a system of risk management and internal control that will provide reasonable assurance that:

- assets of the Group are safeguarded against loss from unauthorised use or disposition or other irregularities; and
- all transactions are properly authorised and that they are recorded timely to facilitate preparation of true and fair financial statements.

This Statement is made in accordance with a resolution of the Board dated 10 March 2025.

AUDIT COMMITTEE REPORT

The Audit Committee is tasked to assist the Board of Directors of the Company (“the Board”) to ensure the effective discharge of fiduciary duties for financial reporting, corporate governance as well as internal control.

Composition of the Audit Committee

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. As at the date of this report, the Audit Committee members are as follows:

| Name of Members | Position |
|---------------------------|----------|
| Mr Oon Hock Chye | Chairman |
| Ms Rosaline Heah Gaik See | Member |
| Ms Tan Gim May | Member |

The Chairman of the Audit Committee, Mr Oon Hock Chye is a member of the Malaysian Institute of Accountants (“MIA”), a fellow member of the Association of Chartered Certified Accountants (ACCA), a fellow member of the Chartered Tax Institute of Malaysia (CTIM) and also a Certified Financial Planner (CFP).

Accordingly, the Company complies with the MMLR of Bursa Securities which requires at least one (1) member of the Audit Committee to be a qualified accountant.

The above composition of Audit Committee meets the requirements of paragraph 15.09 (1)(a) and (b) of the MMLR of Bursa Securities.

Terms of Reference

The Audit Committee has made available the terms of reference explaining its role and the authority delegated to it by the Board. The Terms of Reference of the Audit Committee can be viewed on the Company’s corporate website at www.zhulian.com.

This section of the Annual Report describes the work of the Audit Committee in discharging its responsibilities during the financial year.

Attendance for Meetings

The Audit Committee had convened four (4) meetings during the financial year ended 30 November 2024. The meetings were structured through the use of agendas, which were distributed to members with sufficient notification.

The details of attendance of each member are as follows:

| Name of Members | Attendance |
|---------------------------|------------|
| Mr Oon Hock Chye | 4/4 |
| Ms Rosaline Heah Gaik See | 3/4 |
| Ms Tan Gim May | 4/4 |

The Company Secretary or her representatives were present at all the meetings. Representatives of the External Auditors, Messrs KPMG PLT, the Senior Management and the Internal Auditors had been invited to attend the meetings during the financial year. Minutes of the Audit Committee Meetings had been circulated to the members and were recorded and tabled for confirmation at the next Audit Committee meeting.

The Executive Directors, Senior Management, External and Internal Auditors were in attendance at the meetings, upon invitation by the Committee, to brief the members on specific issues. The Chairman of Audit Committee reports on the main findings and deliberations of the Audit Committee Meeting to the Board.

The Committee had also met with the External Auditors separately once without the presence of the Executive Directors and Senior Management to discuss the audit findings and any other concerns or observations they had during the audit.

Nothing has come to the attention of the Audit Committee that causes it to believe that the financial reporting is inconsistent with the accounting standards and other legal requirements.

Summary of Activities of the Audit Committee

During the financial year ended 30 November 2024, the Audit Committee discharged its functions and carried out its duties in accordance with the Terms of Reference of the Audit Committee. The summary of principal activities undertaken by the Audit Committee is as follows:

- Reviewed the unaudited quarterly financial results and performance of the Group before recommending to the Board for approval and releasing the results to Bursa Securities;
- Reviewed the audited financial statements of the Group for the financial year ended 30 November 2024 before recommending to the Board for approval and releasing the same to Bursa Securities;
- Reviewed and discussed with the External Auditors on the scope of their audit work, the result of their findings arising from audits and the auditors' report;
- Reviewed the re-appointment and audit fees of External Auditors for the ensuing year prior to the Board's approval;
- Reviewed and evaluated the performance and effectiveness of the External Auditors. The Audit Committee was satisfied with the External Auditors' performance and made its recommendations to the Board on their re-appointment as auditors at the forthcoming AGM;
- Reviewed the nature of non-audit services and the related fee levels in relation to external audit fees of the Company which included review of the Statement of Risk Management and Internal Control;
- Reviewed and approved the annual audit plan of the Company and the Group prepared and submitted by the External Auditors and Internal Auditors for the financial year ended 30 November 2024;
- Reviewed the risk management and internal control systems, processes, procedures or results of activities undertaken by the Internal Auditors to ensure that all high and critical risk areas are being addressed;
- Reviewed the risk management and internal audit reports, audit recommendations, and Management's responses to ensure that appropriate actions have been taken by the Group's subsidiary companies;
- Reviewed the state of internal control of the Company to ensure that the Group is in compliance with any legislative and reporting requirements;
- Reviewed and noted that there was no significant related party transactions or recurrent related party transactions within the Company or the Group including any transaction, procedure or code of conduct that may raise concern or question of Management's integrity;
- Reviewed and reported to the Board any conflicts of interest that arose, persisted or may arise together with the measures taken to resolve, eliminate or mitigate such conflicts;
- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2024; and
- Met once with the External Auditors without the presence of Executive Directors and Management staff to discuss on issues of concerns to the auditors.

Internal Audit Function

The internal audit function is performed in-house by the Group's Internal Audit Department. The Internal Audit Department reporting directly to the Audit Committee had assisted the Audit Committee to undertake independent, regular and systematic reviews of the Group's business operations and activities to ensure that a proper system of risk management and internal control is satisfactorily and effectively administered within the Group.

During the financial year, the Internal Audit Department had performed audits in accordance to the approved internal audit plan. The internal audit function adopts a risk-based audit methodology, which is aligned with the risks of the Group to ensure that relevant controls addressing those risks are reviewed on a rotational basis.

The Internal Audit Department while maintaining its role to carry out audit programmes at the various business units and ISO audit assessment for its main subsidiaries, had also performed follow-up audits to ensure that the Management had addressed the control weaknesses accordingly.

The following internal audit activities were carried out by the Internal Auditors during the financial year under review:

- Formulation of an agreement with the Audit Committee on the risk-based internal audit plan that is consistent with the Company's objectives and goals; and
- Conducted various internal audit engagements in accordance with the audit plan.

The risk management and internal audit reports were presented to the Audit Committee for deliberation and then to the Board after the Management had taken its appropriate actions.

The internal audits conducted during the financial period did not reveal any significant control deficiencies which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The total costs incurred for the internal audit function of the Group for the financial year ended 30 November 2024 amounted to approximately RM747,000.

This Report is made in accordance with the resolution of the Board dated 10 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The MCCG requires listed companies to maintain a sound system of risk management and internal control to safeguard the shareholders' investment and the Group's assets.

Pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board is pleased to present the following Statement on Risk Management and Internal Control.

This Statement outlines the nature and scope of risk management and internal control of the Group and covers all the Group's operations during the financial year under review. The associated company of the Group has not been dealt with as part of the Group for the purpose of applying this guidance.

Board's Responsibility

The Board recognises its overall responsibility for the Group's risk management and internal control system to safeguard the shareholders' investment, customers' interest and the Group's assets by establishing an appropriate control environment and framework, as well as reviewing its effectiveness, adequacy and integrity.

The Board delegated to the Risk Management Committee and Audit Committee the task to identify and assess the risks faced by the Group, and thereafter design and implement appropriate internal controls to mitigate and address those risks.

The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group. The system of internal control covers not only financial but operational, environmental, compliance and risk management aspects.

Due to the inherent limitations in any system of risk management and internal control, the risk management and internal controls implemented which are intended to manage the Group's key areas of risk within an acceptable risk profile, and not expected to eliminate all risks of failure to achieve business and corporate objectives of the Group, can only provide reasonable and not absolute assurance against material misstatements of financial information and records or against financial losses and fraud.

The Board has established an on-going process for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report, for identifying, evaluating and managing the significant risks faced by the Group in achieving its objectives and strategies.

The Board, through its Audit Committee reviews on a quarterly basis, the results of this process, including mitigating measures taken by Management to address the key risks areas.

Both the Risk Management Committee and Audit Committee assist the Board to oversee the management of all identified material risks including review of the adequacy and effectiveness of the Group's risk management and internal control system to ensure that appropriate measures are carried out by the Management to obtain the level of assurance required by the Board.

Risk Management Framework

The Board recognises the importance of embedding an adequate and effective risk management and internal control system and has implemented an Enterprise Risk Management ("ERM") Framework, in line with Recommendation 6.1 of MCCG. This framework includes a risk management process of identifying, evaluating and managing significant risks which is on-going and results in the compilation of a specific risk profile and action plans for mitigating the identified risks.

The Board believes that the following key elements of the Group's risk management framework are integral to maintaining a sound risk management and internal control system:

- Risk Management Committee ("RMC") has been tasked with the responsibility to identify and communicate to the Board the key risks (present and potential) faced by the Group, their changes in risk profile and action plans by the Management to manage the risks; and
- Identify principal risks (present and potential) faced by operating units in the Group and Management's deployment of internal controls to mitigate or manage these risks.

The Management is responsible for ensuring that the day-to-day management of the Group's activities is in conformance with the Company's policies and the objectives of the Management.

The key responsibilities of the Management in respect of risk management is to identify, evaluate, monitor and report of risks and internal control as well as provide assurance to the Board that it has done so in accordance with the policies adopted by the Board. Further assurance is provided by the Internal Audit function, which operates across the Group.

The abovementioned practices/initiatives by the Management serve as an ongoing process used to identify, assess and manage key business, operational and financial risks faced by the Group.

For bribery and corruption risks, the Group has in place the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission (MACC) Act 2009 to prevent, detect and respond to bribery and corruption risks.

Risk Management and Internal Control Processes

The operations of the Group are exposed to a variety of business and financial risks. The Risk Management Committee sets the tone for effective implementation of risk policies and guidelines, ERM and cultivation of risk management culture within the Group.

The Risk Management Committee also reviews and monitors the status of the Group's principal risks and their mitigating actions and update the Board accordingly. In this context, the risk management process has been integrated into the operations of the respective companies within the Group with each Director, Manager and Head of Department assigned to ensure appropriate risk response actions are carried out in a timely manner.

In essence, Risk Management is conducted through an ongoing process between the Board, the Management and employees in the Group. The Group believes that the risk management framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture organisation wide.

The objective of risk management and internal control processes is to provide maximum sustainable value to all the business activities in the Group. Risk management and internal control systems are in place to enhance the efficiency and overall effectiveness of the Group's operations. Such measures will help to address possible risks and uncertainties so that the Group will be able to achieve its objectives and goals.

During the financial year, the Audit Committee and the Board met every quarter to review the adequacy, effectiveness and integrity of the system of internal controls in the Group and to ensure relevant controls are carried out to mitigate the significant business risks faced by the Group.

The Board was of the view that the risk management and internal control system in place for the financial year under review was adequate and effective. Nevertheless, it will continuously be reviewed, enhanced and updated in line with changes in the operating environment.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:-

- The Executive Directors assist the Board in ensuring that the Group's daily operations are performed in accordance with the corporate objectives, strategies as well as the policies and procedures.
- The Audit Committee assists the Board to review the adequacy and integrity of the system of internal control to ensure that the risk exposures are effectively managed and that the required actions to manage risks have been addressed.
- The Audit Committee reviews the internal control findings reported by the Internal Auditors.
- The Audit Committee also reviews the competency as well as performance of the internal audit functions with emphasis on their scope of audits and findings. The minutes of the Audit Committee Meetings are circulated and tabled at the quarterly Board meetings. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report of this Annual Report.
- The Internal Auditors evaluate the effectiveness of risk management, the system of internal control, and governance process and highlights significant findings in respect of any non-compliance with policies and procedures. The Internal Auditors conduct their audits according to a risk based internal audit plan approved by the Audit Committee.

Internal Audit Function

The internal audit function was established by the Board to provide independent assurance to the Audit Committee on the adequacy and effectiveness of the governance, risk management and internal control system within the Group. The Internal Auditors operate in accordance with the Internal Audit Charter.

The internal audit function is performed in-house and is independent of the activities they audit. Risk based methodology is adopted in the review of key processes of the various operating units within the Group. The internal audit function encompasses audits conducted on the Group's subsidiaries.

The internal audit results, findings relating to the internal control system and the recommendations for improvement highlighted in the internal audit reports were presented to the Audit Committee for review and discussions at their quarterly meetings and noted at the Board meetings. In addition, the status of the implementation of corrective actions to address control weaknesses was also followed up by the Internal Auditors to ensure that these actions had been satisfactorily implemented.

The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are implemented within the required time frame to enhance and strengthen the internal control environment. The internal audit function also ensures that the Management follows up the implementation of action plans where control deficiencies were noted during the internal audits.

During the year under review, risk management process was carried out through the monthly Management meetings held to communicate and deliberate key issues and risk areas amongst Management team members and where appropriate, controls were devised and implemented. Significant risks identified were escalated to the Risk Management Committee and ultimately to the Board.

Key elements of internal control

During the financial year under review, the Internal Auditors conducted the audits on certain subsidiary companies for the following areas:-

- | | |
|---|-------------------------------------|
| 1. Dependency on Distributors, Major Agencies and Single Market | 6. IT System |
| 2. Non-Performing Leaders | 7. Limited Digital Presence |
| 3. Gig Economy Competition | 8. Inventory Control |
| 4. Global Market Penetration | 9. Operation Systems and Procedures |
| 5. Distributor Training and Support | 10. Product Launches |

The Group's system of internal control comprises the following salient elements:-

i. Monitoring and Review

- a) Scheduled management, operational as well as financial meetings are held with the Senior Management team to discuss, review and evaluate the business plans, budgets, financial and operational performances, Key Performance Indicators ("KPIs") for the established targets, reports as well as to monitor the business development and resolve key operational and management issues of the Group;
- b) The Audit Committee reviews the Group's quarterly financial statements containing key financial results and comparisons, which are subsequently presented to the Board for review; and
- c) Improvement and upgrading of management information systems to enable transactions to be captured, compiled and reported reliably in a timely and accurate manner.

ii. Policies and Procedures

- a) Standard internal policies and operating procedures have been established to cover as far as possible any significant business processes of the Group. Reviews are performed whenever necessary to ensure that the Standard Operating Procedures ("SOPs") remain current, relevant and aligned with the evolving business environment and operational needs;
- b) A chart of authority has been established to provide guidance to the Management in the execution of day-to-day transactions;
- c) Information critical to the achievement of the Group's business objectives has been communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis;
- d) Employees have been briefed on Code of Ethics during induction. They are required to sign and adhere to the Code of Ethics, which upholds the Group's corporate values and ethical code of conduct. Formal guidelines are also available to govern staff's termination and resignation;
- e) Anti-Bribery and Corruption Policy has been circulated and made known to all the stakeholders, demonstrating the effort to inculcate zero tolerance on corruption and bribery throughout the whole organisation;
- f) Certain subsidiaries of the Group involved in the manufacturing of nutritional, health and nutraceutical products are governed by the SOPs which are subjected to audit under the International Organisation for Standardisation ("ISO") standards, Good Manufacturing Practices ("GMP"), Food Safety Management Systems ("FSMS") – Requirements for any Organisation in the Food Chain, Food Safety according to Hazard Analysis and Critical Control Point (HACCP) System and HALAL Practices to ensure conformance to its respective requirements. The manufacturing of home care products is also governed by the SOPs which are subjected to audit under the ISO standards;
- g) The implementation and practice of SOPs are widely used throughout the Group's operational activities. The SOPs ensure governance controls are embedded in the key business processes to mitigate potential significant business risks faced by the Group; and
- h) Insurance and physical safeguards over major assets in the plants are in place to ensure that the assets of the Group are adequately covered against any mishap that may result in material losses to the Group.

iii. Other Internal Control Processes

- a) The Executive Directors are actively involved in the running of the daily business operations and they report to the Board on significant changes in the business and external environment which affect the operations of the Group at large;
- b) The professionalism and competency of the Group's human resources are maintained through established recruitment process, performance appraisal system and training; and
- c) Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programmes and workshops to enhance their knowledge and the employees' competency levels in executing their daily tasks.

