

ZHULIAN®

ZHULIAN CORPORATION BERHAD

Company No. 199701000031 (415527-P)

(Incorporated in Malaysia)

**SUMMARY of
AGM MINUTES 2017**

Summary of the Minutes of the Twentieth Annual General Meeting (“20th AGM”) of Zhulian Corporation Berhad (“Zhulian” or “the Company”) held at Ballroom 1, Level 2, G Hotel, 168A, Persiaran Gurney, 10250 Penang on Wednesday, 26 April 2017 at 2.30 pm.

The shareholders, corporate representatives, proxies and invitees who attended the 20th AGM are set out in the Attendance List attached and shall form an integral part of these Minutes.

Chairman’s Welcome Address

The Chairman of the Board, Tuan Haji Wan Mansoor Bin Wan Omar extended a warm welcomed all shareholders, proxy holders and guests to the 20th AGM of the Company. Chairman thereafter introduced members of the Board of Directors and Company Secretary to the shareholders. He also tendered apologies from Mr Teoh Beng Seng, Group President & Chief Executive Officer who was unable to attend the AGM today.

Call to order and determination of quorum

The Chairman proceeded with the meeting proper. The Company Secretary, Ms Ong Tze-En had confirmed that a quorum was present.

Presentation

The Chairman then invited the Group Managing Director, Mr Teoh Meng Keat (“Mr Teoh”) to brief on the Group’s performance for the financial year ended 30 November 2016 (“FY2016”) and to share business plan for FY2017 going forward.

Mr Alvin Vong Chen Weng (“Mr. Alvin Vong”) introduced himself as a shareholder and analyst. His queries and responses are summarised as follows:

No.	Key Matters raised by Mr Alvin Vong	Responses from Mr Teoh on behalf of the Board of Directors
1.	Over the 2-year period from 2011 to 2012 period, there was a drop in revenue by RM400 million and understood that it was due to challenging and difficult business. Contribution from Thailand was 67% of total sales. Did the drop of sales come from domestic market?	The drop in revenue from domestic market was due to lower consumer spending over that period. As for Thai market, there was impact during that time but it stabilized after 2012.
2.	Was it due to political situation in Thailand?	Yes. At that time, Zhulian targeted rural areas where consumer spending contracted owing to the uncertainty.
3.	In terms of Thailand, was there a turnaround in the rural areas consumer spending vis a vis the political situation in Thailand?	There was a turnaround. Group’s business is correlated to consumer spending. One of the factor affecting spending was money games as mentioned earlier.
4.	Would Thailand’s growth stable out? Is it mostly from rural area?	So far, the Group is satisfied with the result from Thailand where growth is stable and gradual improvement expected from thereon.

No.	Key Matters raised by Mr Alvin Vong	Responses from Mr Teoh on behalf of the Board of Directors
		A team has been set up to look into potential in Cambodia and Laos where MLM is new and unregulated unlike Vietnam which is already regulated. The Indochina region is the targeted growth area.
5.	The Group ventured into Myanmar in 2015 and noted a 180% growth in revenue. What's contribution rate to the Group? In general, what was the ratio of contribution from Thailand, Myanmar and Malaysia to the Group?	The contribution was not huge compared to established markets and there was still room for growth.
6.	Why the investment in Indochina region was via its associate, Zhulian Thailand instead of direct investment by the Company?	<p>Firstly, it because of language barrier.</p> <p>Secondly, investment in certain of these countries is limited to associate company level up to 49%.</p> <p>Geographically, Thailand shared borders with these countries.</p> <p>As such, Zhulian Thailand was chosen to facilitate efficient management.</p> <p>In the case of Vietnam, Zhulian cannot own 100% unlike in Laos and Cambodia where by Zhulian Thailand could own at least 80%.</p> <p>Zhulian Malaysia focused on product development.</p>
7.	Since the domestic market remain challenging, will there be growth for the distribution from Malaysia?	As planned, the Group has lined 15 new products to be launched soon in the domestic market. These new products are part of overall marketing strategy to drive growth.
8.	Any investment for new product and the amount of capital expenditure required?	The Group would use its existing line of facilities to finance investment and would not require additional capital expenditure.

Notice of Meeting

The Notice convening the AGM, having been circulated for the prescribed period was, with the consent of the shareholders present, taken as read. The Chairman then continued with the business of the Meeting.

The Chairman informed that there were nine (9) Ordinary Resolutions to be tabled for approval by the shareholders on poll in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

He then requested the Company Secretary to introduce the Polling Agent and Scrutineer. The Company Secretary informed that Messrs Agriteum Share Registration Services Sdn. Bhd. is the appointed Polling Agent responsible to conduct the Poll whilst Messrs Quantegic Services Sdn. Bhd. are the Scrutineers to facilitate the polling process.