Weaknesses in Internal Controls

The Board is of the view that the risk management and internal control system are satisfactory. No significant weaknesses were noted from the review of risk management activities. There were no material losses, contingencies or uncertainties during the financial year ended 30 November 2024 as a result of weaknesses in internal control that would require disclosure in the Group's Annual Report. The Board, in striving for continuous improvement, will continue to take appropriate measures and action plans, where necessary to comply with the Group's internal policies and best practices.

Assurance from Management

In accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers, the Board has received assurances from the Chief Executive Officer and Senior Finance Manager that to the best of their knowledge, internal control system is in place, the risk management and internal control of the Group are operating effectively and adequately in all material aspects, based on the risk management and internal control framework adopted by the Group to safeguard shareholders' interest and the Group's assets.

The risks taken are at an acceptable level within the context of the business environment throughout the Group and there were no significant internal control deficiencies or weaknesses resulting in material losses, contingencies or uncertainties during the financial year requiring disclosure in the Annual Report.

Review of the Statement by Audit Committee

While the Audit Committee has reviewed this Statement and addressed individual lapses in internal control via the Internal Auditors during the course of internal audits for the financial year under review, it has not identified any circumstances which suggest any significant fundamental deficiencies in the Group's risk management and internal control system.

Review of the Statement by External Auditors

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 30 November 2024 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Group, in all material aspects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon.

The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

REVIEW BY THE BOARD

The control environment forms the foundation for the system of internal control by providing the fundamental discipline and structure.

The Board is of the view that the Group has implemented an adequate and effective system of risk management and internal controls with a view to provide itself with effective measures to prevent and mitigate any possible negative effects arising from any challenging scenario which may occur that can impact the Group's performance.

New protocols will be introduced in the course of time as well as changes and improvements will also be made to the existing systems of risk management and internal controls, taking into consideration the changing and challenging business environment.

The Board and the Management are fully committed to such ongoing improvements and enhancements and view such measures as both critical and necessary to the Group's operations.

This Statement is made in accordance with the resolution of the Board dated 10 March 2025.

ADDITIONAL COMPLIANCE INFORMATION

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

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year ended 30 November 2024.

AUDIT AND NON-AUDIT SERVICE

The amount of audit and non-audit fees paid or payable to the External Auditors or a firm or corporation affiliated to the External Auditors by the Company and the Group for the financial year ended 30 November 2024 are as follows:

| | Group RM'000 | Company RM'000 |
|--|-----------------|-------------------|
| Fees paid or payable to the External Auditors: | | |
| Audit fees | 311 | 68 |
| Non-audit fees paid or payable to the listed issuer's auditors, or a firm or corporation affiliated to the auditors' firm | 236 | 12 |
| Total | 547 | 80 |

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors or major shareholders, either still subsisting at the end of the financial year ended 30 November 2024 or entered into since the end of the previous financial year.

CONTRACTS RELATING TO LOANS

During the financial year, there were no contracts relating to loans entered into by the Company involving interests of Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions during the financial year ended 30 November 2024.

DIRECTORS' REPORT

for the year ended 30 November 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 November 2024.

Principal activities

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

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

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

| | Group RM'000 | Company RM'000 |
|---|-----------------|-------------------|
| Profit for the year attributable to owners of the Company | 23,442 | 41,297 |

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 30 November 2023:
 - a third interim dividend of 3 sen per ordinary share totalling RM13.8 million declared on 11 October 2023 and paid on 6 December 2023; and
 - a fourth interim dividend of 3 sen and a special dividend of 1 sen per ordinary share totalling RM18.4 million declared on 24 January 2024 and paid on 13 March 2024.
- ii) In respect of the financial year ended 30 November 2024:
 - a first interim dividend of 3 sen per ordinary share totalling RM13.8 million declared on 17 April 2024 and paid on 5 June 2024;
 - a second interim dividend of 2 sen per ordinary share totalling RM9.2 million declared on 17 July 2024 and paid on 11 September 2024;
 - a third interim dividend of 2 sen per ordinary share totalling RM9.2 million declared on 24 October 2024 and paid on 11 December 2024; and
 - a fourth interim dividend of 2 sen per ordinary share totalling RM9.2 million declared on 22 January 2025 and payable on 12 March 2025.

The Directors do not recommend any other dividends to be paid for the financial year ended 30 November 2024.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Teoh Meng Keat
Teoh Meng Soon
Teoh Meng Lee
Oon Hock Chye

Tan Gim May
Rosaline Heah Gaik See
Dr. Abdul Malik Bin Md Yusoff (Appointed on 1 December 2024)
Haji Wan Mansoor Bin Wan Omar (Resigned on 1 December 2024)

Directors of the subsidiaries

Directors of the subsidiaries who served during the financial year until the date of this report are as follows:

Teoh Beng Seng
 Teoh Meng Keat
 Teoh Meng Soon
 Teoh Meng Lee
 Mimi Njoto

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 financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

| | Number of ordinary shares | | | At 30.11.2024 |
|---------------------------------------|---------------------------|--------|--------|------------------|
| | At 1.12.2023 | Bought | (Sold) | |
| Teoh Meng Keat: | | | | |
| Interest in the Company: | | | | |
| - own | 26,869,600 | – | – | 26,869,600 |
| - others # | 2,666,666 | – | – | 2,666,666 |
| Teoh Meng Soon: | | | | |
| Interest in the Company: | | | | |
| - own | 9,306,666 | – | – | 9,306,666 |
| Teoh Meng Lee: | | | | |
| Interest in the Company: | | | | |
| - own | 9,375,999 | – | – | 9,375,999 |
| Haji Wan Mansoor Bin Wan Omar: | | | | |
| Interest in the Company: | | | | |
| - own | 13,333 | – | – | 13,333 |
| Oon Hock Chye: | | | | |
| Interest in the Company: | | | | |
| - own | 10,000 | 10,000 | – | 20,000 |
| Rosaline Heah Gaik See: | | | | |
| Interest in the Company: | | | | |
| - own | 69,800 | – | – | 69,800 |
| - others # | 20,000 | – | – | 20,000 |

These are shares held in the name of the spouse and are treated as the interests of the Director in accordance with the Companies Act 2016.

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 those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those transactions entered in the ordinary course of business between certain related companies with an associate as disclosed in Note 27 to the financial statements.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 November 2024 are as follows:

| | From the Company RM'000 | From subsidiary companies RM'000 |
|---------------------------|-------------------------------|---|
| Directors of the Company: | | |
| Fees | 200 | – |
| Remuneration | 15 | 4,010 |
| | 215 | 4,010 |

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

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company and no debentures were in issue 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.

Indemnity and insurance costs

There was no indemnity given to or insurance effected for any Director, officer or auditors of the Company during the financial year.

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) 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.

Other statutory information (continued)

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 2024 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, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are as follows:

| | Group RM'000 | Company RM'000 |
|----------------|-----------------|-------------------|
| Audit fees | 311 | 68 |
| Non-audit fees | 6 | 6 |
| | 317 | 74 |

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

.....
Teoh Meng Keat

Director

.....
Teoh Meng Lee

Director

Penang,

Date : 10 March 2025

STATEMENTS OF FINANCIAL POSITION

as at 30 November 2024

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Assets | | | | | |
| Property, plant and equipment | 3 | 69,459 | 73,126 | — | — |
| Right-of-use assets | 4 | 9,170 | 9,510 | — | — |
| Investment properties | 5 | 30,160 | 31,318 | — | — |
| Investments in subsidiaries | 6 | — | — | 185,999 | 189,423 |
| Investment in an associate | 7 | 133,103 | 168,923 | — | — |
| Deferred tax assets | 8 | 4,021 | 5,946 | — | — |
| Prepayment | 10 | 1,275 | 406 | — | — |
| Total non-current assets | | 247,188 | 289,229 | 185,999 | 189,423 |
| Inventories | 9 | 31,226 | 34,854 | — | — |
| Trade and other receivables | 10 | 23,226 | 23,472 | 23,815 | 32,718 |
| Current tax assets | | 796 | 475 | — | — |
| Cash and cash equivalents | 11 | 160,118 | 155,245 | 39,361 | 40,951 |
| Total current assets | | 215,366 | 214,046 | 63,176 | 73,669 |
| Total assets | | 462,554 | 503,275 | 249,175 | 263,092 |
| Equity | | | | | |
| Share capital | 12 | 230,000 | 230,000 | 230,000 | 230,000 |
| Reserves | 13 | 195,583 | 231,993 | 9,637 | 18,940 |
| Total equity attributable to owners of the Company | | 425,583 | 461,993 | 239,637 | 248,940 |
| Liabilities | | | | | |
| Lease liabilities | | 176 | 163 | — | — |
| Deferred tax liabilities | 8 | 4,160 | 3,690 | — | — |
| Total non-current liabilities | | 4,336 | 3,853 | — | — |
| Lease liabilities | | 128 | 130 | — | — |
| Trade and other payables | 14 | 31,889 | 36,345 | 9,491 | 14,106 |
| Contract liabilities | 15 | 117 | 227 | — | — |
| Current tax liabilities | | 501 | 727 | 47 | 46 |
| Total current liabilities | | 32,635 | 37,429 | 9,538 | 14,152 |
| Total liabilities | | 36,971 | 41,282 | 9,538 | 14,152 |
| Total equity and liabilities | | 462,554 | 503,275 | 249,175 | 263,092 |

The notes on pages 89 to 127 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 November 2024

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue | 16 | 126,164 | 132,368 | 46,400 | 59,900 |
| Changes in manufactured inventories and work-in-progress | | (732) | 147 | — | — |
| Raw materials, consumables and trading goods used/sold | | (57,002) | (58,811) | — | — |
| Employee benefits expenses | | (29,080) | (29,241) | — | — |
| Depreciation | | (5,557) | (6,271) | — | — |
| Net loss on impairment of financial instruments | 17 | (181) | (89) | — | — |
| Other operating expenses | | (19,206) | (18,822) | (6,062) | (1,493) |
| Other operating income | | 2,476 | 4,529 | — | — |
| Results from operating activities | 17 | 16,882 | 23,810 | 40,338 | 58,407 |
| Finance income | 18 | 3,958 | 4,575 | 1,260 | 1,256 |
| Finance costs | 19 | (8) | (8) | — | — |
| Net finance income | | 3,950 | 4,567 | 1,260 | 1,256 |
| Share of profit of equity-accounted associate, net of tax | | 11,738 | 8,653 | — | — |
| Profit before tax | | 32,570 | 37,030 | 41,598 | 59,663 |
| Tax expense | 21 | (9,128) | (7,794) | (301) | (300) |
| Profit for the year attributable to owners of the Company | | 23,442 | 29,236 | 41,297 | 59,363 |
| Other comprehensive (expense)/income, net of tax | | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | | |
| Foreign currency translation differences for foreign operations | | 305 | (306) | — | — |
| Share of other comprehensive (expense)/income of equity-accounted associate | | (9,557) | 6,716 | — | — |
| | | (9,252) | 6,410 | — | — |
| Total comprehensive income for the year attributable to owners of the Company | | 14,190 | 35,646 | 41,297 | 59,363 |
| Basic/Diluted earnings per ordinary share (sen) | 22 | 5.10 | 6.36 | — | — |

The notes on pages 89 to 127 are an integral part of these financial statements.

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)
(Incorporated in Malaysia)
and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 November 2024

| | Attributable to owners of the Company | | Capital reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
|---|---------------------------------------|-------------------------------|---------------------------|-----------------------------|------------------------|
| | Share capital RM'000 | Translation reserve RM'000 | | | |
| Group | | | | | |
| At 1 December 2022 | 230,000 | 46,791 | 2,000 | 225,756 | 504,547 |
| Foreign currency translation differences for foreign operations | — | (306) | — | — | (306) |
| Share of other comprehensive income of equity-accounted associate | — | 6,716 | — | — | 6,716 |
| Total other comprehensive income for the year | — | 6,410 | — | — | 6,410 |
| Profit for the year | — | — | — | 29,236 | 29,236 |
| Total comprehensive income for the year | — | 6,410 | — | 29,236 | 35,646 |
| <i>Distribution to owners of the Company</i> | | | | | |
| - Dividends to owners of the Company (Note 23) | — | — | — | (78,200) | (78,200) |
| Total transaction with owners of the Company | — | — | — | (78,200) | (78,200) |
| At 30 November 2023 | 230,000 | 53,201 | 2,000 | 176,792 | 461,993 |

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)
(Incorporated in Malaysia)
and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 November 2024 (continued)

| | Attributable to owners of the Company | | Capital reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
|--|---------------------------------------|-------------------------------|---------------------------|-----------------------------|------------------------|
| | Share capital RM'000 | Translation reserve RM'000 | | | |
| Group | | | | | |
| At 1 December 2023 | 230,000 | 53,201 | 2,000 | 176,792 | 461,993 |
| Foreign currency translation differences for foreign operations | — | 305 | — | — | 305 |
| Share of other comprehensive expense of equity-accounted associate | — | (9,557) | — | — | (9,557) |
| Total other comprehensive expense for the year | — | (9,252) | — | — | (9,252) |
| Profit for the year | — | — | — | 23,442 | 23,442 |
| Total comprehensive (expense)/income for the year | — | (9,252) | — | 23,442 | 14,190 |
| <i>Distribution to owners of the Company</i> | | | | | |
| - Dividends to owners of the Company (Note 23) | — | — | — | (50,600) | (50,600) |
| Total transaction with owners of the Company | — | — | — | (50,600) | (50,600) |
| At 30 November 2024 | 230,000 | 43,949 | 2,000 | 149,634 | 425,583 |

The notes on pages 89 to 127 are an integral part of these financial statements.

ZHULIAN CORPORATION BERHAD
199701000031 (415527-P)
(Incorporated in Malaysia)
and its subsidiaries

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 November 2024

| | ← Attributable to owners of the Company → | | Total equity RM'000 |
|--|---|-----------------------------|------------------------|
| | Non-distributable | Distributable | |
| | Share capital RM'000 | Retained earnings RM'000 | |
| Company | | | |
| At 1 December 2022 | 230,000 | 37,777 | 267,777 |
| Profit for the year representing total comprehensive income for the year | — | 59,363 | 59,363 |
| <i>Distributions to owners of the Company</i> | | | |
| - Dividends to owners of the Company (Note 23) | — | (78,200) | (78,200) |
| At 30 November 2023/1 December 2023 | 230,000 | 18,940 | 248,940 |
| Profit for the year representing total comprehensive income for the year | — | 41,297 | 41,297 |
| <i>Distributions to owners of the Company</i> | | | |
| - Dividends to owners of the Company (Note 23) | — | (50,600) | (50,600) |
| At 30 November 2024 | 230,000 | 9,637 | 239,637 |

The notes on pages 89 to 127 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 30 November 2024

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Cash flows from operating activities | | | | | |
| Profit before tax | | 32,570 | 37,030 | 41,598 | 59,663 |
| Adjustments for: | | | | | |
| Depreciation of: | | | | | |
| - property, plant and equipment | 3 | 4,364 | 5,067 | — | — |
| - right-of-use assets | 4 | 481 | 478 | — | — |
| - investment properties | 5 | 712 | 726 | — | — |
| Impairment loss on investments in subsidiaries | 17 | — | — | 5,524 | 918 |
| Plant and equipment written off | 17 | 27 | 2 | — | — |
| Dividend income from subsidiaries | 17 | — | — | (46,400) | (59,900) |
| Finance income | 18 | (3,958) | (4,575) | (1,260) | (1,256) |
| Finance costs | 19 | 8 | 8 | — | — |
| Gain on disposals of plant and equipment | 17 | (670) | (11) | — | — |
| Share of profit of equity-accounted associate, net of tax | | (11,738) | (8,653) | — | — |
| Others | | (1,096) | (1,742) | — | — |
| Net impairment loss on financial assets | 17 | 181 | 89 | — | — |
| Operating profit/(loss) before changes in working capital | | 20,881 | 28,419 | (538) | (575) |
| Change in inventories | | 3,628 | 1,280 | — | — |
| Change in trade and other receivables | | 471 | 239 | 3 | 53 |
| Change in trade and other payables | | 144 | (2,118) | (15) | 76 |
| Change in contract liabilities | | (110) | 144 | — | — |
| Cash generated from/(used in) operations | | 25,014 | 27,964 | (550) | (446) |
| Dividends received from: | | | | | |
| - an associate | 7 | 38,706 | 10,305 | — | — |
| - subsidiaries | | — | — | 55,300 | 67,100 |
| Interest paid | | (8) | (8) | — | — |
| Tax paid | | (7,280) | (7,441) | (300) | (269) |
| Net cash from operating activities | | 56,432 | 30,820 | 54,450 | 66,385 |
| Cash flows from investing activities | | | | | |
| Additional investment in subsidiaries | | — | — | (2,100) | (1,000) |
| Interest received | | 3,958 | 4,575 | 1,260 | 1,256 |
| Purchase of plant and equipment | 3 | (935) | (1,523) | — | — |
| Proceeds from disposals of plant and equipment | | 845 | 11 | — | — |
| Net cash from/(used in) investing activities | | 3,868 | 3,063 | (840) | 256 |
| Cash flows from financing activities | | | | | |
| Dividends paid to owners of the Company | 23 | (55,200) | (78,200) | (55,200) | (78,200) |
| Payment of lease liabilities | A | (130) | (130) | — | — |
| Net cash used in financing activities | | (55,330) | (78,330) | (55,200) | (78,200) |
| Net increase/(decrease) in cash and cash equivalents | | 4,970 | (44,447) | (1,590) | (11,559) |
| Effect of exchange rate fluctuations on cash held | | (97) | (915) | — | — |
| Cash and cash equivalents at 1 December 2023/2022 | | 155,245 | 200,607 | 40,951 | 52,510 |
| Cash and cash equivalents at 30 November | 11 | 160,118 | 155,245 | 39,361 | 40,951 |

The notes on pages 89 to 127 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 30 November 2024 (continued)

Notes

A. Reconciliation of movements of liabilities to cash flows arising from financing activities - Group

| Group | At 1.12.2022 RM'000 | Addition RM'000 | Net changes from financing cash flows RM'000 | At 30.11.2023/ 1.12.2023 RM'000 | Addition RM'000 | Net changes from financing cash flows RM'000 | At 30.11.2024 RM'000 |
|---|---------------------------|--------------------|--|--|--------------------|--|----------------------------|
| Total lease liabilities from financing activities | 281 | 142 | (130) | 293 | 141 | (130) | 304 |

Cash outflows for leases as a lessee

| | Group | |
|--|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Included in net cash from operating activities | | |
| Payment relating to short-term leases | 3 | 3 |
| Interest paid in relation to lease liabilities | 8 | 8 |
| Included in net cash used in financing activities | | |
| Payment of lease liabilities | 130 | 130 |
| Total cash outflows for leases | 141 | 141 |

The notes on pages 89 to 127 are an integral part of these financial statements.

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)

(Incorporated in Malaysia)

and its subsidiaries

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 principal place of business and registered office of the Company are as follows:

Principal place of business

Plot 42
Bayan Lepas Industrial Estate
Phase IV
11900 Bayan Lepas, Penang

Registered office

Suite 12-A Level 12
Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 George Town, Penang

The consolidated financial statements of the Company as at and for the financial year ended 30 November 2024 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 financial statements of the Company as at and for the financial year ended 30 November 2024 do not include other entities.

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

These financial statements were authorised for issue by the Board of Directors on 10 March 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

(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 MFRS Accounting Standards and IFRSs 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 3.1 - Property, plant and equipment (impairment loss)
- Note 5.4 - Investment properties (fair value information)
- Note 6.1 - Investments in subsidiaries (impairment loss)

2. Changes in material accounting policies

2.1 Material accounting policy information

The Group adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 December 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Property, plant and equipment - Group

| | Buildings RM'000 | Freehold shoplots RM'000 | Building improvements RM'000 | Plant and machinery, moulds, 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 2022 | 94,810 | 1,612 | 1,221 | 45,318 | 54,715 | 1,799 | 169 | 199,644 |
| Additions | — | — | — | 98 | 1,425 | — | — | 1,523 |
| Written off | — | — | — | (62) | (308) | — | — | (370) |
| Disposals | — | — | — | (3) | (136) | — | — | (139) |
| Effect of movements in exchange rate | 74 | — | — | — | — | — | — | 74 |
| At 30 November 2023/ 1 December 2023 | 94,884 | 1,612 | 1,221 | 45,351 | 55,696 | 1,799 | 169 | 200,732 |
| Additions | — | — | — | 218 | 617 | 100 | — | 935 |
| Written off | — | — | — | (60) | (225) | — | — | (285) |
| Disposals | (392) | — | — | (8) | (59) | (93) | — | (552) |
| Effect of movements in exchange rate | (74) | — | — | — | — | — | — | (74) |
| At 30 November 2024 | 94,418 | 1,612 | 1,221 | 45,501 | 56,029 | 1,806 | 169 | 200,756 |

3. Property, plant and equipment - Group (continued)

| | Buildings RM'000 | Freehold shoplots RM'000 | Building improvements RM'000 | Plant and machinery, moulds, 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 |
|---|---------------------|--------------------------------|------------------------------------|--|---|-----------------------------|---|-----------------|
| Depreciation and impairment loss | | | | | | | | |
| At 1 December 2022 | | | | | | | | |
| Accumulated depreciation | 27,281 | 263 | 371 | 39,285 | 51,402 | 1,775 | – | 120,377 |
| Accumulated impairment loss | 499 | – | – | 1,894 | 73 | – | 169 | 2,635 |
| | 27,780 | 263 | 371 | 41,179 | 51,475 | 1,775 | 169 | 123,012 |
| Depreciation for the year | | | | | | | | |
| Written off | 2,237 | 32 | 103 | 1,262 | 1,412 | 21 | – | 5,067 |
| Disposals | – | – | – | (62) | (306) | – | – | (368) |
| Effect of movements in exchange rate | – | – | – | (3) | (136) | – | – | (139) |
| | 34 | – | – | – | – | – | – | 34 |
| At 30 November 2023 | | | | | | | | |
| Accumulated depreciation | 29,552 | 295 | 474 | 40,482 | 52,372 | 1,796 | – | 124,971 |
| Accumulated impairment loss | 499 | – | – | 1,894 | 73 | – | 169 | 2,635 |
| | 30,051 | 295 | 474 | 42,376 | 52,445 | 1,796 | 169 | 127,606 |

3. Property, plant and equipment - Group (continued)

| | Buildings RM'000 | Freehold shoplots RM'000 | Building improvements RM'000 | Plant and machinery, moulds, 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 |
|---|---------------------|--------------------------------|------------------------------------|--|---|-----------------------------|---|-----------------|
| Depreciation and impairment loss (continued) | | | | | | | | |
| Depreciation for the year | 2,225 | 32 | 103 | 880 | 1,104 | 20 | - | 4,364 |
| Written off | - | - | - | (59) | (199) | - | - | (258) |
| Disposals | (217) | - | - | (8) | (59) | (93) | - | (377) |
| Effect of movements in exchange rate | (38) | - | - | - | - | - | - | (38) |
| At 30 November 2024 | | | | | | | | |
| Accumulated depreciation | 31,522 | 327 | 577 | 41,295 | 53,222 | 1,723 | - | 128,666 |
| Accumulated impairment loss | 499 | - | - | 1,894 | 69 | - | 169 | 2,631 |
| | 32,021 | 327 | 577 | 43,189 | 53,291 | 1,723 | 169 | 131,297 |
| Carrying amounts | | | | | | | | |
| At 1 December 2022 | 67,030 | 1,349 | 850 | 4,139 | 3,240 | 24 | - | 76,632 |
| At 30 November 2023/1 December 2023 | 64,833 | 1,317 | 747 | 2,975 | 3,251 | 3 | - | 73,126 |
| At 30 November 2024 | 62,397 | 1,285 | 644 | 2,312 | 2,738 | 83 | - | 69,459 |

3. Property, plant and equipment - Group (continued)

3.1 Impairment loss

As at 30 November 2024, certain property, plant and equipment were tested for impairment where impairment indicators exist as a result of the current business sentiment and weak demand in certain markets which caused certain subsidiaries to make losses.

Estimation uncertainty and key assumptions

The Directors estimate the fair value of the Group's properties by comparing the value of the Group's properties with the similar property of a subsidiary within the same locality of which the fair value is determined by external independent property valuer, having appropriate recognised professional qualifications and recent experience in the location. The properties' fair value is classified as level 3 fair value. The most significant input in this approach is the price per square feet for the which amounted RM153 (2023: RM153) which would increase/(decrease) the estimated fair value if the price per square feet is higher/(lower).

Premised on the above, the said carrying amounts of property, plant and equipment were determined to be lower than the recoverable amount and accordingly, no impairment loss was recognised.

3.2 Material accounting policy information

(a) Recognition and measurement

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. 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 |
| Building improvements | 10 |
| 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 at the end of the reporting period, and adjusted as appropriate.

4. Right-of-use assets - Group

| | Leasehold land RM'000 | Buildings RM'000 | Total RM'000 |
|-------------------------------------|-----------------------------|---------------------|-----------------|
| At 1 December 2022 | 9,574 | 272 | 9,846 |
| Addition | – | 142 | 142 |
| Depreciation | (352) | (126) | (478) |
| At 30 November 2023/1 December 2023 | 9,222 | 288 | 9,510 |
| Addition | – | 141 | 141 |
| Depreciation | (353) | (128) | (481) |
| At 30 November 2024 | 8,869 | 301 | 9,170 |

The Group leases a number of warehouses that run for a period of 3 years, with an option to renew these leases after that date. Lease payments are reviewed every three years to reflect current market rentals.

4.1 Extension options

Certain leases of warehouses contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

| Group | Lease liabilities recognised (discounted) RM'000 | Potential future lease payments not included in lease liabilities (discounted) RM'000 | Historical rate of exercise of extension options % |
|-------------|--|---|--|
| 2024 | | | |
| Buildings | 286 | – | 100 |
| 2023 | | | |
| Buildings | 177 | 141 | 100 |

4. Right-of-use assets - Group (continued)

4.2 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applies judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Impairment loss

As at 30 November 2024, leasehold land was tested for impairment where impairment indicators exist as a result of the current business sentiment and weak demand in certain markets which caused certain subsidiaries to make losses.

Estimation uncertainty and key assumptions

The Directors estimate the fair value of the Group's leasehold land by comparing the value of the Group's leasehold land with the similar property of a subsidiary within the same locality of which the fair value is determined by external independent property valuer, having appropriate recognised professional qualifications and recent experience in the location. The properties' fair value is classified as level 3 fair value. The most significant input in this approach is the price per square feet for the which amounted RM135 (2023: RM135) which would increase/(decrease) the estimated fair value if the price per square feet is higher/(lower).

Premised on the above, the said carrying amount of leasehold land was determined to be lower than the recoverable amount and accordingly, no impairment loss was recognised.