The Company Secretary also highlighted that item 6 of the Meeting agenda should reference Section 76 of the Companies Act 2016 in relation to the authority to issue shares and not as reported. She then invited the representative of the Polling Agent to brief the shareholders on the polling procedure.

Any Other Business

The Chairman noted from the Company Secretary that no notice of any other business for transaction at the Meeting had been received by the Company for this AGM.

The Scrutineers were then invited to witness the ballot and results tabulation.

The Meeting then stood adjourned at 3.05 pm for the polling process to be undertaken as directed by the Chairman.

Polling Result

The Meeting resumed at 3.35 pm. The Chairman then called the Meeting to order and thanked everyone (shareholders, corporate representatives and proxy holders) for their patience to wait for the results of the poll.

The Chairman proceed to read out the results of the poll as presented by the Scrutineers, Messrs Quantegic Services Sdn Bhd. The summary are as follows:

Ordinary Resolution	For		Against		Abstained	Spoilt	Total Casted
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares
1	365,719,597	100	100	0.00	10,000	-	365,729,697
2	365,719,597	100	-	-	10,100	-	365,729,697
3	365,715,163	100	100	0.00	14,434	-	365,729,697
4	365,729,597	100	-	-	100	-	365,729,697
5	365,726,597	100	100	0.00	3,000	-	365,729,697
6	365,685,163	99.99	40,000	0.01	4,534	-	365,729,697
7	365,729,597	100	100	0.00	-	-	365,729,697
8	365,679,697	99.99	40,000	0.01	10,000	-	365,729,697
9	365,729,597	100	-	0.00	100	-	365,729,697

The Chairman then declared all the 9 resolutions duly approved by the shareholders as carried by a majority of the votes casted earlier.

Agenda	Resolution	Outcome of Meeting
1.	Audited Financial Statements for the financial year ended 30 November 2016 together with the Reports of Directors and Auditors thereon	There was no question from the floor, the Chairman declared that the Audited Financial Statements for the financial year ended 30 November 2016 were duly tabled and received by the shareholders.
2.	Ordinary Resolution 1 Re-election of Teoh Beng Seng	“THAT Teoh Beng Seng, who retired in accordance with Article 94 of the Company’s Articles of Association, be re-elected as Director of the Company.”
	Ordinary Resolution 2 Re-election of Teoh Meng Soon	“THAT Teoh Meng Soon, who retired in accordance with Article 94 of the Company’s Articles of Association, be re-elected as Director of the Company.”
3	Ordinary Resolution 3 Approval of Directors’ fees for the financial year ended 30 November 2016	“THAT the payment of Directors’ Fees amounting to RM120,000 for the financial year ended 30 November 2016 be and are hereby approved.”
4	Ordinary Resolution 4 Re-appointment of Messrs KPMG PLT as Auditors of the Company	“THAT Messrs KPMG PLT (converted from a conventional partnership, KPMG, on 27 December 2016) be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next AGM of the Company at a remuneration to be determined by the Board of Directors.”
5	Ordinary Resolution 5 Approval of Directors’ fees and benefits payable for the financial year ending 30 November 2017	“THAT the payment of Directors’ Fees amounting up to RM132,000 for the financial year ended 30 November 2017 be and are hereby approved.”
6	Ordinary Resolution 6 Authority to issue shares pursuant to Section 76 of the Companies Act 2016	“THAT, subject always to the Companies Act, 2016 (“the Act”), the Articles of Association of the Company and the approvals of the relevant government / regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 76 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of total number of issued shares/total number of voting shares of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued.”

Agenda	Resolution	Outcome of Meeting
7.	Ordinary Resolution 7 Continuation in Office of Haji Wan Mansoor bin Wan Omar as Independent Non-Executive Director (“INED”)	“THAT Haji Wan Mansoor bin Wan Omar, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained and continue to act as an Independent Non-Executive Director of the Company in accordance with Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) until the conclusion of the next Annual General Meeting.”
8.	Ordinary Resolution 8 Continuation in Office of Diong Chin Teck as INED	“THAT Diong Chin Teck, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained and continue to act as an Independent Non-Executive Director of the Company in accordance with MCCG 2012 until the conclusion of the next Annual General Meeting.”
5	Ordinary Resolution 9 Continuation in Office of Tan Lip Gay as INED	“THAT Tan Lip Gay, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained and shall continue to act as an Independent Non-Executive Director of the Company in accordance with MCCG 2012 until the conclusion of the next Annual General Meeting.”

Conclusion

There being no further business, the Meeting concluded at 3.40 pm with a vote of thanks to the Chair.

SIGNED

Chairman