4.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. Investment properties - Group

| | Note | Land RM'000 | Building RM'000 | Freehold shoplots RM'000 | Capital work-in- progress RM'000 | Total RM'000 |
|---------------------------------------|------|----------------|--------------------|--------------------------------|---|-----------------|
| Cost | | | | | | |
| At 1 December 2022 | | 23,822 | 1,212 | 12,483 | 2,569 | 40,086 |
| Effect of movements in exchange rates | | – | – | 835 | – | 835 |
| At 30 November 2023/1 December 2023 | | 23,822 | 1,212 | 13,318 | 2,569 | 40,921 |
| Effect of movements in exchange rates | | – | – | (674) | – | (674) |
| At 30 November 2024 | | 23,822 | 1,212 | 12,644 | 2,569 | 40,247 |
| Accumulated depreciation | | | | | | |
| At 1 December 2022 | | 4,275 | 232 | 4,104 | – | 8,611 |
| Depreciation for the year | 17 | 420 | 39 | 267 | – | 726 |
| Effect of movements in exchange rates | | – | – | 266 | – | 266 |
| At 30 November 2023/1 December 2023 | | 4,695 | 271 | 4,637 | – | 9,603 |
| Depreciation for the year | 17 | 420 | 39 | 253 | – | 712 |
| Effect of movements in exchange rates | | – | – | (228) | – | (228) |
| At 30 November 2024 | | 5,115 | 310 | 4,662 | – | 10,087 |
| Carrying amounts | | | | | | |
| At 1 December 2022 | | 19,547 | 980 | 8,379 | 2,569 | 31,475 |
| At 30 November 2023/1 December 2023 | | 19,127 | 941 | 8,681 | 2,569 | 31,318 |
| At 30 November 2024 | | 18,707 | 902 | 7,982 | 2,569 | 30,160 |

5.1 Nature of leasing activities

Investment properties of the Group comprise a number of commercial properties and vacant land that are leased out or held for capital appreciation. The leases contain an initial non-cancellable lease period ranging from 0.5 to 2 years. Subsequent renewals will be negotiated with the lessee upon the expiry of the initial lease period.

The Group holds leasehold lands of RM12,617,161 (2023 : RM13,037,079) over the lease terms of 60 years. The lease payments were fully paid at the commencement of lease.

5. Investment properties - Group (continued)

5.2 Other income/expenses recognised in profit or loss in relation to investment properties :

| | 2024 RM'000 | 2023 RM'000 |
|---|----------------|----------------|
| Lease income | 1,366 | 3,349 |
| Direct operating expenses: | | |
| - Income generating investment properties | 1,057 | 1,179 |
| - Non-income generating investment properties | 298 | 38 |
| | | |

5.3 Maturity analysis of operating lease payments

| Group | 2024 RM'000 | 2023 RM'000 |
|-----------------------------------|----------------|----------------|
| Less than one year | 560 | 1,146 |
| One to five years | – | 199 |
| Total undiscounted lease payments | 560 | 1,345 |

5.4 Fair value information

Investment properties comprise properties that are held for capital appreciation. Their fair values were based on Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of property being valued. The fair value of the investment properties of the Group are classified as level 3 and amounted to RM94,339,000 (2023 : RM105,992,000).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Estimation uncertainty and key assumptions

The Directors estimate the fair value of the Group's investment properties by comparing the value of the Group's investment properties with similar properties that were published for sale within the same locality or other comparable localities. The most significant input in this approach is the price per square feet which would increase/(decrease) the estimated fair value if the price per square feet is higher/(lower).

5.5 Material accounting policy information

(a) Recognition and measurement

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of investment properties from the date that they are available for use.

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

| | % |
|-------------------|---|
| Land | 2 |
| Buildings | 2 |
| Freehold shoplots | 2 |

6. Investments in subsidiaries - Company

| | 2024 RM'000 | 2023 RM'000 |
|------------------------|----------------|----------------|
| Cost of investment | 233,911 | 231,811 |
| Less : Impairment loss | (47,912) | (42,388) |
| | <u>185,999</u> | <u>189,423</u> |

Details of subsidiaries are as follows:

| Name of subsidiaries | Effective ownership interest and voting interest | | Principal place of business/ Country of incorporation | Principal activities |
|---|--|------|--|---|
| | 2024 | 2023 | | |
| Zhulian Jewellery Manufacturing Sdn. Bhd. | 100% | 100% | Malaysia | Manufacturing of costume/fine jewellery and accessories and therapeutic belts |
| Zhulian Marketing (M) Sdn. Bhd. | 100% | 100% | Malaysia | Direct marketing of 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 and trading of consumer 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. | 100% | 100% | Malaysia | Provision of management services and investment holding |

6. Investments in subsidiaries - Company (continued)

Details of subsidiaries are as follows: (continued)

| Name of subsidiaries | Effective ownership interest and voting interest | | Principal place of business/ Country of incorporation | Principal activities |
|--|--|------|--|--|
| | 2024 | 2023 | | |
| Amazing Vestrax Sdn. Bhd. | 100% | 100% | Malaysia | Manufacturing of personal and home care products |
| Zhulian Nutraceutical Sdn. Bhd. | 100% | 100% | Malaysia | Manufacturing of traditional herbal products |
| Coffee Mark Products Sdn. Bhd. | 100% | 100% | Malaysia | Trading of consumer products |
| Diamond Inspiration Sdn. Bhd. | 100% | 100% | Malaysia | Trading of costume jewellery |
| Dexassets Sdn. Bhd. | 100% | 100% | Malaysia | Investment holding |
| Zhulian Development Sdn. Bhd. | 100% | 100% | Malaysia | Dormant |
| Beyond Natural Care Sdn. Bhd. | 100% | 100% | Malaysia | Dormant |
| Zhulian International Private Limited (Formerly known as Zhulian Labuan Limited)* | 100% | 100% | Malaysia | Dormant |
| <i>Subsidiaries of Zhulian Management Sdn. Bhd.</i> | | | | |
| PT. Zhulian Indonesia* | 100% | 100% | Indonesia | Dormant |
| Zhulian (Singapore) Pte. Ltd.* | 100% | 100% | Singapore | Investment holding |
| Zhulian International (Philippines) Inc.* | 100% | – | Philippines | Importation and distribution in wholesale |

* Not audited by KPMG PLT

6. Investment in subsidiaries - Company (continued)

6.1 Impairment loss for investment in subsidiaries

During the financial year, impairment indicators existed as a result of the current business sentiment and weak demand in certain markets which caused certain subsidiaries to make losses. The Company assessed the estimated recoverable amount of its investment in certain loss-making subsidiaries at various best and worst case scenarios against the carrying amount of its investment in these subsidiaries.

The carrying amounts of investment in certain subsidiaries relating to the Group's investment in the direct marketing of jewellery and consumer products, and manufacturing of traditional herbal products, personal and home care products were higher than their recoverable amounts of RM50.2 million determined using value in use ("VIU") and fair value less cost of disposal ("FVLCD") methods.

In the previous financial year, the carrying amounts of investment in certain subsidiaries relating to the Group's investment in the manufacturing of personal and home care, printing and other divisions were higher than their recoverable amounts of RM12.9 million determined using value in use ("VIU") and fair value less cost of disposal methods.

Accordingly, RM5.5 million (2023 : RM0.9 million) was recognised as an impairment loss.

VIU was determined by discounting the future cash flows generated from the continuing use of the cash-generating unit and the projected cash flows were prepared based on a 5-year financial budget and projections prepared by the management and approved by the Board of Directors. The sales growth and margins represent management assessment of future trends of the business and are based on past business performance and management's expectations on market development. The cash flow projections were discounted using a pre-tax discount rate of 10% (2023: 13%) after considering the risks and uncertainties of the cashflows. There are inherent uncertainties and significant Directors' judgement involved in arriving at the recoverable amounts. The inherent uncertainties, amongst others, include the key assumptions, including discount rates used.

See Note 3.1 and 4.3 for details on FVLCD method including key assumptions used.

6.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

7. Investment in an associate - Group

| | 2024 RM'000 | 2023 RM'000 |
|-----------------------------------|----------------|----------------|
| Investment in shares | 5,292 | 5,292 |
| Share of post-acquisition reserve | 127,811 | 163,631 |
| | <u>133,103</u> | <u>168,923</u> |

The financial year end of the associate is 30 November.

Details of the material associates are as follows:

| Name of entity | Effective ownership interest and voting interest | | Principal place of business/Country of incorporation | Nature of the relationship |
|---------------------------------------|--|------|--|---|
| | 2024 | 2023 | | |
| Zhulian Holdings (Thailand) Co., Ltd. | 49% | 49% | Thailand | Investment holding and master agent in Thailand |

7. Investment in an associate - Group (continued)

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

| | 2024 RM'000 | 2023 RM'000 |
|---|----------------|----------------|
| Zhulian Holdings (Thailand) Co., Ltd., its subsidiaries and an associate | | |
| Summarised financial information | | |
| As at 30 November | | |
| Non-current assets | 205,289 | 214,243 |
| Current assets | 161,106 | 219,414 |
| Non-current liabilities | (29,957) | (31,733) |
| Current liabilities | (55,033) | (45,976) |
| Net assets | 281,405 | 355,948 |
| Year ended 30 November | | |
| Profit for the year | 23,955 | 17,660 |
| Other comprehensive (expense)/income | (19,504) | 13,706 |
| Total comprehensive income | 4,451 | 31,366 |
| Included in the total comprehensive income is: | | |
| Revenue | 275,646 | 292,044 |
| Reconciliation of net assets to carrying amount as at 30 November | | |
| Group's share of net assets | 137,888 | 174,414 |
| Elimination of unrealised profits | (4,785) | (5,491) |
| Carrying amount in the statement of financial position | 133,103 | 168,923 |
| Group's share of results for the year ended 30 November | | |
| Group's share of profit for the year, net of tax | 11,738 | 8,653 |
| Share of other comprehensive (expense)/income of equity-accounted associate | (9,557) | 6,716 |
| Total | 2,181 | 15,369 |
| Other information | | |
| Dividends received by the Group (net of withholding tax) | 38,706 | 10,305 |

7.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

8. Deferred tax assets/(liabilities) - Group

8.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

| | Assets | | | Liabilities | | | Net | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Property, plant and equipment - capital allowances | 475 | 461 | (1,959) | (2,067) | (1,484) | (1,606) | (1,484) | (1,606) |
| Tax loss carry-forwards | 891 | 2,290 | — | — | 891 | 2,290 | 891 | 2,290 |
| Others | 454 | 1,572 | — | — | 454 | 1,572 | 454 | 1,572 |
| | 1,820 | 4,323 | (1,959) | (2,067) | (139) | 2,256 | (139) | 2,256 |
| Set off of tax | 2,201 | 1,623 | (2,201) | (1,623) | — | — | — | — |
| Net deferred tax assets/(liabilities) | 4,021 | 5,946 | (4,160) | (3,690) | (139) | 2,256 | (139) | 2,256 |

8. Deferred tax assets/(liabilities) - Group (continued)

8.2 Unrecognised deferred tax assets

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

| | 2024 RM'000 | 2023 RM'000 |
|--|----------------|----------------|
| Tax loss carry-forwards | | |
| - Expiring not more than 5 years (Note (a)) | 3,119 | 3,292 |
| - Expiring not more than 10 years (Note (b)) | 37,026 | 26,192 |
| - No expiry period (Note (c)) | 4,616 | 5,209 |
| | 44,761 | 34,693 |
| Property, plant and equipment | | |
| - capital allowances (Note (d)) | 7,026 | 6,356 |
| Others | 16,878 | 14,954 |
| | 68,665 | 56,003 |

- (a) Tax losses carry-forwards of the Indonesian subsidiary are subject to a 5-year time limit under the tax legislations of Indonesia.

Tax losses for which no deferred tax asset was recognised expire under the tax legislations of Indonesia as follow:

| | 2024 RM'000 | 2023 RM'000 |
|------------------|----------------|----------------|
| Expire in YA2024 | — | 370 |
| Expire in YA2025 | 876 | 941 |
| Expire in YA2026 | 666 | 715 |
| Expire in YA2027 | 1,179 | 1,266 |
| Expire in YA2029 | 398 | — |
| | 3,119 | 3,292 |

- (b) Tax losses carry-forwards of the Malaysian subsidiaries are subject to a 10-year time limit under the tax legislations of Malaysia.

Tax losses for which no deferred tax asset was recognised expire under the tax legislations of Malaysia as follow:

| | 2024 RM'000 | 2023 RM'000 |
|------------------|----------------|----------------|
| Expire in YA2028 | 15,023 | 8,844 |
| Expire in YA2029 | 2,551 | 2,551 |
| Expire in YA2030 | 1,155 | 1,155 |
| Expire in YA2031 | 2,896 | 2,896 |
| Expire in YA2032 | 3,568 | 3,568 |
| Expire in YA2033 | 7,178 | 7,178 |
| Expire in YA2034 | 4,655 | — |
| | 37,026 | 26,192 |

8. Deferred tax assets/(liabilities) - Group (continued)

8.2 Unrecognised deferred tax assets (continued)

- (c) Unutilised tax losses in certain countries are not subject to expiry limit.
- (d) Unutilised capital allowances do not expire under the tax legislations of respective countries.

Deferred tax assets have not been recognised as it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised property, plant and equipment - capital allowances, tax loss carry-forwards and others available to the Group.

8.3 Movements in temporary differences during the year

| | At 1.12.2022 RM'000 | Recognised in profit or loss (Note 21) RM'000 | At 30.11.2023/ 1.12.2023 RM'000 | Recognised in profit or loss (Note 21) RM'000 | At 30.11.2024 RM'000 |
|--|---------------------------|---|--|---|----------------------------|
| Property, plant and equipment - capital allowances | (1,752) | 146 | (1,606) | 122 | (1,484) |
| Tax loss carry-forwards | 2,871 | (581) | 2,290 | (1,399) | 891 |
| Others | 1,209 | 363 | 1,572 | (1,118) | 454 |
| Net deferred tax assets | 2,328 | (72) | 2,256 | (2,395) | (139) |

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

8. Deferred tax assets/(liabilities) - Group (continued)

8.4 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

9. Inventories - Group

| | 2024 RM'000 | 2023 RM'000 |
|--------------------------|----------------|----------------|
| Raw materials | 19,809 | 21,599 |
| Work-in-progress | 4,504 | 4,787 |
| Manufactured inventories | 4,138 | 4,587 |
| Consumables | 2,738 | 2,982 |
| Trading inventories | 37 | 899 |
| | <u>31,226</u> | <u>34,854</u> |

9.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

10. Trade and other receivables

| | Note | Group | | Company | |
|------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Non-current | | | | | |
| Prepayments | | 1,275 | 406 | — | — |
| Current | | | | | |
| Trade | | | | | |
| Amount due from an associate | 10.1 | 19,495 | 18,280 | — | — |
| Others | | 1,362 | 2,097 | — | — |
| | | 20,857 | 20,377 | — | — |
| Non-trade | | | | | |
| Other receivables | | 211 | 198 | 106 | 109 |
| Deposits | | 578 | 332 | 5 | 4 |
| Prepayments | 10.2 | 1,580 | 2,565 | 4 | 5 |
| Dividends receivable | | — | — | 23,700 | 32,600 |
| | | 2,369 | 3,095 | 23,815 | 32,718 |
| | | 23,226 | 23,472 | 23,815 | 32,718 |

10.1 Amount due from an associate

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

10.2 Prepayments

The non-current prepayments were paid for the purchase of plant and equipment.

Included in current prepayments are advances paid to suppliers amounting to RM627,206 (2023 : RM1,866,714) for the purchase of raw materials.

11. Cash and cash equivalents

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Short-term deposits with licensed banks | 53,157 | 63,527 | 31,200 | 31,500 |
| Cash and bank balances | 106,961 | 91,718 | 8,161 | 9,451 |
| | 160,118 | 155,245 | 39,361 | 40,951 |

12. Share capital - Group/Company

| | 2024 | | 2023 | |
|--|------------------|-----------------------------|------------------|-----------------------------|
| | Amount RM'000 | Number of shares '000 | Amount RM'000 | Number of shares '000 |
| Issued and fully paid ordinary shares with no par value classified as equity instruments | 230,000 | 460,000 | 230,000 | 460,000 |

12.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. Reserves

| | Note | Group | | Company | |
|--------------------------|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Non-distributable | | | | | |
| Translation reserve | 13.1 | 43,949 | 53,201 | — | — |
| Capital reserve | 13.2 | 2,000 | 2,000 | — | — |
| Distributable | | | | | |
| Retained earnings | | 149,634 | 176,792 | 9,637 | 18,940 |
| | | 195,583 | 231,993 | 9,637 | 18,940 |

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

13.1 Translation reserve

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

13.2 Capital reserve

Capital reserve of the Group represents the Group's interest in subsidiaries' capital redemption reserve which represents a transfer from the retained earnings arising from the redemption of redeemable preference shares by subsidiaries of the Company.

14. Trade and other payables

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Trade payables | 6,056 | 5,075 | — | — |
| Non-trade | | | | |
| Other payables | 1,680 | 2,244 | 2 | 16 |
| Security deposits received from agents | 6,049 | 6,303 | — | — |
| Accrued expenses | 8,904 | 8,923 | 289 | 290 |
| Dividend payable | 9,200 | 13,800 | 9,200 | 13,800 |
| | 25,833 | 31,270 | 9,491 | 14,106 |
| | 31,889 | 36,345 | 9,491 | 14,106 |

15. Contract liabilities - Group

| | 2024 RM'000 | 2023 RM'000 |
|----------------------|----------------|----------------|
| Contract liabilities | 117 | 227 |

The contract liabilities primarily relate to the distributorship subscription fee received for which revenue is recognised over time across the subscription period.

Changes to contract liabilities balance during the year are as follows:

| | 2024 RM'000 | 2023 RM'000 |
|--|----------------|----------------|
| At the beginning of the year | 227 | 83 |
| Contract liabilities balance at the beginning of the year recognised as revenue | (227) | (83) |
| Increases due to cash received, excluding amounts recognised as revenue during the year | 117 | 227 |
| At the end of the year | 117 | 227 |

16. Revenue

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue from contracts with customers | | | | |
| <i>Recognised at point in time</i> | | | | |
| - Sale of goods - wholesale | 96,089 | 96,202 | — | — |
| - Sale of goods - direct sales | 24,918 | 29,052 | — | — |
| <i>Recognised over time</i> | | | | |
| - Direct sales distributorship subscription fee | 390 | 329 | — | — |
| - Management services rendered | 4,013 | 4,036 | — | — |
| Other revenue | | | | |
| - Rental income | 754 | 2,749 | — | — |
| - Dividend income | — | — | 46,400 | 59,900 |
| Total revenue | 126,164 | 132,368 | 46,400 | 59,900 |

16.1 Disaggregation of revenue

| | Group | |
|-------------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Primary geographical markets | | |
| Thailand | 92,353 | 91,947 |
| Malaysia | 24,885 | 30,835 |
| Cambodia | 7,621 | 8,139 |
| Others | 1,305 | 1,447 |
| | 126,164 | 132,368 |

16. Revenue (continued)

16.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

| Nature of goods or services | Timing of recognition or method used to recognised revenue | Significant payment terms | Variable element in consideration |
|---|---|--|--|
| Sale of goods - wholesale | Revenue is recognised at point in time when the goods are delivered to the customers. | Credit period of 30 - 90 days from invoice date. | Not applicable. |
| Sale of goods - direct sales | Revenue is recognised at point in time when the goods are delivered to the customers. | Cash term. | Incentives given to distributors of which the amounts are dependent on level of sales. |
| Direct sales distributorship subscription fee | Revenue is recognised over time across the subscription period. | No credit period given. | Not applicable. |
| Management services rendered | Revenue is recognised over time when services are rendered. | Credit period of 30 days from invoice date. | Not applicable. |

There are no obligations for returns or refunds and warranty attached to the goods sold by the Group, other than those goods sold on direct sales basis in Malaysia which are allowed to be returned subject to a cooling off period of 10 working days pursuant to Section 23(i)(b) of the Direct Sales and Anti Pyramid Scheme Act 1983.

16.3 Transaction price allocated to the remaining obligations

The Group applies the practical expedient exemption in paragraph 121(a) of MFRS 15 and does not disclose the transaction price allocated to unsatisfied (or partially satisfied) performance obligations where the contract has original expected duration of 1 year or less.

17. Results from operating activities

Results from operating activities are arrived at after charging/(crediting):

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Auditors' remuneration | | | | |
| - Audit fees | | | | |
| KPMG PLT Malaysia | 311 | 311 | 68 | 68 |
| Other auditors | 18 | 9 | — | — |
| - Non-audit fees | | | | |
| KPMG PLT Malaysia | 6 | 6 | 6 | 6 |
| Local affiliates of KPMG PLT Malaysia | 230 | 295 | 6 | 4 |
| Other auditors | 14 | 3 | — | — |

17. Results from operating activities (continued)

Results from operating activities are arrived at after charging/(crediting): (continued)

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Material expenses/(income) | | | | |
| Inventories written off | 243 | 135 | — | — |
| Inventories written down | 202 | 944 | — | — |
| Personnel expenses (including key management personnel) | | | | |
| - Wages, salaries and others | 26,034 | 26,167 | — | — |
| - Contributions to state plans | 3,046 | 3,074 | — | — |
| Depreciation of: | | | | |
| - Property, plant and equipment (Note 3) | 4,364 | 5,067 | — | — |
| - Right-of-use assets (Note 4) | 481 | 478 | — | — |
| - Investment properties (Note 5) | 712 | 726 | — | — |
| Impairment loss on investment in subsidiaries | — | — | 5,524 | 918 |
| Plant and equipment written off | 27 | 2 | — | — |
| Research and development expenditure | 21 | 23 | — | — |
| Dividend income from subsidiaries | — | — | (46,400) | (59,900) |
| Net foreign exchange (gain)/loss | | | | |
| - Realised | 1,190 | (2,229) | — | — |
| - Unrealised | (518) | (210) | — | — |
| Gain on disposal of: | | | | |
| - plant and equipment | (670) | (11) | — | — |
| Net loss on impairment of financial instruments | | | | |
| Impairment loss on trade receivables | 181 | 89 | — | — |
| Expenses/(Income) arising from leases: | | | | |
| Expenses relating to short-term leases (Note a) | 3 | 3 | — | — |
| Lease income from properties (Note 5.2) | (1,366) | (3,349) | — | — |

Note a

The Group leases office building with contract terms of 1 year or less. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

18. Finance income

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Interest income of financial assets calculated using the effective interest method that are: | | | | |
| - at amortised cost | 3,958 | 4,575 | 1,260 | 1,256 |

19. Finance costs - Group

| | Group | |
|---------------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Interest expense on lease liabilities | 8 | 8 |

20. Key management personnel compensations

The key management personnel compensations are as follows:

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Directors of the Company | | | | |
| - Fees | 200 | 200 | 200 | 200 |
| - Remuneration | 2,903 | 2,939 | 15 | 16 |
| Other Directors | | | | |
| - Remuneration | 1,122 | 1,136 | — | — |
| | 4,225 | 4,275 | 215 | 216 |

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

21. Tax expense

Recognised in profit or loss

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Income tax expense | 9,128 | 7,794 | 301 | 300 |
| Share of tax of equity-accounted associate | 5,636 | 4,859 | — | — |
| Total income tax expense | 14,764 | 12,653 | 301 | 300 |

21. Tax expense (continued)

Major components of income tax expense include:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Current tax expense | | | | |
| - Current year | 6,744 | 7,730 | 301 | 300 |
| - Prior year | (11) | (8) | — | — |
| Total current tax recognised in profit or loss | 6,733 | 7,722 | 301 | 300 |
| Deferred tax expense | | | | |
| - Current year | 4,374 | 2,592 | — | — |
| - Prior year | (1,979) | (2,520) | — | — |
| Total deferred tax recognised in profit or loss | 2,395 | 72 | — | — |
| Share of tax of equity-accounted associate | 5,636 | 4,859 | — | — |
| Total income tax expense | 14,764 | 12,653 | 301 | 300 |

Reconciliation of tax expense

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Profit for the year | 23,442 | 29,236 | 41,297 | 59,363 |
| Total income tax expense | 14,764 | 12,653 | 301 | 300 |
| Profit excluding tax | 38,206 | 41,889 | 41,598 | 59,663 |
| Income tax calculated at Malaysian tax rate of 24% | 9,169 | 10,053 | 9,983 | 14,319 |
| Effect of tax rates in foreign jurisdictions* | (462) | (504) | — | — |
| Effect of tax on foreign source income | 2,365 | 1,704 | — | — |
| Effect of withholding tax on equity-accounted associate | 14 | 8 | — | — |
| Non-deductible expenses | 2,648 | 2,712 | 1,454 | 357 |
| Income not subject to tax | — | (8) | (11,136) | (14,376) |
| Tax incentives | (19) | — | — | — |
| Changes in unrecognised temporary differences | 3,039 | 1,216 | — | — |
| Over provision in prior year | (1,990) | (2,528) | — | — |
| Income tax expense | 14,764 | 12,653 | 301 | 300 |

* The associate and a subsidiary operate in the tax jurisdictions with lower tax rates.

22. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of RM23,442,000 (2023 : RM29,236,000) and a weighted average number of ordinary shares outstanding during the financial year of 460,000,000 (2023 : 460,000,000).

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are no potential dilutive ordinary shares.

23. Dividends - Group/Company

Dividends recognised in the current year by the Company are:

| | sen per share | Amount RM'000 | Date of payment |
|------------------------------|---------------|---------------|-------------------|
| 2024 | | | |
| Fourth interim 2023 ordinary | 3 | 13,800 | 13 March 2024 |
| Special 2023 ordinary | 1 | 4,600 | 13 March 2024 |
| First interim 2024 ordinary | 3 | 13,800 | 5 June 2024 |
| Second interim 2024 ordinary | 2 | 9,200 | 11 September 2024 |
| Third interim 2024 ordinary | 2 | 9,200 | 11 December 2024 |
| | | 50,600 | |
| 2023 | | | |
| Fourth interim 2022 ordinary | 3 | 13,800 | 8 March 2023 |
| Special 2022 ordinary | 5 | 23,000 | 8 March 2023 |
| First interim 2023 ordinary | 3 | 13,800 | 7 June 2023 |
| Second interim 2023 ordinary | 3 | 13,800 | 6 September 2023 |
| Third interim 2023 ordinary | 3 | 13,800 | 6 December 2023 |
| | | 78,200 | |

The Directors declared a fourth interim dividend of 2 sen per ordinary share, totalling RM9.2 million in respect of the year ended 30 November 2024 on 22 January 2025 and payable on 12 March 2025.

The financial statements do not reflect these dividends declared after 30 November 2024, which will be accounted for as an appropriation of retained earnings in the year ending 30 November 2024.

24. Commitments - Group

Capital commitments

| | 2024 RM'000 | 2023 RM'000 |
|--|----------------|----------------|
| Property, plant and equipment Contracted but not provided for | 528 | 979 |

25. Capital management

The Group's objectives when managing capital are 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 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 did not have any bank borrowings during the financial year ended 30 November 2024.

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

26. Operating segments

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

Geographical information

In presenting information on the geographical basis, the revenue is based on the geographical location of customers while non-current assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments, investment in an associate and deferred tax assets.

26. Operating segments (continued)

Geographical information (continued)

| | Malaysia RM'000 | Thailand RM'000 | Cambodia RM'000 | Other countries RM'000 | Consolidated RM'000 |
|--------------------|--------------------|--------------------|--------------------|------------------------------|------------------------|
| 2024 | | | | | |
| Revenue | 24,885 | 92,353 | 7,621 | 1,305 | 126,164 |
| Non-current assets | 102,035 | – | – | 8,029 | 110,064 |
| 2023 | | | | | |
| Revenue | 30,835 | 91,947 | 8,139 | 1,447 | 132,368 |
| Non-current assets | 104,982 | – | – | 8,972 | 113,954 |

Major customers

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

| | Revenue | |
|------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Customer A | 99,974 | 100,086 |

27. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 20), are shown below. The balances related to the new transactions are shown in Note 10 to the financial statements.

| | Amount transacted for the year ended 30 November | |
|--|---|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Group | | |
| Associate | | |
| Sales | 95,961 | 96,050 |
| Management fee income | 4,013 | 4,036 |
| Dividend income | 43,007 | 11,450 |
| Company | | |
| Subsidiaries | | |
| Dividend income | 46,400 | 59,900 |
| Increase in investment in subsidiaries | 2,100 | 1,000 |

Significant related party balances are disclosed in Note 10 to the financial statements.

28. Financial instruments

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost.

| | Carrying amount RM'000 | Amortised cost RM'000 |
|--|---------------------------|--------------------------|
| 2024 | | |
| Financial assets | | |
| Group | | |
| Trade and other receivables, excluding prepayments | 21,646 | 21,646 |
| Cash and cash equivalents | 160,118 | 160,118 |
| | 181,764 | 181,764 |
| Company | | |
| Other receivables, excluding prepayments | 23,811 | 23,811 |
| Cash and cash equivalents | 39,361 | 39,361 |
| | 63,172 | 63,172 |
| Financial liabilities | | |
| Group | | |
| Trade and other payables | (31,889) | (31,889) |
| Company | | |
| Other payables | (9,491) | (9,491) |
| 2023 | | |
| Financial assets | | |
| Group | | |
| Trade and other receivables, excluding prepayments | 20,907 | 20,907 |
| Cash and cash equivalents | 155,245 | 155,245 |
| | 176,152 | 176,152 |
| Company | | |
| Other receivables, excluding prepayments | 32,713 | 32,713 |
| Cash and cash equivalents | 40,951 | 40,951 |
| | 73,664 | 73,664 |
| Financial liabilities | | |
| Group | | |
| Trade and other payables | (36,345) | (36,345) |
| Company | | |
| Other payables | (14,106) | (14,106) |

28. Financial instruments (continued)

28.2 Net gains arising from financial instruments

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Net gains arising on: | | | | |
| Financial assets measured at amortised cost | 3,192 | 6,833 | 1,260 | 1,256 |
| Financial liabilities measured at amortised cost | (87) | 92 | — | — |
| | <u>3,105</u> | <u>6,925</u> | <u>1,260</u> | <u>1,256</u> |

28.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

28.4 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. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade 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 required credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

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

28. Financial instruments (continued)

28.4 Credit risk (continued)

Trade receivables (continued)

Concentration of credit risk

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

| | 2024 RM'000 | 2023 RM'000 |
|----------|----------------|----------------|
| Thailand | 18,132 | 17,566 |
| Malaysia | 1,348 | 2,081 |
| Cambodia | 1,363 | 714 |
| Others | 14 | 16 |
| | <u>20,857</u> | <u>20,377</u> |

Recognition and measurement of impairment losses

The Group manages credit risk of trade receivables by taking appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit period granted.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Invoices which are past due 30 days will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years and forward-looking information. The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short term nature.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

| | Gross carrying amount RM'000 | Loss allowance RM'000 | Net balance RM'000 |
|----------------------------|---------------------------------------|-----------------------------|--------------------------|
| Group | | | |
| 2024 | | | |
| Not past due | 20,818 | — | 20,818 |
| Past due 1 - 30 days | 32 | — | 32 |
| More than 30 days past due | 7 | — | 7 |
| | <u>20,857</u> | <u>—</u> | <u>20,857</u> |
| Credit impaired | | | |
| More than 30 days past due | 412 | (412) | — |
| | <u>21,269</u> | <u>(412)</u> | <u>20,857</u> |
| 2023 | | | |
| Not past due | 20,363 | — | 20,363 |
| Past due 1 - 30 days | 12 | — | 12 |
| More than 30 days past due | 2 | — | 2 |
| | <u>20,377</u> | <u>—</u> | <u>20,377</u> |
| Credit impaired | | | |
| More than 30 days past due | 231 | (231) | — |
| | <u>20,608</u> | <u>(231)</u> | <u>20,377</u> |

28. Financial instruments (continued)

28.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

There are trade receivables which have already past due but the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting period and historical collection trend from these customers.

The movements in the allowance for impairment losses in respect of trade receivables during the year are shown below.

| | Credit impaired RM'000 |
|---|------------------------------|
| Group | |
| Balance at 1 December 2022 | 142 |
| Impairment loss | 89 |
| Balance at 30 November 2023/1 December 2023 | 231 |
| Impairment loss | 181 |
| Balance at 30 November 2024 | 412 |

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

Other receivables

Credit risk on other receivables is mainly arising from the amounts due from non-trade receivables and local authorities.

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

As at the end of the reporting period, the Group and the Company are of the view that loss allowance is not material and hence did not recognise any allowance for impairment losses.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. The Group and the Company are of the view that loss allowance is not material and hence did not recognise any allowance for impairment losses.

28. Financial instruments (continued)

28.4 Credit risk (continued)

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

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 RM1.14 million (2023: RM1.19 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements for the subsidiaries to secure loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment loss.

28.5 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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

28. Financial instruments (continued)

28.5 Liquidity risk (continued)

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 rates/ Discount rate per annum % | Contractual cash flows RM'000 | Under 1 year RM'000 | 1 - 2 years RM'000 | 2 - 5 years RM'000 |
|---|---------------------------|---|----------------------------------|------------------------|-----------------------|-----------------------|
| Group | | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| 2024 | | | | | | |
| Lease liabilities | 304 | 5.0 | 321 | 138 | 138 | 45 |
| Trade and other payables | 31,889 | — | 31,889 | 31,889 | — | — |
| | <u>32,193</u> | | <u>32,210</u> | <u>32,027</u> | <u>138</u> | <u>45</u> |
| 2023 | | | | | | |
| Lease liabilities | 293 | 5.0 | 310 | 138 | 82 | 90 |
| Trade and other payables | 36,345 | — | 36,345 | 36,345 | — | — |
| | <u>36,638</u> | | <u>36,655</u> | <u>36,483</u> | <u>82</u> | <u>90</u> |
| Company | | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| 2024 | | | | | | |
| Other payables | 9,491 | — | 9,491 | 9,491 | — | — |
| Financial guarantee | — | — | 1,140 | 1,140 | — | — |
| | <u>9,491</u> | | <u>10,631</u> | <u>10,631</u> | <u>—</u> | <u>—</u> |
| 2023 | | | | | | |
| Other payables | 14,106 | — | 14,106 | 14,106 | — | — |
| Financial guarantee | — | — | 1,188 | 1,188 | — | — |
| | <u>14,106</u> | | <u>15,294</u> | <u>15,294</u> | <u>—</u> | <u>—</u> |

28. Financial instruments (continued)

28.6 Market risk

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

28.6.1 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 the Group entities. The currency giving rise to this risk is primarily United States Dollar ("USD").

Exposure to foreign currency risk

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

| | Denominated in USD |
|----------------------------|--------------------|
| | RM'000 |
| Group | |
| 2024 | |
| Trade and other receivable | 19,509 |
| Cash and cash equivalents | 4,549 |
| Trade and other payables | (114) |
| Net exposure | <u>23,944</u> |
| 2023 | |
| Trade and other receivable | 18,298 |
| Cash and cash equivalents | 4,045 |
| Trade and other payables | (2) |
| Net exposure | <u>22,341</u> |

Currency risk sensitivity analysis

A 10% (2023 : 10%) strengthening of RM against USD at the end of the reporting period would have decreased post-tax profit or loss by the amount shown below. This analysis is based on foreign currency exchange rate variances, that the Group considered to be reasonably possible at the end of the reporting period. 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 | Equity RM'000 |
|--------------|--------------------------|------------------|
| Group | | |
| 2024 | | |
| USD | 1,820 | — |
| 2023 | | |
| USD | 1,698 | — |

A 10% (2023 : 10%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect to the amount shown above, on the basis that all other variables remained constant.

28. Financial instruments (continued)

28.6 Market risk (continued)

28.6.2 Interest rate risk

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-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Fixed rate instruments | | | | |
| Financial assets | | | | |
| - Short-term deposits | 53,157 | 63,527 | 31,200 | 31,500 |
| - Cash at banks | 105,001 | 86,232 | 8,161 | 6,430 |
| | <u>158,158</u> | <u>149,759</u> | <u>39,361</u> | <u>37,930</u> |
| Financial liabilities | | | | |
| - Lease liabilities | (304) | (293) | — | — |
| | <u>(304)</u> | <u>(293)</u> | <u>—</u> | <u>—</u> |

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.

28. Financial instruments (continued)

28.7 Fair value information

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

The Company provides guarantees to financial institutions for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is negligible as the probability of the subsidiaries defaulting on the credit lines is remote.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2023 : no transfer in either directions).

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)
(Incorporated in Malaysia)
and its subsidiaries

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 82 to 127 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 November 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
Teoh Meng Keat

Director

.....
Teoh Meng Lee

Director

Penang,

Date: 10 March 2025

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)

(Incorporated in Malaysia)

and its subsidiaries

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Teoh Meng Keat**, 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 82 to 127 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Teoh Meng Keat**, NRIC: 670612-07-5613, at George Town in the State of Penang on 10 March 2025.

.....
Teoh Meng Keat

Before me:

Goh Suan Bee
(No. P125)
Commissioner for Oaths
Penang

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)
(Incorporated in Malaysia)
and its subsidiaries

INDEPENDENT AUDITORS' REPORT

to the members of ZHULIAN CORPORATION BERHAD

(Registration No. 199701000031 (415527 - P))

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zhulian Corporation Berhad, which comprise the statements of financial position as at 30 November 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Investments in subsidiaries - Company

Refer to Note 1(d) (*basis of preparation - Use of estimates and judgements*) and Note 6.1. Impairment loss for investments in subsidiaries.

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>There is a risk of impairment on the Company's investments in subsidiaries due to the current business sentiment and weak demand in certain markets where certain subsidiaries made losses during the year. The Company assesses the recoverable amounts of investments in subsidiaries whenever there are indicators of impairment.</p> <p>The Company estimated the recoverable amounts of the investments in subsidiaries concerned either by determining their value in use ("VIU") or fair value less costs of disposal ("FVLCD") in order to determine the amount of impairment loss which should be recognised for the year, if any. There are inherent uncertainties and significant Directors' judgement involved in arriving at the recoverable amounts. The inherent uncertainties, amongst others, include the key assumptions, including discount rates used.</p> <p>This is one of the key judgement areas that we focused in our audit because it requires us to exercise significant judgement when evaluating the appropriateness of key assumptions, including discount rates applied by the Directors in determining the recoverable amounts.</p> | <p>Our audit procedures, amongst others, include:</p> <ul style="list-style-type: none"> Assessed the performance of the subsidiaries against the carrying value of the investments in identifying any potential impairment loss indicator, and Compared the carrying amount of investment against its recoverable amount determined based on VIU or FVLCD, where applicable at year end for any impairment loss needed. <p><u>For recoverable amount determined using the VIU</u></p> <ul style="list-style-type: none"> Assessed the reasonableness of the Directors' forecasts and projections against actual results and challenged the key assumptions on the revenue growth and gross profit margin by comparing them against historical trends to determine whether they are reasonable and supportable; Challenged the subsidiaries' future plans and considered the reliability and relevance of data by comparing to the past trends and market outlook for their products; Assessed the appropriateness of the discount rates used by comparing them with our expectations based on our knowledge of the industry in which the subsidiaries operate in; and Performed sensitivity analyses on assumptions that are key to the value-in-use. <p><u>For recoverable amount determined using the FVLCD</u></p> <ul style="list-style-type: none"> Obtained published prices for similar properties to compare with the Directors' estimation of their fair values and make enquiries with the Directors as to the reasons for any significant variation; and Considered the adequacy of disclosures of the key assumptions that are highly judgmental and sensitive. |

We have determined that there is no key audit matter in the audit of the consolidated financial statements of the Group to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

ZHULIAN CORPORATION BERHAD

199701000031 (415527-P)
(Incorporated in Malaysia)
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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Penang

Date: 10 March 2025

Lee Yee Keng
Approval Number: 02880/04/2025 J
Chartered Accountant



OTHER INFORMATION

LIST OF PROPERTIES

| Location | Description/ Existing use | (i) Land area (ii) Built-up area (m ²) | Tenure/Age of building | Carrying amount at 30 Nov 2024 (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) 15,276.90 sq. metres | Leasehold (60 years expiring 2 Feb 2055) / 26 years | 13,057 | 10 Mar 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) 12,609.72 sq. metres | Leasehold (60 years expiring 30 Dec 2053) / 28 years | 15,740 | 27 Feb 1993 |
| Unit 26-B and 26-C, Jalan Tun Dr Awang, Sungai Nibong Kecil, 11900 Bayan Lepas, Penang. | Two commercial units located on 2 nd and 3 rd floor of a 4½-storey complex | (i) n/a (ii) 100.614 sq. metres on each floor | Freehold / 31 years | 215 | 27 Dec 1994 |
| Lot 2428-2584, 2587-2589, 2592-2593, Keladi, Bandar Kulim, Daerah Kulim. <i>(Formerly known as Geran No.HSM861 to HSM1022 and No. Lot PT5081 to PT5244)</i> | Land ^(a) | (i) 28,918 sq. metres (ii) n/a | Freehold | 6,092 | 13 Mar 1996 |
| Plot 3, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang. | 5-storey factory building | (i) 4.314 acres (17,458 sq. metres) (ii) 30,098.56 sq. metres | Leasehold (60 years expiring 29 May 2051) / 17 years | 33,070 | 25 July 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 / 29 years | 5,694 | 14 Nov 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 / 29 years | 2,072 | 14 Dec 2006 |
| Lot No. 12414, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang. | Land | (i) 16,244 sq. metres | Leasehold (60 years expiring 18 Oct 2055) | 7,395 | 29 July 2010 |

^(a) These properties are currently vacant.

LIST OF PROPERTIES

| Location | Description/ Existing use | (i) Land area (ii) Built-up area (m ²) | Tenure/Age of building | Carrying amount at 30 Nov 2024 (RM'000) | Date of Acquisition |
|---|--|--|--|--|------------------------|
| Ruko Sumber Baru Square 1 KAV.Q Jl Ring Road Utara Ngemplak Nganti Sendangadi, Mlati, Sleman Daerah Istimewa Yogyakarta. | 3-storey shoplot ^(a) | (i) 222 sq. metres (ii) 236 sq. metres | Leasehold (30 years expiring 20 Apr 2040) / 13 years | 131 | 2 May 2013 |
| Ruko Sumber Baru Square 1 KAV.R Jl Ring Road Utara Ngemplak Nganti Sendangadi, Mlati, Sleman Daerah Istimewa Yogyakarta. | 3-storey shoplot ^(a) | (i) 222 sq. metres (ii) 236 sq. metres | Leasehold (30 years expiring 20 Apr 2040) / 13 years | 132 | 2 May 2013 |
| Plot 38, Hilir Sungai Keluang Dua, Phase IV, Bayan Lepas Industrial Park, 11900 Pulau Pinang. | Single-storey factory building | (i) 4,277 sq. metres (ii) 2,004.42 sq. metres | Leasehold (60 years expiring 24 Nov 2053) / 30 years | 6,040 | 6 Dec 2013 |
| Geran 20899, Lot 60060, Mukim Lubuk Kawah, Daerah Besut, Negeri Terengganu. | 3-storey shop-office ^(a) | (i) n/a (ii) 369 sq. metres | Freehold / 12 years | 642 | 4 Aug 2014 |
| Geran 20900, Lot 60061, Mukim Lubuk Kawah, Daerah Besut, Negeri Terengganu. | 3-storey shop-office ^(a) | (i) n/a (ii) 369 sq. metres | Freehold / 12 years | 642 | 4 Aug 2014 |
| Plot 53, Hilir Sungai Keluang 2, Bayan Lepas Industrial Zone, Phase IV, 11900 Bayan Lepas, Penang. | Double-storey office block with an annexed single-storey factory | (i) 6,064 sq.metres (ii) 3,220 sq.metres | Leasehold (60 years expiring 12 Jun 2055) / 27 years | 9,133 | 20 Oct 2015 |

^(a) These properties are currently vacant.

REGIONAL OFFICES, DISTRIBUTION CENTRES & DISTRICT AGENTS

(as at 28 February 2025)

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 |
| CAMBODIA | ZHULIAN NETWORK (CAMBODIA) CO., LTD. | Warehouse No. 1, Street 108, Phoum Samrong Sangkat Khmounh, Khan Sen Sok, Phnom Penh, Cambodia. | 086601539 | |

Distribution Centres

| Location | Distribution Centre / Branch | Address | Tel | Fax |
|---------------------|------------------------------|--|------------|------------|
| KOTA KINABALU (KKR) | ZHULIAN PUSAT KOTA KINABALU | Unit No. 116, Block M, Alamesra Plaza Permai, Jalan Sulaiman, Kuala Menggatal, 88400 Kota Kinabalu, Sabah. | 088-484930 | 088-484920 |
| MIRI (MYM) | ZHULIAN PUSAT MIRI | Lot 1447, Block 1 MCLD, Off Jalan Pasar, Lutong, 98000 Miri, Sarawak. | 085-654871 | 085-655934 |

District Agents

PENANG

| Location | Authorised Agent(s) | Address | Tel | Fax |
|------------------|--|---|---|------------|
| BERTAM (BTA) | MOHD RIDZUAN BIN GHASALI RUHIZA BT ABDULLAH | No.79, Jalan Dagangan 4, Pusat Bandar Bertam Perdana 1, 13200 Kepala Batas, Penang. | 04-5767125 012-5652039 011-63302039 | 04-5767125 |
| BAYAN BARU (BJA) | ARIBAH BINTI MOHAMED | 12D-1, Jalan Rumbia, Sungai Nibong Kecil, 11920 Bayan Lepas, Penang. | 04-6370111 012-4083615 017-4037704 | 04-6887385 |

KEDAH

| Location | Authorised Agent(s) | Address | Tel | Fax |
|----------------------|---|--|--|------------|
| SUNGAI PETANI (SPT) | FOO YAU GEEM LOOI KONG YOKE | 18, Jalan Cempaka 1/1, Bandar Amanjaya, 08000 Sungai Petani, Kedah Darul Aman. | 04-4404899 012-4949300 | 04-4420618 |
| KULIM (KUB) | KEE AH BA | No. 15, Jalan Kempas 1, Taman Kempas Indah, 09000 Kulim, Kedah Darul Aman. | 04-4918466 012-4210690 | 04-4918466 |
| GUAR CHEMPEDAK (GCA) | IBRAHIM BIN ISMAIL ROSLINDA BT KAMIS | No. 35, Taman Chempedak Indah, Bandar Guar Chempedak, 08800 Gurun, Kedah Darul Aman. | 04-4615303 016-4196719 | |
| PENDANG (BMC) | SEAH BOON CHIN | No. 130, Rumah Kedai, Jalan Sukamari, 06700 Pendang, Kedah Darul Aman. | 04-7596219 019-5752219 016-4196720 | 04-7596219 |

District Agents

PERAK

| Location | Authorised Agent(s) | Address | Tel | Fax |
|----------------------|-----------------------------------|---|---------------------------|------------|
| IPOH (IPA) | SHARIFAH SALWAH BT MOHD JIPLUS | No. 59A, Jalan Pengkalan Utama 1, Taman Pengkalan Utama, 31650 Ipoh, Perak Darul Ridzuan. | 05-3221194 012-5881194 | 05-3221194 |
| SITIAWAN (SWN) | LAU SHENG MING WONG YEAK MEI | 127, Pusat Perniagaan Sri Manjung, 32040 Bandar Sri Manjung, Sitiawan, Perak Darul Ridzuan. | 05-6125420 016-4198899 | |
| TELUK INTAN (TTB) | ZAKIAH BT YAHYA LAU SHENG MING | No. 8B, Lorong 1, Taman Mewah, 36000 Teluk Intan, Perak Darul Ridzuan. | 05-6227453 019-5757336 | 05-6227454 |

WILAYAH PERSEKUTUAN

| Location | Authorised Agent(s) | Address | Tel | Fax |
|--------------------|---------------------|--|----------------------------|-------------|
| SETAPAK (SPA) | ROSLINA BT SAMAT | No. 6A-1, Jalan 46/26, Taman Sri Rampai, 53300 Setapak, Kuala Lumpur. | 03-41431545 019-3803659 | 03-41431545 |
| AMPANG (AMG) | DING MOY NGUK | G-18, Jalan Pandan Prima 2, Dataran Pandan Prima, 55100 Kuala Lumpur. | 03-92012668 012-3938112 | 03-92012668 |
| PUTRAJAYA (PTY) | AZMAN BIN IBRAHIM | No. 8A, Tingkat 1, Jalan Diplomatik, Nadi 15, Presint 5, 62050 Wilayah Persekutuan, Putrajaya. | 03-88618914 012-3139203 | |

SELANGOR

| Location | Authorised Agent(s) | Address | Tel | Fax |
|----------------------------|--|--|--|-------------|
| SERI KEMBANGAN (BSR) | IR. ANIS BIN MD. SALLEH | No. 3, Jalan BPP 5/8, Pusat Bandar Putra Permai, 43300 Seri Kembangan, Selangor Darul Ehsan. | 03-89582265 012-3352912 | 03-89592264 |
| SUNGAI BESAR (SBC) | AZURA BT HAMIDIN | No. 6, PT 1476, Jalan SBBC 4, Sungai Besar Business Centre, 45300 Selangor Darul Ehsan. | 03-32243413 011-14336508 | 03-32245958 |
| SHAH ALAM (SAC) | SHAIMA NAFISHA BT AZIZAN AIMAN SHAFIQ BIN AZIZAN NURUL NAJIHAH BT CHE RAZALI | 26G, Jalan Renang 13/26, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan. | 03-55242244 03-55238722 019-3338848 | |
| BANTING (BNA) | AZMI BIN ABDUL MANAF | G26-G27, Bazar Banting, Jalan Suasa, 42700 Banting, Selangor Darul Ehsan. | 03-31812253 013-3951552 019-2743953 | 03-31812253 |
| SUNGAI BULOH (SSL) | SALINA BT IBRAHIM SUHANA BT SAMAT LISA MUDIANA BT MUDIN | No. 28, Lorong Elmina 3, Fasa 6A, Sungai Buloh Country Resort, 47000 Sungai Buloh, Selangor Darul Ehsan. | 03-60394470 016-6431607 012-3747018 | |
| RAWANG (RWC) | NURUL ASHIKIN BT SAHRI | No. 83, Jalan Bandar Rawang 2, Pusat Bandar Rawang, 48000 Selangor Darul Ehsan. | 03-60910085 017-3310606 017-6403506 012-6237471 | 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 |
| BANDAR BARU BANGI (BGR) | AMIR REDZA BIN ROSLAN | No. 2-1-1, Jalan Medan Pusat Bandar 4A, Seksyen 9, 43650 Bandar Baru Bangi, Selangor Darul Ehsan. | 03-89201594 012-3668474 013-3661505 | 03-89222214 |
| BANDAR TASIK SELATAN (BTS) | TUAN LIZA BT TUAN DAUD | 59G, Metro Centre, Jalan Tasik Selatan 8 (Jalan 8/146), Bandar Tasik Selatan, Sungai Besi, 57000 Kuala Lumpur. | 019-6641975 | |
| SEPANG (SPB) | ZUHANA BT ZAKARIA | No. 28A, Tingkat Satu, Jalan Seri Qaseh Permai, Desa Seri Qaseh, 43900 Sepang, Selangor Darul Ehsan. | 019-6148799 | |
| KLANG (KLE) | SALINA BT SELAMAT SERI HARYANI BT KAMARUDIN | No. 4-G, Jalan Makyong 5D/KU5, Bandar Bukit Raja, 41050 Klang, Selangor Darul Ehsan. | 019-3338848 016-2208579 | |
| PUCHONG (PCC) | NOORFATINAH BT FAUZI | No. 19-1, Jalan Denai Utama, Taman Denai Puchong, 47100 Puchong, Selangor Darul Ehsan. | 017-2736084 | |

NEGERI SEMBILAN

| Location | Authorised Agent(s) | Address | Tel | Fax |
|----------------|----------------------------|--|---------------------------|------------|
| SENAWANG (NLB) | SITI NORBAYA BT ABD. KADIR | No. 222 Tingkat 1, Jalan Lavender Height 2, Senawang, 70450 Seremban, Negeri Sembilan. | 06-6717707 019-2246271 | 06-6717707 |

MELAKA

| Location | Authorised Agent(s) | Address | Tel | Fax |
|---------------------|---|--|--|------------|
| MASJID TANAH (MJT) | GAN CHIN KEONG 78300 Masjid Tanah, Melaka. | MT 1408, Pusat Perdagangan Masjid Tanah, 016-5207128 | 06-3848128 | 06-3848127 |
| BATU BERENDAM (SMZ) | MOHAMED SHAMSHIR BIN MOHD ZAINON BT MOHAMED SITI MADIHAH BT MOHAMED SHAMSHIR | No. 17, Jalan Mutiara Melaka 5, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka. | 06-3178607 019-6288639 012-6358639 011-16523414 | 06-3178609 |
| AYER MOLEK (JAS) | ROSNAH BT IBRAHIM Taman Desa Molek, Ayer Molek, 75460 Melaka. | No. 24, Jalan Desa Molek 2, 012-6353752 | 06-2693668 | |

District Agents

JOHOR

| Location | Authorised Agent(s) | Address | Tel | Fax |
|-------------------|---|---|--|------------|
| 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) | AZAHARI BIN BAHARUM | No. 12, Jalan Rebana, Taman Perbadanan Islam, Kebun Teh, 80250 Johor Bahru, Johor Darul Takzim. | 07-3322020 07-3340958 016-7102257 | 07-3323020 |
| 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) | PUA YEE LING | No. 4960, Jalan Merbau 2, Bandar Putra Kulai, 81000 Johor Darul Takzim. | 07-5908899 013-7098899 | 07-5908899 |
| SKUDAI (SKA) | JAMALIAH BT ESA JAMILAH BT MOHAMMAD | No. 22, Jalan Pendidikan 3, Taman Universiti, 81300 Skudai, Johor Darul Takzim. | 07-5203976 019-7788848 019-7521771 | |
| SEGAMAT (SMT) | NGOI MEE CHIN TAN KIAN SAI | No. 1, Jalan Nagasari 14, Bandar Segamat Baru, 85000 Segamat, Johor Darul Takzim. | 07-9437168 019-7587289 | 07-9437168 |

KELANTAN

| Location | Authorised Agent(s) | Address | Tel | Fax |
|--------------------|--|---|--|------------|
| PASIR TUMBOH (PSA) | WAN YAHYA @ WAN AHMAD BIN WAN IDRIS LONG HABSAH BT ISMAIL | Lot 8115, Tingkat Bawah, Bandar Satelit Islam, 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 MUHAMMAD HANNAN FATHAN BIN RASDI RASDI BIN MAMAT | PT 6329 Taman Kota Harmoni, Jalan Cempaka Merah, 17500 Tanah Merah, Kelantan Darul Naim. | 09-9552752 010-5550461 019-9390173 | 09-9552752 |
| JELI (JLA) | NOR AEISAH BT MOHD NOOR | 1-6, Bangunan Arked MARA Jeli, 17600 Jeli, Kelantan Darul Naim. | 012-9504575 | |
| GUA MUSANG (GMB) | ASLELA WANI BT MAT ZAIN | PT 2765, Jalan Chengal, Bandar Utama Gua Musang, 18300 Gua Musang, Kelantan Darul Naim. | 019-2070248 | |
| BACHOK (BCA) | YASMIN BT MOHD SHAFIE | PT 4521 (Bawah), Kedai Jelawat, Bandar Baru Jelawat, 16070 Bachok, Kelantan Darul Naim. | 011-16981982 | |

District Agents

KELANTAN

| Location | Authorised Agent(s) | Address | Tel | Fax |
|------------------|--|---|---|------------|
| KOTA BHARU (KBB) | HAMIAH BT WAN OMAR CHE SUHAIMI BIN CHE HAMID SITI ELIDA BT CHE SUHAIMI | Lot 223, Tingkat Bawah Sek.24, Jalan Sultan Yahya Petra, 15200 Kota Bharu, Kelantan Darul Naim. | 09-7486866 017-9812102 | 09-7487866 |
| PASIR MAS (PMC) | FUDZIAH BT A. HALIM | PT9644, Tingkat 1, Wisma Nawar, 17070 Lubok Jong, Pasir Mas, Kelantan Darul Naim. | 09-7916095 016-9257029 011-10957029 | 09-7916095 |

TERENGGANU

| Location | Authorised Agent(s) | Address | Tel | Fax |
|------------------------|---|--|--|--------------------------|
| KUALA TERENGGANU (KTG) | ZAWIAH @ ZAHARAH BT SHAFIE | PT35436, Dataran Austin Jalan Gong Badak, Kampung Wakaf Tembusu, 21300 Kuala Terengganu, Terengganu Darul Iman. | 09-6673919 013-5434094 013-2482825 | 09-6673919 |
| SETIU (STA) | NOR IRDAWANI BT CHE RAZALI | Lot 4189, Bangunan PMINT Fasa 11, Kampung Guntong Luar, 22100 Setiu, Terengganu Darul Iman. | 09-6097076 013-9997107 | 09-6097076 |
| KEMAMAN (KTC) | FARIDAH BT MD ISA | Lot 3998-2, Tingkat Satu, Bangunan Majlis Perbandaran Dungun, Simpang Balai Polis, 23000 Dungun, Terengganu Darul Iman. | 09-8266831 011-12165922 011-63030311 | |
| JERTEH (JAC) | ZAILANI BT YAACOB AHMAD FAHMI BIN ZULKIFLI AHMAD FARID BIN ZULKIFLI | Lot 5068, Tingkat Bawah, Tepi Hospital Besut, Jalan Pasir Akar, 22000 Jerteh, Terengganu Darul Iman. | 09-6974848 019-9348599 014-8388032 | 09-6979858 09-6974848 |

PAHANG

| Location | Authorised Agent(s) | Address | Tel | Fax |
|---------------|---|--|---------------------------|-----|
| KUANTAN (MSB) | VICTOR KEOW WUN LIONG CHONG CHIU HIONG | No. 94B, Jalan Wong Ah Jang, 25100 Kuantan, Pahang Darul Makmur. | 09-5094833 019-9159967 | |

SABAH

| Location | Authorised Agent(s) | Address | Tel | Fax |
|----------------|------------------------------|--|----------------------------|-----|
| SANDAKAN (SNA) | NORMIA BT MANSUI @ MANSOR | Blok B, Lot 8, 1st Floor, Bandar Melrose, 90000 Sandakan, Sabah. | 016-3226245 012-8616245 | |

SARAWAK

| Location | Authorised Agent(s) | Address | Tel | Fax |
|----------------------|---------------------|---|---------------------------|-----|
| TABUAN STUTONG (TSA) | DAVID LAM TAH WI | 1st Floor, Lot 153, Jalan Haji Taha, 93400 Kuching, Sarawak. | 082-232022 014-7090039 | |

ANALYSIS OF SHAREHOLDINGS as at 19 February 2025

| | | |
|-------------------------------|---|--|
| TOTAL NUMBER OF ISSUED SHARES | : | 460,000,000 |
| CLASS OF SHARE | : | Ordinary shares |
| VOTING RIGHT | : | One vote for every ordinary share held |

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

| No. of Holders | Size of Holdings | Total Holdings | % |
|----------------|--|----------------|--------|
| 260 | less than 100 shares | 9,506 | 0.00 |
| 1,398 | 100 to 1,000 shares | 908,442 | 0.20 |
| 3,964 | 1,001 to 10,000 shares | 18,379,306 | 3.99 |
| 1,623 | 10,001 to 100,000 shares | 48,026,579 | 10.44 |
| 161 | 100,001 to less than 5% of issued shares | 104,131,432 | 22.64 |
| 4 | 5% and above of issued shares | 288,544,735 | 62.73 |
| 7,410 | | 460,000,000 | 100.00 |

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

| No. | Name | Direct | | Indirect | |
|-----|-------------------------------|---------------|------|--------------------------|------|
| | | No. of Shares | % | No. of Shares | % |
| 1 | Dr. Abdul Malik Bin Md Yusoff | – | – | – | – |
| 2 | Teoh Meng Keat | 26,869,600 | 5.84 | 2,666,666 ^(a) | 0.58 |
| 3 | Teoh Meng Lee | 9,375,999 | 2.04 | – | – |
| 4 | Teoh Meng Soon | 9,429,166 | 2.05 | – | – |
| 5 | Oon Hock Chye | 20,000 | 0.00 | – | – |
| 6 | Rosaline Heah Gaik See | 69,800 | 0.02 | 20,000 ^(a) | 0.00 |
| 7 | Tan Gim May | – | – | – | – |

Notes: -

(a) Shares held in the name of the spouse and are treated as interest of the Director as in accordance with Section 59(11)(c) of the Companies Act 2016 ("Act")

SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

| No. | Name | Direct | | Indirect | |
|-----|------------------------------------|----------------------------|-------|----------------------------|-------|
| | | No. of Shares | % | No. of Shares | % |
| 1 | Teoh Beng Seng | 47,900,280 ^(a) | 10.41 | 213,774,855 ^(b) | 46.47 |
| 2 | Teoh Meng Keat | 26,869,600 | 5.84 | 2,666,666 ^(e) | 0.58 |
| 3 | The Best Source Holdings Pte. Ltd. | 58,728,189 ^(c) | 12.77 | – | – |
| 4 | Zhulian Holdings Sdn. Bhd. | 155,046,666 ^(d) | 33.71 | – | – |

Notes: -

(a) Beneficial interest held via UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd for Teoh Beng Seng.

(b) Deemed interest via Zhulian Holdings Sdn. Bhd. and The Best Source Holdings Pte Ltd. pursuant to Section 8(4) of the Act.

(c) Beneficial interest held via UOBM Nominee (Asing) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd for The Best Source Holdings Pte Ltd.

(d) Beneficial interest held via UOBM Nominee (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd for Zhulian Holdings Sdn. Bhd.

(e) Shares held in the name of the spouse and are treated as interest of the Director as in accordance with Section 59(11)(c) of the Act.

THIRTY (30) LARGEST SHAREHOLDERS as at 19 February 2025

| NO. | NAME | NO. OF SHARES HELD | % |
|-----|---|--------------------|-------|
| 1 | UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd. for Zhulian Holdings Sdn. Bhd. | 155,046,666 | 33.71 |
| 2 | UOBM Nominees (Asing) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd for The Best Source Holdings Pte Ltd. | 58,728,189 | 12.77 |
| 3 | UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd for Teoh Beng Seng | 47,900,280 | 10.41 |
| 4 | Teoh Meng Keat | 26,869,600 | 5.84 |
| 5 | Chong Siew Kam | 21,850,000 | 4.75 |
| 6 | Teoh Meng Lee | 8,666,666 | 1.88 |
| 7 | Teoh Meng Soon | 8,666,666 | 1.88 |
| 8 | Chia Kim Lan | 3,420,646 | 0.74 |
| 9 | Yeap Kim Siew | 3,201,900 | 0.70 |
| 10 | Yayasan Terengganu | 2,679,478 | 0.58 |
| 11 | Khoo Lay Boon | 2,666,666 | 0.58 |
| 12 | Sin Poh Seah | 2,035,366 | 0.44 |
| 13 | Teoh Siew Choo | 1,707,600 | 0.37 |
| 14 | Teoh Siew Hong | 1,532,469 | 0.33 |
| 15 | Mohd Munir Bin Abdul Majid | 1,504,666 | 0.33 |
| 16 | Ng Gaik Hua | 1,400,000 | 0.30 |
| 17 | Khoor Ah Siew | 1,224,000 | 0.27 |
| 18 | Yeap Mong Sie | 1,221,500 | 0.27 |
| 19 | Koo Guat Ean | 1,166,753 | 0.25 |
| 20 | Teoh Shin Yi | 1,165,900 | 0.25 |
| 21 | TC Holdings Sendirian Berhad | 1,100,000 | 0.24 |
| 22 | Yeap Hooi Hooi | 1,071,900 | 0.23 |
| 23 | Perbadanan Kemajuan Negeri Kedah | 1,007,593 | 0.22 |
| 24 | Ong Yoke Chee | 893,800 | 0.19 |
| 25 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Hwee Loong (SECT 17 PJ-CL) | 826,000 | 0.18 |
| 26 | Butterfish Sdn. Bhd. | 800,000 | 0.17 |
| 27 | HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee Kim Soon (CCTS) | 800,000 | 0.17 |
| 28 | Teoh Meng Soon | 762,500 | 0.17 |
| 29 | Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Khong Shoong (E-IMO/JSI) | 750,000 | 0.16 |
| 30 | Idayu Binti Achek @ Bachik | 710,300 | 0.15 |
| | | 361,377,104 | 78.53 |

ZHULIAN CORPORATION BERHAD 199701000031 (415527-P)

NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting ("AGM") of ZHULIAN CORPORATION BERHAD ("the Company") will be held at Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 George Town, Penang on Wednesday, 21 May 2025 at 2.30 p.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 November 2024 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with Article 88 of the Company's Constitution, and who, being eligible, offered themselves for re-election: -
 - a) Oon Hock Chye Resolution 1
 - b) Rosaline Heah Gaik See Resolution 2
3. To re-elect Dr. Abdul Malik Bin Md Yusoff who retire in accordance with Article 95 of the Company's Constitution, and who, being eligible, offered himself for re-election. Resolution 3
4. To approve the payment of Directors' fees and benefits payable up to an aggregate amount of RM216,000 for the financial year ending 30 November 2025. Resolution 4
5. To re-appoint Messrs KPMG PLT, the retiring Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. Resolution 5

AS SPECIAL BUSINESS:

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

6. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016** Resolution 6

"THAT subject always to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the provision of the Constitution of the Company and the approval of any relevant governmental/ regulatory authorities, the Board of Directors ("Board") be and is hereby empowered pursuant to Section 76 of the Act, to allot and issue shares in the capital of the Company at any time until the conclusion of the next AGM and to such person or persons, upon such terms and conditions for such purpose as the Board may, in its absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10%) per centum of the issued share capital of the Company for the time being and THAT the Board be and is also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued ("Mandate").

THAT pursuant to Section 85 of the Act to be read together with Article 10 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new shares pursuant to the Mandate AND THAT such new shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;

AND FURTHER THAT the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the allotment and issuance of new shares pursuant to the Mandate."

7. To transact any other ordinary business for which due notice has been given.

NOTICE IS HEREBY GIVEN that for purpose of determining a member who shall be entitled to attend this Twenty-Eighth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 14 May 2025. Only a depositor whose name appears on the Record of Depositors as at 14 May 2025 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

By Order of the Board

Ch'ng Lay Hoon
SSM PC No. 201908000494
MAICSA 0818580
Company Secretary
Penang

28 March 2025

ZHULIAN CORPORATION BERHAD 199701000031 (415527-P)
NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

NOTES:

1. Proxy

- 1.1 A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote in his stead.
- 1.2 (a) Where a member is an authorised nominee ("AN") as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), the AN may appoint proxy(ies) in respect of each securities account it holds which is credited with ordinary shares of the Company.

(b) Where a member of the Company is an exempt authorised nominee ("EAN") as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), the EAN may appoint proxy(ies) in respect of each omnibus account it holds.
- 1.3 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- 1.4 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in such other manner approved by its directors. Any alteration to the instrument appointing a proxy must be initialed.
- 1.5 The instrument appointing a proxy must be deposited at the Company's registered office at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.
- 1.6 Pursuant to Paragraph 8.29A of the Bursa Securities Main Market Listing Requirements, all resolutions set out in the Notice of Twenty-Eighth AGM will be put to vote on a poll.

2. Audited Financial Statements for financial year ended 30 November 2024

The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

3. Explanatory Notes:

On Ordinary Business

Under the proposed Ordinary Resolution 4, the Directors' fees and benefits payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the Directors' fees and benefits payable is in the best interest of the Company. The benefits comprised solely of meeting allowance. In determining the estimated total amount of Directors' fees and benefits, the Board considered various factors including the number of scheduled meetings as well as the number of Directors involved in these meetings.

On Special Business

The proposed Ordinary Resolution 6, if passed, will give a renewed mandate to the Board, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten (10%) per centum of the issued share capital of the Company for the time being, for such purposes as the Board would consider in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at the Twenty-Seventh AGM held on 15 May 2024. The renewal of the general mandate is to provide flexibility to the Company for any possible fundraising activities, including but not limiting to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is obtained, the Company would make an announcement in respect of the purpose and utilisation of the proceeds arising from such issue.

ZHULIAN CORPORATION BERHAD 199701000031 (415527-P)
NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

Save for re-election as Directors of the Company, no individual is standing for election as a Director at the forthcoming Twenty-Eighth AGM of the Company.

The retiring Directors have confirmed that they do not have any conflict of interest or potential conflict of interest that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Company or its subsidiaries.

The proposed Ordinary Resolution 6 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at last AGM held on 15 May 2024.

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| CDS ACCOUNT NO. | NO. OF SHARES HELD |
|-----------------|--------------------|
| | |

PROXY FORM

I / We,
(Full name of a member in BLOCK LETTERS as per Identity Card("MYKAD")/Passport/Certificate of Incorporation)

MYKAD / Passport No. / Company No. of
.....
(Address in full)

telephone no. & email address , being a member
of **ZHULIAN CORPORATION BERHAD** ("the Company") hereby appoint
.....
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD / Passport No. of
.....
(Address in full, telephone no. & email address)

and/or failing him
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD / Passport No. of
.....
(Address in full, telephone no. & email address)

or failing the abovenamed proxies, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company, to be held at **Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 George Town, Penang on Wednesday, 21 May 2025 at 2.30 p.m.** and at any adjournment thereof in the manner indicated below:

| Resolutions | For | Against |
|--|-----|---------|
| 1. Re-election of Oon Hock Chye as Director | | |
| 2. Re-election of Rosaline Heah Gaik See as Director | | |
| 3. Re-election of Dr. Abdul Malik Bin Md Yusoff as Director | | |
| 4. Approval of Directors' Fees & Other Benefits for the financial year ending 30 November 2025 | | |
| 5. Re-appointment of Auditors | | |
| 6. Approval to issue and allot shares pursuant to Section 76 of the Companies Act 2016 | | |

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)

Dated this day of 2025

The proportions of my/our holding to be represented by my/our proxies are as follows: -

| | No. of Shares | Percentage |
|--------------|---------------|-------------|
| First Proxy | | |
| Second Proxy | | |
| Total | | 100% |

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

Notes:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote in his stead.
2. Where a member is an authorised nominee ("AN") as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), the AN may appoint proxy(ies) in respect of each securities account it holds which is credited with ordinary shares of the Company.
3. Where a member of the Company is an exempt authorised nominee ("EAN") as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), the EAN may appoint proxy(ies) in respect of each omnibus account it holds.
4. Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in such other manner approved by its directors. Any alteration to the instrument appointing a proxy must be initialed.
6. The instrument appointing a proxy must be deposited at the Company's registered office at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.
7. For the purpose of determining a member who shall be entitled to attend this Twenty-Eighth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 14 May 2025. Only a depositor whose name appears on the Record of Depositors as at 14 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Personal Data Privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of the Company and any adjournment thereof.

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(STAMP)

TO,
The Company Secretary
ZHULIAN CORPORATION BERHAD 199701000031 (415527-P)
Suite 12-A, Level 12, Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 George Town, Penang

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Fold this flap for sealing

ZHULIAN CORPORATION BERHAD 199701000031 (415527-P)
Plot 42, Bayan Lepas Industrial Estate, Phase IV, 11900 Bayan Lepas, Penang, Malaysia.
Tel: 604-616 2020 Fax: 604-642 5989 Website: www.zhulian.com